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The European External Action Service: a new institutional framework for EU development cooperation

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German Development
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15/2010

The European External Action Service: A New Institutional Framework for EU Development Cooperation

Mark Furness

The European External Action Service:
A new institutional framework
for EU development cooperation

Mark Furness

DIE Research Project
'European Policy for Global Development'

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Preface

This discussion paper was produced as part of the research project ‘European Policy for Global Development’ funded by the German Ministry for Economic Cooperation and Development (BMZ) under the direction of Dr. Sven Grimm. The project analyses the European Union’s capabilities to engage for global policy. It looks particularly into the management of policy nexuses, i.e. it analyses new European Union (EU) initiatives and instruments (aid effectiveness), the institutional setup (aid architecture) and the coherence for development. The project approaches issues of coherence and coordination within the EU’s complex system of multi-level governance – encompassing the European as well as the member state level – around two thematic areas (‘trade’ and ‘security’) and their relation to development policy – as well as the challenge arising for Europe from emerging new actors in the field, in particular China.

The paper draws on a number of interviews with officials from the European Council Secretariat, the European Commission, the European Parliament and EU member state development and foreign ministries. I am grateful to everyone for their time and their candid observations. I am also grateful for discussions with my project colleagues Sven Grimm, Christine Hackenesch and Davina Makhan. In addition to the aforementioned I would like to thank Erik Lundesgaard, Dirk Messner, Guido Ashoff, Anja Wagner, Matthias Ruchser, Peter Wolff and Silke Weinlich for comments on earlier drafts, versions and arguments. I would also like to thank project coordinator Gertrud Frankenreiter and Ina Klemke for their assistance in preparing this paper. The views expressed herein do not reflect the positions of either the BMZ or the German Development Institute. All errors and omissions are the fault of the author.

Abstract

Development cooperation will be central to the external policy of the post-Lisbon Treaty EU. Measuring up to the letter and spirit of the Lisbon Treaty requires strengthening the European Union (EU) as a development actor, while ensuring that development policy is flexible enough to respond to – but not be dominated by – the demands of a changing foreign policy environment. The new European External Action Service (EEAS) will be the key EU external policy institution and will play an important role in EU development policymaking. Public debates accompanying the EEAS' roll-out have highlighted four crucial areas where the new Service can help improve the effectiveness of EU development policy: promoting policy coherence for development, facilitating coordination among actors, fostering professionalism and building legitimacy. All these elements require member states to continue to support the EU external policy integration process, stronger institutional measures to protect development objectives, and strong involvement from the European Commission and Parliament. Improving the coherence, coordination, professionalism and legitimacy of development policy has great potential for increasing the EU's global influence, both as a development actor and as a foreign policy actor.

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Abbreviations

AFET	European Parliament Foreign Affairs Committee
BMZ	German Ministry for Economic Cooperation and Development
CFSP	Common Foreign and Security Policy
CIDSE	International network of Catholic development agencies
COREPER	European Union Council of Permanent Representatives
CSDP	Common Security and Defence Policy
DCI	Development Cooperation Instrument
DfID	UK Department for International Development
DG	European Commission Directorate-General
DG E	General Secretariat of the Council of the European Union, Directorate-General E – External and Politico-Military Affairs
EDF	European Development Fund
EEAS	European External Action Service
EEPA	European External Policy Advisors
EMU	European Monetary Union
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EPP	European People’s Party
ESDP	European Security and Defence Policy
EU	European Union
FAC	Foreign Affairs Council
HR	High Representative of the Union for Foreign and Security Policy
HR/VP	High Representative/Vice President of the European Commission
MDGs	Millennium Development Goals
MEP	Member of the European Parliament
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	OECD Development Assistance Committee
ODA	Official Development Assistance
PCD	Policy Coherence for Development
Relex	European Commission Directorate-General for External Relations
TEU	Treaty on European Union (Maastricht Treaty)
TFEU	Treaty on the Functioning of the European Union
UK	United Kingdom of Great Britain and Northern Ireland

1 Introduction

The Lisbon Treaty entered into force on 1 Dec. 2009 after nearly a decade of fractious debate over European Union institutional reform. Expectations are high – the Treaty has been seen as a ‘once-in-a-generation opportunity’ to improve the coherence of the EU’s external policies in support of common global objectives.¹ The process of building the institutions through which the Treaty will be implemented has proved to be no easy task. During the current transition period it is still too soon to judge whether the new setting will facilitate improvements that will ease long-standing problems inherent in a policy area characterised by distinct modes of decision-making, or whether it will result in even greater confusion about who should do what. It is likely to be several years before the full implications of the Lisbon Treaty for the EU’s international role become clear. For now, the main tasks are to put mechanisms in place that enable external relations, development and foreign policies to complement each other, harmonise decision-making procedures as much as possible, and encourage Community and member state actors to work together towards common objectives.²

Europe has not been transformed into a nation-state and there will be no single phone number for confused foreign leaders to call. Rather, the Lisbon Treaty’s intention is to channel a multi-actor process more efficiently by combining EU external relations, development and foreign policy in a single institutional framework with a simplified chain of command (Ashton 2010). On 25 Mar. 2010 Catherine Ashton, the EU’s new High Representative for Foreign and Security Policy and Commission Vice President, released her ‘Proposal for a Council Decision Establishing the European External Action Service (EEAS).’³ Ashton’s proposal has subsequently been approved by the European Council, Commission and Parliament following at times intense negotiations over the EEAS’ institutional structure and policymaking responsibilities. Once it is launched – most likely on the first anniversary of the Lisbon Treaty on 1 Dec. 2010 – the EEAS will have a major influence over development policy through its role in setting overall strategies for the EU’s Official Development Assistance (ODA) budget. The Commission will remain in charge of managing the financial instruments and implementing programmes, and the Development Commissioner will remain ultimately responsible for policy decisions. These new arrangements leave several open questions, particularly regarding the day-to-day process through which development policy decisions will be made and translated into programmes on the ground in partner countries, and the extent to which the Commission Directorate-General (DG) for Development will be able to influence the policymaking process in the new EU external policy setting.

The EU’s complexity presents unique challenges to its institutional architects. The difficulty of these issues is in part due to procedural complexities – the Lisbon Treaty does not

1 HR Catherine Ashton, speech to European Parliament Foreign Affairs Committee, 23 Mar. 2010.

2 For the purposes of this paper, the term ‘external policy’ refers to policy areas likely to be under the mandate of the High Representative and the External Action Service. This includes ‘external relations’ (policy areas where decisions are taken in the European Commission) and ‘foreign policy’ (policy areas where decisions are taken unanimously in the European Council). The borders between these areas of responsibility are not clearly defined.

3 ‘Proposal for a Council Decision of (date) establishing the organisation and functioning of the European External Action Service (25 Mar. 2010)’ available at www.eeas.europa.eu (accessed 29 Mar. 2010).

change the fact that EU foreign policymaking is an intergovernmental process, whereas development policy decisions are taken in the Commission. For the most part, intra-EU debates over the tasks that the EEAS should be responsible for and those which should be left in the hands of the Commission have centred on narrow political questions about protecting policymaking prerogatives and deciding who should get the best jobs in the new external policy bureaucracy. The conceptual issue of how best to balance EU foreign and development policy in a strategy for engaging with the outside world has not shaped the EEAS debate to the extent that it should have, considering its importance. While it is clear that this question is highly controversial and most EU governments would rather avoid it, it will have to be faced sooner rather than later. It is difficult to see the EEAS' roll-out taking place smoothly and successfully unless there is a clear understanding of what it is meant to achieve.

The question of whether the institutional changes introduced by the Lisbon Treaty will make the EU stronger internationally is important not only for Europe's place in the world, but also for the global development agenda. The interdependence of policymaking 'arenas' has increased significantly in recent years as the result of geopolitical changes brought about by the growing wealth and power of Asian and Latin American countries (Kennedy 2010). At the same time, the UN's Millennium Development Goals (MDGs), which have significantly raised awareness in Western countries at the plight of the world's poor, have arguably become less useful as aggregate benchmarks for progress as some developing countries have grown richer in absolute terms while domestic inequality has risen.⁴ Global development challenges are becoming increasingly more diverse: addressing poverty, insecurity and state fragility in sub-Saharan Africa requires different approaches than addressing the development priorities of 21st Century China, Brazil or India. The restructuring of EU external policy provides an opportunity to revisit Europe's development cooperation strategies in a changing global context, especially regarding possible synergies between policy areas.

Measuring up to the letter and spirit of the Lisbon Treaty requires strengthening the EU as a development actor, while ensuring that development cooperation is flexible enough to respond to – but not be dominated by – the demands of a changing foreign policy environment. Article 208 of the Lisbon Treaty (TFEU) requires that development cooperation is conducted within the framework of external action. The Treaty states further that “*The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries*”.⁵ In a recent speech to the European Parliament Development Committee, EU Development Commissioner Andris Piebalgs said that he believes that “*perhaps more than in any other sector development reflects Europe's shared values and common willingness to implement them effectively... development rightly finds its place at the head and heart of EU external action worldwide*”.⁶ If it is done well, the post-Lisbon institutional re-organisation will make the EU a

4 Eveline Herfkens, speech ‘Beyond MDGs – The Future of Development Policy and Politics’, Bonn, 2 July 2010

5 See: www.lisbon-treaty.org/wcm/ (accessed 23 Mar. 2010). The Lisbon Treaty amends the Treaty of Rome, which is renamed the ‘Treaty on the Functioning of the European Union’ (TFEU) and the Maastricht Treaty on European Union (TEU).

6 Commissioner Andris Piebalgs, speech to European Parliament Development Committee, 2 June 2010.

more effective development actor and a more influential international actor. If it is not, the risks of confusion, sub-optimal policy outcomes, and disappointment are high.

The rest of this paper is organised as follows: the next section outlines the importance of institutions to EU external policy and suggests criteria for analysing HR Ashton's proposal for the post-Lisbon institutional framework. Section three briefly describes the main features of this framework. Section 4 illustrates the centrality of development to EU external policy, and recounts the development policy discussions during the intra-EU negotiations leading to Ashton's proposal. Section four examines this bargain from a development perspective with emphasis on four thematic areas that have been highlighted by public debates over the EEAS' form, function and potential: policy coherence for development, actor coordination, institutional and staff professionalism, and legitimacy. Section five concludes with the implications of coherent, coordinated, professional and legitimate development policy for the EU's evolution as an international actor, and suggests avenues for research as the Lisbon Treaty takes effect over the next few years.

2 The institutional evolution of EU external policy

The external policy institutions introduced by the Lisbon Treaty are not revolutionary, but build on decades of integration. The emergence of an 'EU foreign policy' has not been a smooth process of continuous integration but has proceeded in fits and starts. Since the 1986 Single European Act external cooperation has been institutionalised in policy areas where member states have recognised that action through the EU can bring greater benefits than acting alone or in other types of coalition. Since the 1992 Maastricht Treaty major steps have been taken in coordinating the foreign policies of the EU's member states and creating common mechanisms for pursuing shared interests. In the post-Cold War global order the relative importance of states such as Britain, France, the Netherlands, Belgium, Spain, Portugal and Germany, which once dominated the world through imperial conquest and conflict, has waned as China, India and Brazil have risen to international prominence (Roberts 2010). The integration of EU external policy that has accompanied this geopolitical shift is real – decisions are being taken at the European level that would have been unthinkable even a decade ago (see Grevi / Helly / Keohane 2009). The EU has evolved into both a negotiated framework of rules and practices through which its member governments conduct relations, pool resources, and use as a basis for future negotiations. It is also an international actor in its own right with limited policymaking prerogatives.

Due to the complex bureaucratic nature of the EU, institutions are as essential to external policy integration as they have been to the integration of the former 'first pillar' of the European Community.⁷ Institutionalisation has been reinforced by both informal processes and by EU Treaty law (Smith 2001). Negotiations among the EU's member states, the Commission and the Parliament have resulted in an policymaking setting that is highly complex, but works nonetheless – *“an institutionally fragmented, yet functionally unified policymaking framework”* with a *“distinct foreign policy that adds up to more than the*

7 The Lisbon Treaty abolished the EU's 'pillar' structure where policy areas were formally divided into three areas: community policies (1st pillar), Common Foreign and Security Policies (2nd Pillar) and Justice and Home Affairs (3rd pillar).

sum of its member states' foreign policies" (Stetter 2004). Multi-level external policymaking has been institutionalised in the EU, while national sovereignty has been upheld (Smith 2004b). Balance and flexibility are maintained through a complex web of institutional actors whose responsibilities are defined by formal and informal sets of rules.

EU external policy integration has proceeded faster in some areas than in others, resulting in a tripartite division of decision making into communitarised policy such as trade and external relations, intergovernmental foreign, security and defence policy, and mixed competency areas such as development cooperation (Smith 2004a). In trade policy the Commission represents the EU in the World Trade Organization.⁸ Formally, foreign policy decisions are taken by consensus, as member governments consider security policy and some aspects of international diplomacy too important to national preferences to place in the hands of Brussels. In practice, the 'functional indivisibility' of foreign policy blurred the lines between Common Foreign and Security Policy (CFSP) and external relations decision-making (Stetter 2004). In contrast, European development policymaking and implementation is shared between member state bilateral activities, member state and Community contributions to multilateral organisations such as the United Nations and the World Bank, member state contributions to the EU-administered European Development Fund (EDF), and Community programmes funded by the EU budget, including the Development Cooperation Instrument (DCI) and the European Neighbourhood and Partnership Instrument (ENPI).

The argument that simplifying the institutional setting for EU external policymaking would ease decision-making and help strengthen Europe's capacity for joint action has been prominent for several years.⁹ Proposals for an EU Constitutional Treaty that emerged from the Convention on the Future of Europe (2002–2003) recognised the necessity of institutional mechanisms for linking the EU's various external policies (Behr / Siitonen / Nykänen 2010). The Lisbon Treaty's unification of the posts of High Representative for Common Foreign and Security Policy (previously reporting directly to the intergovernmental European Council), and the Commissioner for External Relations, necessitated combining the foreign policy sections of the Council Secretariat with the parts of the Commission that deal with international affairs. Although an external policy bureaucracy already exists in the form of DG External Relations (Relex), member states' desire to maintain intergovernmental decision-making on the CFSP necessitated the creation of a new Service, rather than strengthening the Commission's external policy competencies. As some observers have pointed out, the new institutional setting reflects not only a desire to improve the efficiency of external policy decision-making, but is also indicative of a belief that intergovernmental diplomacy should be infused with aspects of the 'functionalist' EU integration process (Lefebvre / Hillion 2010). Whether the EEAS is able to exert an independent, driving influence on EU foreign policymaking – as functionalist theory contends the Commission has been able to do with regard to the former 'first pillar' in

8 Member states have reserved the right to veto international trade agreements. French leaders have threatened on several occasions to veto the Doha Round if major agricultural reforms are included. See, for example, *Guardian* 21 June 2003, BBC news 30 Oct. 2005, *EurActiv* 30 May 2007.

9 See, for example, Joschka Fischer, 'From Confederacy to Federation: Thoughts on the Finality of European Integration, speech at the Humboldt University, Berlin, 12 May 2000.

particular – will be among the more interesting (and contentious) aspects of its first few years of operation.

The interplay between instrumentalist and universalist rationales is arguably the defining feature of EU external policy. EU institutions and agencies must be capable of dealing with them simultaneously in ways that ‘great powers’ do not. The EU is expected to advance European ‘interests’ globally, but not at the expense of the Union’s core ‘values’ of democracy, transparency and human rights. As Michael Smith (2009) has recently posited, there is evidence that external policy integration has been driven by reactions to the inherent tensions between these rationales. EU institutions are expected to shape decision-making in the Hobbesian world of international politics despite lacking the means to resort to violent coercion. The EU is supposed to wield the sort of influence that is traditionally the preserve of empires, but without recourse to the Emperor’s favourite means of persuasion. Instead, Europe’s economic weight is its main source of ‘hard power’ leverage. Europe’s wealth is only one asset that it can bring to the global development agenda, albeit a crucial one. In any case channelling this wealth effectively requires that the external policy bureaucracy is able to serve legitimate social purpose as well as the economic and political interests of the EU, its member governments and its partners. The EU’s reliance on ‘soft power’ and the ability to co-opt places a premium on coherent policy, efficient institutional coordination, individual and institutional professionalism and legitimacy.

Much of the public debate that has accompanied the intra-EU negotiations on the post-Lisbon institutional setting for external policy has highlighted these four areas in particular. If the EEAS is to strengthen EU development cooperation as an essential component of external policy it must be capable of performing four tasks well. First, the EEAS must facilitate policy coherence for development (PCD): EU external security and economic policies must at least do no harm to the development of third countries, and should at best actively support development objectives (Ashoff 2005). Second, the EEAS’ organisational structure should promote coordination among community and member state actors engaged in development policy and implementation. Third, the EEAS should operate effectively as part of the EU bureaucracy, minimise waste and duplication, and a culture of merit must guide staff recruitment, training and postings with the joint goal of improving output as well as internal efficiency. Fourth, the EEAS must prove a legitimate actor in that it builds consensus and is actively supported by governments and development actors in the EU and in partner countries, as this will be its main source of ‘political capital.’ These are all medium-term processes and judgements of success or failure cannot be made immediately. Nevertheless it is important that the institutional setting being established in 2010 neither creates barriers to these processes over the next decade, nor neglects key facilitating factors. If the EEAS’ roll-out is accompanied by firm principles safeguarding all of these areas, the likelihood that effective development policy will become the central platform for a more influential EU external policy will increase markedly.

3 The post-Lisbon external policy bargain

Article 27.3 TEU provides the legal basis for the establishment of the EEAS, but does not provide any guidelines as to the competencies of the service. The Treaty states only that:

“In fulfilling his (sic) mandate, the High Representative shall be assisted by a European External Action Service. This service shall work in cooperation with the diplomatic services of the Member States and shall comprise officials from relevant departments of the General Secretariat of the Council and of the Commission as well as staff seconded from national diplomatic services of the Member States. The organisation and functioning of the European External Action Service shall be established by a decision of the Council. The Council shall act on a proposal from the High Representative after consulting the European Parliament and after obtaining the consent of the Commission.”

In January 2010 HR Ashton created a small high level working group to coordinate negotiations on the EEAS which included representatives from the Commission, the Council Secretariat, the Spanish Presidency and key member states.¹⁰ Ashton’s team faced challenges that were not foreseen by the drafters of the Lisbon Treaty, especially regarding the political sensitivity and sheer magnitude of the task (Vanhoonacker / Reslow 2010). The working group’s efforts were discussed at length in several weekly meetings of the Council of Permanent Representatives (COREPER), the March Foreign Ministers’ meeting in Cordoba, the College of Commissioners and sessions of the Parliament’s Foreign Affairs Committee (AFET) during February and March.¹¹ This period was particularly difficult for HR Ashton herself, as she was expected to fulfil the functions of both of her predecessors while creating a new institution.

In addition to technical challenges, Ashton’s team found themselves at the centre of a turf war over the EEAS structure and mandates. The central dilemma for the British, French and German governments was to balance their interests in a strong diplomatic role for the EU with their desire to maintain their own diplomatic networks and bilateral relationships (Lieb / Kremer 2010). The EU’s larger member states pushed for an arrangement that would empower the High Representative and the EEAS while at the same time to limit their independence by keeping them closely tied to the Council. Ashton made several trips to Berlin, Paris and London to conduct meetings at the highest level and the ‘big three’ moved to ensure representation in key positions of the EEAS hierarchy. In late February a difference of opinion appeared between France and Germany on one hand and the UK on the other. The French and German governments were uncomfortable with Ashton’s reliance on British officials in her personal cabinet and EEAS working group, which they interpreted as a perfidious attempt to secure long-term influence over EU external policy for the UK.¹² In a classic diplomatic ‘shot across the bows’, an internal German Foreign Ministry document was leaked to the *Guardian* in which German officials expressed dismay at British domination of the EEAS’ roll-out.¹³

10 *European Voice* 28 Jan. 2010.

11 See Ian Traynor ‘Diplomacy, EU Style,’ *E-Sharp* May–June 2010, www.esharp.eu (accessed 30 July 2010). HR Ashton reportedly raised eyebrows when she insisted that French officials use the English language in a preparation meeting for the Foreign Affairs Committee in late January, although it is not clear whether the French government interpreted this as an attempted British takeover.

12 *Der Spiegel* 2 Mar. 2010.

13 *Guardian* 28 Feb. 2010.

Box 1: Key changes to EU external policy under the Lisbon Treaty

- Former Belgian Prime Minister Herman van Rompuy has been appointed as President of the European Council for a once-renewable two-and-a-half year term.¹⁴
- The Lisbon Treaty combines the offices of Commissioner for External Relations and High Representative for CFSP. HR/VP Catherine Ashton ‘wears the hats’ of both the European Council and the Commission.¹⁵
- The Barroso II Commission that took office in February 2010 includes four Commissioners with explicit external relations roles: HR Ashton, Development Commissioner Piebalgs, Humanitarian Assistance Commissioner Kristalina Georgieva, and Enlargement/Neighbourhood Commissioner Štefan Füle.¹⁶
- The High Representative will be supported by the new European External Action Service comprised of Commission, Council Secretariat and Member State diplomats. The EEAS will assume responsibility for much of the work of the Commission’s DG Relex and DG E of the Council Secretariat.
- A further significant change is the Treaty’s de-powering of the influence of the EU’s six-month rotating Presidency on external policy.
- The former Commission delegations in partner countries have become EU delegations. Heads of delegations will henceforth represent the EU rather than the rotating Presidency.
- EU Delegations will also be responsible for diplomatic representation and political reporting, and many will be enlarged to cope with the increased workload.

Source: Author

Smaller EU member states were less vocal about the EEAS’ function and policy responsibilities, but wary of the EU’s ‘big three’ creating and dominating a foreign policymaking apparatus outside Community control. Led by the Visegrad countries, small member states did not attempt to block the process but lobbied to be represented in the highest levels of the EEAS.¹⁷ Small states also lobbied to have consular services included in the responsibilities of the EU delegations, enabling them to close embassies in some cases.¹⁸

The Commission, acutely aware that the gathering Euro crisis was pressuring member state enthusiasm for integration, did not want to lose competencies accumulated over decades. President Barroso moved early to secure a strong influence for the Commission in the EEAS through his insistence that the Commissioners for Development, Enlargement / Neighbourhood and Humanitarian Affairs would work closely with the High Representative and the

14 One of the Council President’s roles is to ‘ensure the external representation of the Union.’ In diplomatic protocol terms, President van Rompuy is equivalent to a head of state, HR Ashton to a foreign minister.

15 HR Ashton is also a Vice-President of the Commission and chairs the EU’s Foreign Affairs Council (FAC), which the Lisbon Treaty establishes as a separate entity from the General Affairs Council (GAC – the two meetings were previously combined in the General Affairs and External Relations Council – the GAERC). Commissioner Piebalgs will represent the Commission at FAC meetings.

16 European Commission Press Release ‘President Barroso unveils his new team,’ IP/09/1837, 27 Nov. 2009. The work of Trade Commissioner Karel de Gucht will also influence external policy, especially development cooperation.

17 *EU Observer* 10 Mar. 2010.

18 Belgium, as EU President for the second half of 2010, has a unique opportunity to influence the next stage of the process. Belgian diplomats have declared their intention reduce the rotating presidency’s foreign policy influence by shifting chairmanship of all EU Council foreign affairs working groups to the office of the High Representative.

EEAS ‘to ensure coherence in our external policy.’¹⁹ Barroso also lobbied to keep primary responsibility for development and neighbourhood policy – the external policy areas where the EU has the greatest influence – with the Commission (Lefebvre / Hillion 2010).

Negotiations mostly took place behind closed doors, but acrimony occasionally escaped into the public domain. One report quoted member state diplomats accusing the Commission of ‘asset stripping’, while President Barroso reportedly expressed disappointment at the ‘direct affront to Commission competence’ that the prospect of an EEAS role in development policymaking represented.²⁰ Commission officials expressed private dismay at the shift towards intergovernmentalism and what they considered a member state power-grab over the EU’s development budget. Rumblings of discontent were also heard from the corridors of the European Parliament, where MEPs threatened to block the launch of the EEAS unless their concerns were taken into account. HR Ashton, in the unenviable position at the centre of the turf war, came under attack from several quarters. She was criticised in some sections of the media for her lack of experience and political clout, for not travelling to Haiti immediately following the 12 Jan. earthquake, and for missing an EU Defence Ministers’ meeting in Majorca in February.²¹ The potential of this acrimony to undermine work on the EEAS prompted former British Foreign Minister David Miliband and Swedish Foreign Minister Carl Bildt to write an open letter supporting Ashton and expressing concern “*about some of the inter-institutional struggles evident in our current negotiations on the EEAS package.*”²²

The initial outcome of the negotiations, HR Ashton’s Mar. 25 EEAS proposal, represented a compromise closer to the positions of the member states (especially France and Germany) than the Commission (see Box 2). Ashton’s proposal was given formal approval with minor amendments by the European Council on 27 Apr., but was delayed by the refusal of the European Parliament to give its assent. The Parliament rejected Ashton’s proposal on the grounds that the EEAS will be politically accountable neither to Parliament nor to member states, that the Secretary-General will be too powerful (and as a civil servant, unsackable), and that the model for development policy will not be coherent.²³ The Parliament does not have co-decision powers regarding the EEAS’ policy responsibilities, and the Lisbon Treaty requires only that it be consulted on the EEAS’ establishment. However, it must approve changes to the EU’s budget and staff regulations that are required to launch the Service.²⁴ MEP Elmar Brok, the Parliament’s *rapporteur* for the EEAS, demanded that it be administratively attached to the European Commission, and bluntly warned that ‘the Service can’t have any staff if the EP doesn’t approve its budget.’²⁵ This reaction was unsurprising as key MEPs were consulted only to find that their recommendations were not incorporated in the 25 Mar. document.²⁶

19 President José Manuel Barroso, letters to Commissioners Piebalgs, Füle and Georgieva, Nov. 2009/Jan. 2010.

20 *European Voice* 11 Mar. 2010.

21 *Der Spiegel* 8 Mar. 2010.

22 David Miliband and Carl Bildt, letter to the Right Honourable Baroness Catherine Ashton, High Representative of the Union for Foreign and Security Policy, 3 Mar. 2010.

23 Alliance of Liberals and Democrats for Europe, press release 25 Mar. 2010.

24 *EurActiv* 14 June 2010.

25 ‘Elmar Brok on the European External Action Service’, European Parliament Press Service, 14 June 2010.

26 *EurActiv* 11 June 2010.

Box 2: Key features of the EEAS

- HR Ashton will conduct ‘shuttle diplomacy’ and will be deputised as appropriate by Commissioners Piebalgs, Georgieva and Füle. Member state Foreign Ministers may also perform this role where appropriate.
- The EEAS will be managed by a Secretary-General, most likely be a high-ranking civil servant from one of the large member states who will be assisted by two deputies and a chief operating officer.
- The service will be organised into several directorates general, comprising geographic desks covering all countries and all regions of the world, desks managing EU relations with multilateral bodies such as the United Nations and the G-20, and thematic desks dealing with global issues such as non-proliferation, climate change, democracy promotion and human rights.
- The ‘core competency’ of the EEAS will be managing the delicate linkages between security policy and development policy, especially in fragile states.
- Most of the current DG Relex, and all of DG development’s country and regional desks, will be transferred to the EEAS.
- The service will also include the Council Secretariat’s DG E, the EU’s military staff, the SitCen intelligence bureau and the Crisis Management Directorate.
- The EEAS will serve as a crucial interlocutor between Brussels and national capitals as at least one third of its staff will be postings from member state ministries.
- The EU’s Heads of Delegation and Special Representatives will report directly to HR Ashton. Heads of Delegation will be responsible for the delegation’s activities even though some delegation staff will be Commission employees.
- Although EU officials are careful to refer to the EEAS as a ‘service’ and not an ‘institution’, Ashton’s proposal establishes the EEAS as an ‘institution’ within the meaning of Article I of the EU’s financial regulation.

Source: Proposal for a Council Decision of (date) establishing the organisation and functioning of the European External Action Service, revised draft (21 June 2010), Consolidated Version with Latest Amendments post-Quadrilogue of 21 June 2010.

Negotiations with the Parliamentary Foreign Affairs (AFET) Committee concluded in a revised proposal released on 21 June. The main change from Ashton’s original proposal was the creation of the post of administrative Directorate-General, who will report to Ashton in her capacity as Vice-President of the Commission rather than as High Representative for CFSP. This seemingly arcane provision requires the EEAS’ budget to be subject to the same discharge procedure as that of the Commission, meaning that the Parliament will have annual right of approval. The extent to which this right gives Parliamentarians policy leverage is unclear, as refusing approval for the EEAS’ budget would be a ‘nuclear option’ that would shut down the service completely.

The 21 June compromise enabled the Parliament to back down without entirely realising its demands. Brok’s objections to the Secretary-General and other top posts, together with some operational aspects of the EEAS, were not addressed by the revised proposal. Several MEPs, most notably Brok’s European People’s Party (EPP) and Christian Democrat colleague Ingeborg Gräßle, expressed strong reservations and called for a Parliamentary vote to be delayed until after the summer recess to allow ‘digestion’ of the compromise.²⁷

²⁷ *European Voice* 1 July 2010.

European Socialists, Greens and Liberals did not want to give member states a chance to renege on the compromise, and the vote held on 8 July approved Ashton's proposal by a large margin.²⁸

Frau Grässle's concerns were not without substance. Despite the administrative attachment to the Commission, it is likely that once the EEAS becomes established it will have considerable policymaking autonomy. Despite the best efforts of member governments it is far from clear how even the 'big three' will be able to exercise control over the EEAS, especially in policy areas where they disagree among themselves. Nevertheless, EU Foreign Ministers formally agreed to the proposal on 26 July, and providing there are no further delays the EEAS will be launched on 1 Dec. 2010, the first anniversary of the entry into force of the Lisbon Treaty.²⁹

The Lisbon Treaty has certainly not changed everything in EU external policy. Decisions will still be taken under a mixture of community and intergovernmental procedures depending on the policy area. For instance, there has been no suggestion that decisions under the Common Security and Defence Policy (CSDP) requiring military deployments could be taken on anything other than an ad-hoc basis following unanimous agreement in the Council. Member states – especially the 'big three' (Germany, France and the United Kingdom) – are likely to continue to dominate external policy decision-making and make the most of opportunities to promote national foreign policy interests through the EU (Lefebvre / Hillion 2010). On the other hand, many aspects of Community policy with external relations dimensions – particularly trade, fisheries, environment, agriculture and energy, will continue to be administered by the Commission outside the EEAS. European development cooperation, which is influenced by all of these policy areas and has the additional complication of being split between the member states and the EU, promises to be an arena in which uncertainties left by the Lisbon Treaty are played out.

4 Developmentalising external policy: A new institutional setting for EU development cooperation

Along with trade policy, development cooperation has been at the heart of EU interactions with the outside world since the 1950s (see Makhan 2009). Since the 1992 Maastricht Treaty formally made development policy a Community competence, the EU's responsibilities – and capacities – as a development actor have grown to significantly outweigh its global contribution in other external policy fields. The EU's three main financial instruments for development cooperation – the EDF, the DCI and the ENPI, dwarf the external relations budget, let alone the CFSP budget and its associated instruments (see Table 1).

Given its centrality to EU external policy, the global influence of the EU as a donor, and the size of the development budget, it is not surprising that development policy was discussed frequently throughout the EU Constitution/Lisbon Treaty ratification process. A 2004 Commission brochure released to mark 50 years of external relations looked forward to a greater international role under the EU Constitution, especially following the creation

28 See: www.europarl.europa.eu/news (accessed 17 Aug. 2010).

29 *EU Observer* 11 June 2010.

Table 1: EU development, external relations and foreign policy financing				
Instrument	Purpose	Time span	Amount	Total (Approx)
Development				
European Development Fund	Geographical	2008–2013	€ 22.7 billion	More than € 40 bn 2007–2013
Development Cooperation Instrument	Geographical	2007–2013	€ 16.9 billion	
Neighbourhood and Partnership Instrument	Geographical	2007–2013	€ 12 billion	
External Relations				
Instrument for Stability	Thematic	2007–2013	€ 2.1 billion	Around € 10 bn 2007–2013
Instrument for Democracy and Human Rights	Thematic	2007–2013	€ 1.1 billion	
Instrument for Humanitarian Assistance	Emergency	Since 1996	Case-by-case	
Nuclear Safety Cooperation Instrument	Thematic	2007–2013	€ 524 million	
Industrialised Countries Instrument	Geographical	2007–2013	€ 172 million	
Instrument for Pre-Accession	Geographical	2007–2010	€ 5.7 billion	
Foreign Policy				
Common Foreign and Security Policy	Thematic	2007–2013	€ 1.7 billion	Less than € 2 bn 2007–2013
ATHENA ESDP/CSDP Budget	Thematic	Reviewed every 18 months	Varies – approx. € 60 million in 2006	
Source: European Commission				

of an External Service with “*special experience and global reach [that] will provide a platform for Europe to play that role on the ground, to the benefit of the EU and its citizens at home, and in the cause of development, peace and stability everywhere*” (EC 2004, 4).

A 2005 Joint Progress Report from former HR Solana and the Commission to the Council summarised initial debates about the main features and likely policy responsibilities of the EEAS. The Report noted that

“A small number of Member States consider that the EEAS should be restricted to covering CFSP/ESDP, whilst a few would instead prefer it to have a broad remit including areas such as enlargement, neighbourhood and development policy (there is a consensus that trade policy should not be included). The view of the majority of Member States lies somewhere between these two positions, with most as a result drawing the conclusion that the EEAS should consist of at least the relevant parts of the Council Secretariat (DG E and Policy Unit) and of the Commission (DG External Relations)” (European Council 2005a).

Solana's Report was shelved following the 'no' votes on the EU Constitutional Treaty in France and the Netherlands, but the blueprint it contained for the EEAS survived the two-year 'reflection period' largely intact. Member states stood by their support for Solana's early planning and his report's conclusion that comprehensive EU foreign policy needed to include development cooperation. A 2006 German Foreign Ministry release argued that

*"To improve the coherence of EU foreign policy (which will only be possible in the medium term through an External Action Service), we should even now seek ways to improve coordination and increase cooperation on the basis of the existing treaties. In spheres where policy has been communitarised, for example development aid (a sphere where the Commission is particularly influential), policy has to be better coordinated with the Common Foreign and Security Policy (where the member states dominate) and at an early stage geared to the EU's foreign-policy objectives."*³⁰

Following the entry into force of the Lisbon Treaty in December 2009, several broad conceptual models for integrating development policy with the EEAS were advanced. Prior to HR Ashton's 25 March proposal, the main conceptual question was whether to split ODA programming responsibilities between the EEAS and the Commission horizontally or vertically.

The Commission, concerned with protecting its policymaking responsibilities as much as possible, favoured a vertical split along geographical lines. According to this model the Commission would have retained responsibility for programming the EDF through DG Development and for implementing the EDF, DCI and ENPI through EuropeAid. The EEAS would have been left with programming responsibilities for the latter two instruments, a strategic role that would complement the High Representative's responsibilities for the CFSP, overseas representation, the Instrument for Stability and the Industrialised Countries Instrument. The Benelux countries also proposed a variation on this model which envisaged the EEAS programming the ENPI, while DG Development would be responsible for the EDF and DCI.³¹

Germany, France and Britain all wanted to ensure that development policy priorities would be set by themselves and implemented by the Commission.³² The 'big three' were initially united in pushing for variations on a horizontal split, where programming responsibilities would be allocated for all ODA instruments according to the stage of the programming cycle rather than the region. They proposed transferring DG Development's region and country desks into the EEAS, allocating programming responsibilities to the EEAS for stages 1 and 2 (country allocations and country strategy papers) of the programming cycle, while the Development Commissioner would be responsible for stages 4 and 5 (annual action programmes and implementation). There was some disagreement over stage 3 (national indicative programmes), but it was difficult to see how the Commission could perform this task without country desks (see Box 3). The UK government

30 See: www.auswaertiges-amt.de/diplo/en/Europa/Aussenpolitik/EAD.html (accessed 11 Mar. 2010).

31 'Benelux Document: Implementation of the Treaty of Lisbon'; online: www.eerstekamer.nl/eu (accessed 9 Apr. 2010).

32 *EU Observer* 2 Mar. 2010.

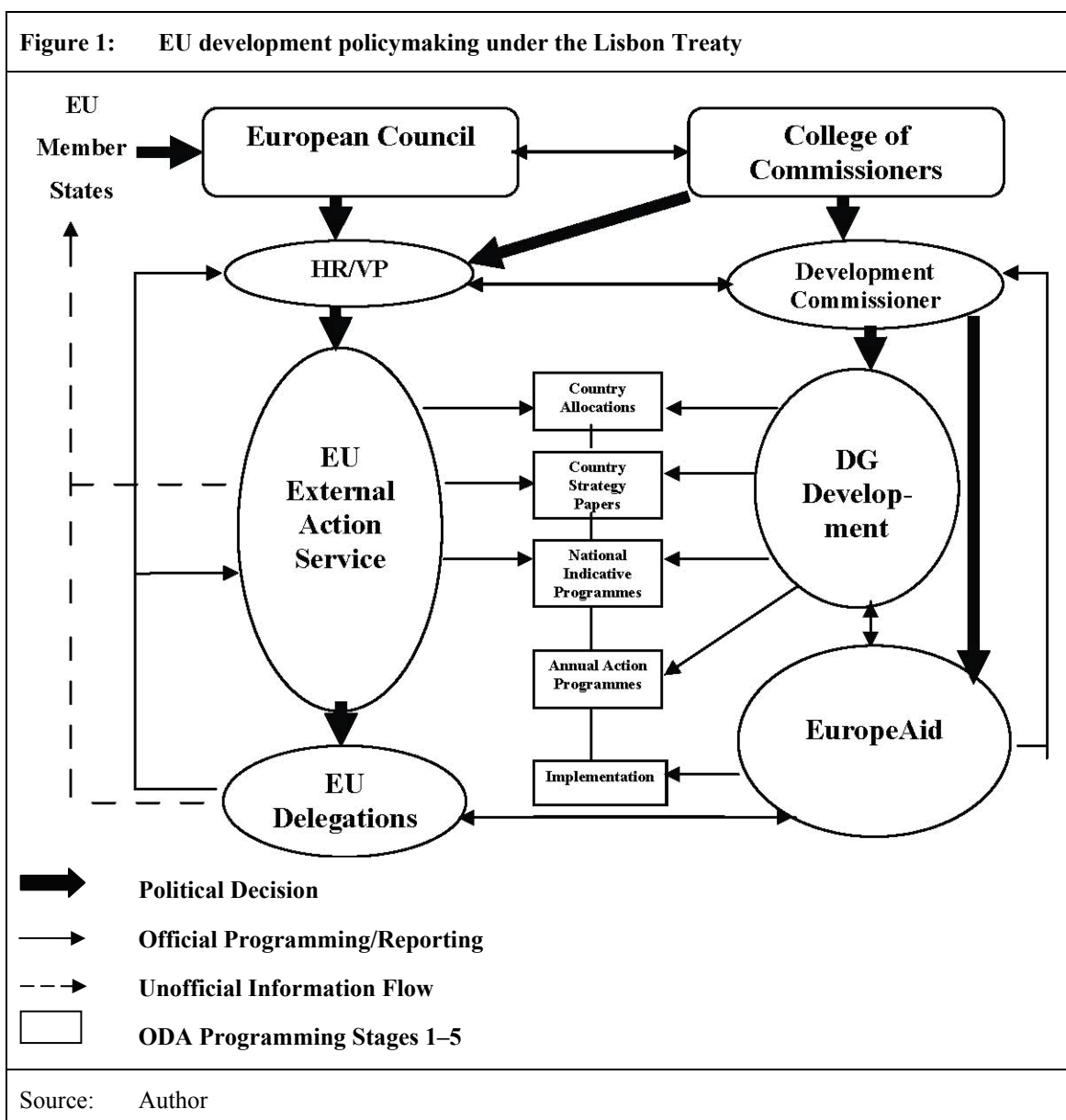
<p>Box 3: The EU ODA programming process</p>
<p>EEAS/DG Development responsibility</p> <ol style="list-style-type: none"> 1. Country allocation: multi-annual allocation of funds for regions and countries based on population, needs assessment, absorption capacity and reform commitment. 2. Country strategy papers: Political and economic situation assessment and outline of best strategic response (political dialogue, development, trade etc.) 3. National indicative programmes: Indicate a country's priority sectors and themes including multi-year financing. NIPs have half the life span of CSPs.
<p>DG Development/EuropeAid responsibility</p> <ol style="list-style-type: none"> 4. Annual action programmes: Set within the financial limits of the CSP and NIP. 5. Implementation: Contracting, management, monitoring, evaluation etc.
<p>Source: Gavvas / Koeb (2010)</p>

changed tack in February and has since argued in favour of greater communitarisation of development policymaking, while the German and French foreign ministries pushed for a more hands-on role for member states.

HR Ashton's EEAS proposal envisages significant changes to the institutional framework for EU development cooperation. The proposal states that the management of external cooperation instruments is to remain with the Commission, but that the EEAS will have a key role in the programming cycle, firstly in determining the overall financial envelope for each region and country, then in drawing up the country and regional strategic papers and the national and regional indicative programmes. Following negotiations with the European Parliament, development programming proposals for the EDF, DCI and ENPI "shall be prepared jointly by the relevant services in the EEAS and in the Commission under the responsibility of the Commissioner responsible... and then jointly submitted with the High Representative for decision by the Commission."³³ According to HR Ashton, the EEAS' work on development programming will be conducted under her overall political authority, but the responsibility for the EU's development policy remains with Commissioner Piebalgs.³⁴ DG Development will retain influence over the first three programming stages for the EDF and DCI, but to what extent is unclear. Beyond that, the Commission's primary responsibility will be annual action programmes and implementation through EuropeAid. EuropeAid is to remain a separate body from DG Development, although both will report to the Development Commissioner (see Figure 1).

33 Proposal for a Council Decision of (date) establishing the organisation and functioning of the European External Action Service, Revised Draft (21 June 2010), Consolidated Version with Latest Amendments post-Quadriologue of 21 June 2010, 17.

34 *The Parliament Magazine* 14 June 2010.



5 EU development policymaking under the Lisbon Treaty: Four key tasks

The release of Ashton's revised EEAS proposal on 21 June did not answer several pertinent questions about the implications of the Lisbon Treaty for European development policy. The proposal has many of the features of an 'incomplete contract' in that it provides a broad framework but leaves all important process-related details to be bedded in over the next few years (Kassim / Menon 2003). This uncertainty leaves four issues in particular open for discussion:

- **Policy Coherence for Development** (in particular the probability that the EU's ODA budget will be increasingly diverted away from global development objectives);
- **Coordination** (how the balance of responsibilities between EU agencies and member states will be managed);

- **Professionalism** (especially how EEAS and Commission officials working on programming and implementation will interact); and
- **Legitimacy** (how transparency will be ensured in this complex process, and how mutually cooperative relationships inside and outside Europe will be built).

In the current transition period these four issues constitute a useful framework of analysis for judging the likely role development policy will play in the new decision-making structure. Workable resolutions to these primarily technical questions are necessary for the EU to improve its effectiveness as a development actor, and thus provide a basis upon which Europe may build an external policy strategy for the 21st Century.

5.1 Policy coherence for development

Policy coherence discussions have been prominent in the study of EU external relations for many years, but it is only recently that ‘Policy Coherence for Development’ has attracted the attention of policymakers and pundits (Hoebink 1999). The 2005 European Consensus on Development reaffirmed that poverty reduction is the primary goal of EU development policy, benchmarked against the MDGs. The Consensus also explicitly linked policy areas, including trade, human rights, good governance, education, health, environment, migration and security, with the MDG agenda and poverty eradication (European Council 2005b). The EU’s Africa Strategy, agreed alongside the Consensus, combined trade, aid and support for security and governance in a ‘package deal’ for partner governments in Africa (EC 2005). These declarations built on the 2003 European Security Strategy which stated that ‘security is the first condition for development’ and called for coordination of the various instruments at Europe’s disposal, including European assistance programmes, member state military and civilian capabilities and the European Development Fund (European Council 2003). There are also limited institutional safeguards that lend weight to these declarations: the EDF and the DCI are protected by clauses in their financial regulations that prevent the funds from being used for anything other than development objectives as defined by the OECD-DAC.³⁵

EU policymakers have re-iterated their commitment to PCD during the Lisbon Treaty’s implementation phase. ‘Policy Coherence’ has become the leitmotif for discussions on the post-Lisbon Treaty EU, and one of the main justifications for including development policy responsibilities in the EEAS’ mandate. The November 2009 European Council Conclusions reaffirmed the EU’s Treaty obligations on consistency between internal EU policy areas and external relations, and acknowledged the need for further work on advancing the commitment to PCD at all levels (European Council 2009). The updated version of Ashton’s proposal that was approved by the European Council on 26 April contained explicit references to the 2005 Consensus on Development and Article 208 of the Lisbon

35 According to the DCI Regulation, 90% of the expenditure of thematic programmes must fulfil OECD-DAC criteria. No such provision is made in the ENPI Regulation, which states that financing will support policies aimed at poverty reduction and achieving the UN’s Millennium Development Goals, and that the neighbourhood policy should be consistent with the principles established by the 2005 European Consensus on Development. See Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument; s. 10 (preamble) and Article 2 (2).

Treaty.³⁶ Commissioner Piebalgs has said that both he and HR Ashton do not believe that the EEAS will threaten development policy as poverty reduction will become the EU's overriding external action objective, and that ending poverty is the best weapon against insecurity, terrorism, piracy and human rights abuses.³⁷

Despite such assurances, observers have long questioned the EU's record of using resources earmarked for development for purely development-oriented purposes (Holden 2009). Much of the EU's ODA does not go to the poorest countries in the world, but rather to middle-income countries in the neighbourhood and Latin America where member states have strong security and economic preferences (Orbie / Versluys 2008).³⁸ Efforts to improve PCD in the EU have faced major institutional hurdles, as they require active promotion of shared objectives and approaches across the various directorate-generals, agencies and delegations, as well as among member state governments, ministries, state development agencies and non-governmental organisations (NGOs). PCD is a highly politically sensitive issue as it requires accounting for the impacts of policy areas such as agriculture, fisheries, trade and migration where reforms would impact on powerful European interest groups (Carbone 2008). Debates over the EEAS' potential to further PCD are compounded by fact that these 'beyond aid' policy areas will not be within the Service's remit.

Long-standing disquiet about the potential 'securitisation' of EU development policy has been heightened by the inclusion of ODA programming competencies in the EEAS. According to this view, security interests – such as regional stability, terrorism or migration – dominate EU policy towards developing countries and regions. Oft-cited examples of securitisation at work include the European Neighbourhood Policy (ENP), which is supported by a major proportion of the EU's ODA despite its predominately regional stability objectives (Holden 2009). Further examples include the diversion of aid towards post conflict reconstruction in Afghanistan and Iraq and the financing of the African Peace Facility from the EDF even though the OECD does not count spending on peacekeeping as ODA (Gänzle 2009). Changes to the EU's institutional architecture, such as the abolition of the Development Council in 2002, have also been held up as evidence of securitisation.³⁹ For some, Ashton's EEAS proposal has fed this suspicion even more: in a recent foreign policy debate at the European Parliament the High Representative described development policy as a 'lever of influence' to be mobilised alongside political, economic and crisis management tools.⁴⁰ One recent commentator took this to mean that EEAS decisions "*will be made mainly on the basis of political and strategic priorities of the EU, rather than on poverty objectives*" (Mekonnen 2010, 15). While the situation is unlikely to be 'either-or',

36 See European Council, Proposal for a Council decision establishing the organisation and functioning of the European External Action Service – Presidency compromise (advance copy), 19 Apr. 2010.

37 Commissioner Andris Piebalgs, 2 June speech, op. cit.

38 Orbie and Versluys note that in 2000, only 26 % of Community aid went to countries defined by the OECD as Least Developed Countries, compared with 61 % to Middle Income Countries. They show that this discrepancy has widened as European ODA has grown in volume: the top European aid recipients in 2004 were Serbia, Turkey, Bosnia and Albania. In contrast, in the 1980s the top 20 recipients were all African or Asian countries.

39 See 'CIDSE and Catholic Agency For Overseas Development (CAFOD) media briefing on the High Representative's proposal for the set-up and functioning of the European External Action Service (EEAS)', 23 Apr. 2010.

40 HR Catherine Ashton, joint debate on foreign and security policy, European Parliament, Strasbourg, 10 Mar. 2010.

development experts have expressed their concerns that EU development policy and financing risk being placed at the service of wider political goals (Gavas / Koeb 2010).

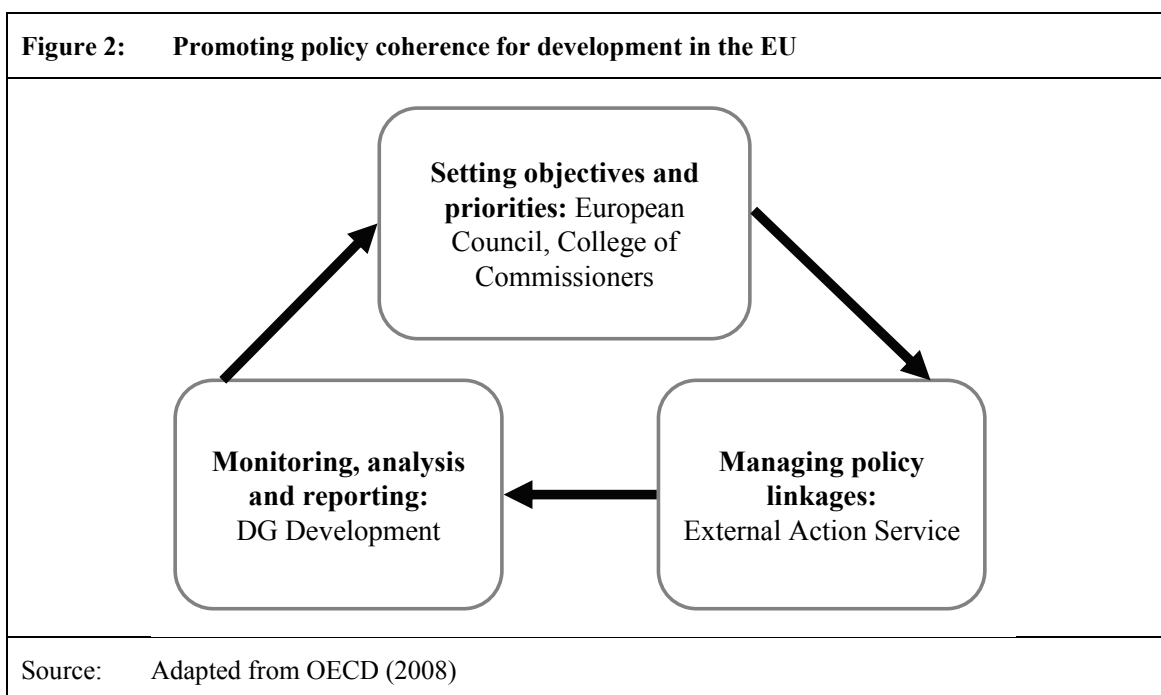
There is a strong case for linking the CFSP more closely with development policy in the interests of coherence. The need for reassessing development's role in EU external policy has gained more traction in the context of current debates about the changing international environment, particularly the increasing strategic importance of African countries and the rising importance of China as a development actor in Africa (Hackenesch 2009; Cargill 2010). With regard to specific regional and country programmes, development cooperation cannot be isolated from foreign policy issues such as democratisation, human security, good governance and regional stability. EU policy in these areas will be in the EEAS' mandate, and this will provides ample opportunities to focus more on the 'security-development nexus,' especially policies and programmes in fragile states.

This does not belie the risks inherent in attempting to exploit synergies between development and foreign policy. Policy coherence is not a one way street but a question of priorities – while development specialists argue for PCD, security specialists are likely to argue in favour of coherence favouring political stability, economists for coherence favouring growth, environmentalists for coherence favouring sustainability, and so on. Inevitably, attempts to reconcile conflicts between these legitimate interests will leave some actors disappointed when mutually positive-sum outcomes are not forthcoming. Indeed, as Carbone (2008) reminds us, judgements of whether policy coherence has been achieved are inescapably subjective and next to impossible to realise satisfactorily in pluralistic political systems.

Nevertheless, the EU's development budget is its largest set of operational external policy instrument. HR Ashton and Commissioner Piebalgs have the task of managing the often competing priorities in external policy, but should not lose sight of development priorities when using these funds. While there is no cause to doubt their sincerity, the institutional changes brought about by the Lisbon Treaty will have implications that will likely last for decades. Informal PCD provisions and declarations of intent are likely to be vulnerable to shorter term political and economic pressures, particularly in times of crisis. Further institutional mechanisms to promote PCD would assist Ashton and Piebalgs in their task, and give weight to assurances that development will henceforth provide the framework for EU external action. The question is how to achieve this in the post-Lisbon Treaty development policymaking system that includes the EEAS.

According to the OECD, promoting PCD is a three stage process that must take place at different levels of decision-making (see Figure 2). The key implication of this process for the EU is that institutional actors can, over time, influence the political will required to set priorities. Managing policy linkages and improving the coordination of programmes can move faster than political commitment to PCD (OECD 2008).

In the EU context, priorities and core objectives need to be set by member states in the European Council and (to a lesser extent) the College of Commissioners. Once these are set, managing policy linkages between development objectives and European economic and security interests will be among the EEAS' core responsibilities. The EEAS can promote PCD in its own work but it cannot be expected to safeguard it, largely because it will have little influence over agriculture, fisheries and trade policies. Improving coherence in



these areas requires a broader approach at the level of objectives and priorities. If policy coherence with regard to the EU's ODA instruments is to be reported from a development perspective, this should come from outside the EEAS. The task of monitoring and reporting on PCD is therefore best carried out by the Commission.

Ashton's proposal does not establish clear mechanisms by which this process can function smoothly. It states that documents for the first three programming stages are to be jointly submitted to the College of Commissioners by High Representative and the Development Commissioner, effectively creating a 'dual key' (or veto) over ODA programming. However, it is not yet clear how this will work in practice, especially what would happen in cases of disagreement – whether the College of Commissioners, member states acting through the Foreign Affairs Council, or the European Court of Justice would have the final say.

If the 'dual key' is to have teeth, it needs to work throughout the programming process (see Box 4). Full implementation would require that DG Development sign off on the EEAS' programming documents based on policy coherence criteria established in the 2005 Consensus. Commission and Council officials began co-signing HR Ashton's briefing notes in December 2009 and the process has worked without major difficulties. Given that there is a need to ensure that the programming cycle is not unduly delayed by layers of bureaucracy, the implementation of a 'full dual key' where DG Development is required to sign off on each stage of the programming cycle is probably unrealistic, but further consideration of practical means through which the two services can work together is still needed (see next section).

In addition to ensuring the Commission maintains a strong influence over policy, its oversight role needs to be enhanced. The Commission's responsibility for ensuring that ODA instruments are used appropriately and transparently is enshrined in EU Treaty law. Its powers as part of the EU executive enable it to maintain an overview of member state activities, which the EEAS, as an external policy service, will not be able to do. Similarly, assessing and reporting on the impact on developing countries of policies enacted by DGs

<p>Box 4: Operationalising the ‘dual key’</p> <p>Partial ‘dual key’ (proposed):</p> <ul style="list-style-type: none"> • EEAS to draw up country allocation, country strategic papers and national indicative programmes ‘in close cooperation’ with policy units in DG Development. Proposals to be jointly submitted to College of Commissioners by the HR and Development Commissioner. <p>Full ‘dual key’:</p> <ul style="list-style-type: none"> • DG Development to sign off on EEAS proposals at each stage based on policy coherence criteria established in 2005 European Consensus. Strategic guidance is provided by the EEAS but PCD is protected. <p>Source: Author</p>

Agriculture, Trade, and Fisheries is better conducted from within the Commission. The Commission also has existing expertise: DG Development’s horizontal issues directorate – in particular the forward looking studies and policy coherence team – has experience with reporting on PCD. The Commission produced biannual reports on PCD in 2007 and 2009 which measured progress against the 12 policy areas identified in the 2005 Consensus.⁴¹ The next report is due in 2011, but given that DG Development’s regional and country desks will be transferred into the EEAS, the means by which the report will influence the policy process is uncertain.

5.2 Coordinating actors: The intra-EU division of labour

Policy coherence relies heavily on coordination among actors.⁴² The 2005 Paris Declaration on Aid Effectiveness recognised that development programmes are often undermined by poor donor coordination.⁴³ The EU has stated its commitment to address coordination issues in accordance with the Paris Declaration, both in terms of Community programmes and in its facilitation of the coordination of member state initiatives. Both processes require effective coordination based on a clear understanding of policy objective, strategies for managing linkages, and knowledge about which actor is best at performing which task. The European Council adopted the ‘code of conduct on complementarity and the division of labour’ in May 2007 (EC 2007). More recently, Commissioner Piebalgs has said that improving aid effectiveness is his first priority both in terms of MDG-defined development goals and reducing the estimated € 3 billion – € 6 billion of member state and Community aid money that the Commission estimates is wasted each year (EC 2010). Piebalgs has said that the systems being put in place under his watch are designed to benefit the next Commission.⁴⁴

41 DG Development’s EU Policy Coherence for Development Reports are available at www.ec.europa.eu/development.

42 Policy coherence and actor coordination are, in practical terms, inseparable – there can be no coordination without a clear understanding of each actor’s objectives. The two processes are sometimes referred to as ‘horizontal’ (thematic) and ‘vertical’ (actor) coherence.

43 See: www.oecd.org.

44 Commissioner Andris Piebalgs, address to European Parliament Development Committee, 17 Mar. 2010.

As the EEAS will be the organisation that links the Commission, member states and partner countries, it will have a key role in promoting coordination among them. This will be a significant challenge: as one commentator has put it, “*what remains unclear is how the myriad of people involved in external policy – high representative, commissioner for development, commissioner for international cooperation, commissioners for climate change, trade and others, will work together effectively to deliver for the world’s poorest*” (Todd 2010). It is unrealistic to expect all coordination mechanisms to be clear from the outset – some systems will need to be bedded in and allowances made for errors and occasional miscommunication. Nevertheless the broad principles of coordination, defined by formal guidelines where possible, should be in place when the EEAS is officially launched.

The most pertinent unanswered questions raised by Ashton’s proposal concern coordination between the Commission and the EEAS on development policy programming, where the ‘chain of command’ is unclear. The proposal is especially vague about the delineation of the EEAS’ and the Commission’s roles on the key coordination questions of who will set the agenda and how the Commissioner will exercise responsibility (Gavas / Koeb 2010). Furthermore, lines of reporting between Brussels, member state capitals, EU delegations and partner countries have not yet been clarified. Furthermore, lines of reporting between Brussels, member state capitals, EU delegations and partner countries have not yet been clarified. The continued split between DG Development and EuropeAid also raises coordination questions. The justification that EuropeAid should remain separate will weaken should the EDF be brought into the 2014–2020 EU budget. Commissioner Piebalgs, however, has repeatedly ruled out a merger despite his support for EDF budgetisation.⁴⁵

It appears likely that some key relationships will be informal. Informality is nothing new: EU development policy has long relied on ‘soft law’, shared competence and informal or semi-formal rules (Hartmann 2009). There is reason to be comfortable with informality under the current Commission. The four relevant Commissioners all have some background in development policymaking and implementation, they are all respected figures in EU circles, they have the backing of their national governments, and they have promised to work together.⁴⁶ This cooperation must stand the rigours of policymaking, but no rifts between Commissioners were visible during the negotiations that preceded the release of the draft Council Decision. From a development perspective, informal coordination is nevertheless risky – especially in times of crisis when short-term political priorities may seem to overshadow longer term development objectives.

Several suggestions for institutional mechanisms for improving coordination have been advanced. One expert has lamented that the EU missed the opportunity to take a simpler and more elegant approach by appointing one Commissioner in charge of all aspects of development cooperation, instead of separate commissioners for development and humanitarian assistance responsible for separate aid agencies (Maxwell 2010). It is likely that the political imperative to find portfolios for 27 member state Commissioners trumped the practical appeal of such a model. An alternative, more hierarchical model

45 *European Voice*, 15 July 2010.

46 See: D. Makhan / M. Furness ‘The Barroso II Commission: one small step for European development policy,’ DIE Current Column 1 Mar. 2010.

would have been to have all commissioners with external relations responsibilities reporting to the High Representative (Maxwell 2010). Under this model the office of High Representative would have been very powerful, a scenario unlikely to appeal to the European Commission, its President, and the member states whose Commissioners would have been lower in ranking.

The British Ministry for International Development (DfID) has argued for the creation of a development directorate-general in the EEAS. According to this model, the current post of Director General for DG Development would be transferred to the EEAS but would continue to report to the Development Commissioner.⁴⁷ The idea is not without precedent: the foreign ministries of several smaller EU member states are also responsible for development. Belgium, Denmark, Sweden and the Netherlands have all merged their foreign and development bureaucracies, and yet have maintained a strong focus on development through cabinet-level representation. In the EU context such an arrangement would raise significant political questions about the High Representative's authority, given that sections of the EEAS would have reported to the Development and (presumably) the Neighbourhood/Enlargement Commissioners. It is in any case unlikely that this model would be appropriate for the EU given the sheer size of its development budget, the multiplicity of interests involved, and the EU's role as an agent for member states in development cooperation.

As described above, the proposed post-Lisbon Treaty EU development cooperation framework retains DG Development but allocates some of its personnel and policymaking responsibilities to the EEAS. A practical solution for coordinating ODA programming within the EEAS and linking with DG Development is therefore needed. One way this could be done is through a 'working group' led by a deputy Director General and comprised of officials from several EEAS directorates and country desks. Depending on how coordination with the Commission is organised, working group members preparing programming documents could liaise with their counterparts in DG Development, EuropeAid and the delegations throughout the process. Information would be expected to pass back and forth between the Commission and the EEAS at all levels and reporting would then take place vertically within each organisation. Such an arrangement would provide the necessary coordination within the EEAS while trading carefully around the delicate issue of hierarchy in the College of Commissioners.

The 21 June revised version of Ashton's proposal provides for a department assisting the HR in ensuring consistency of EU external action. This department is intended to provide input to and ensure follow up to regular meetings between the HR and other Commissioners, and to ensure interaction and coordination with Commission services concerning external aspects of internal policies. This does not resolve the issue of coordination with other parts of the Commission that will influence the EEAS' work. A second practical suggestion proposed by DfID is to hold institutionalised quarterly meetings at director-general level between the EEAS and DGs Enlargement/Neighbourhood, Development, Humanitarian Assistance and Trade to coordinate policy and actions. This suggestion has reportedly not met with universal support, either from member states or from within the

47 *European Voice* 6 May 2010.

Commission.⁴⁸ Nevertheless, the idea of an intra-Commission working group meeting regularly to exchange information on policy and programmes deserves more consideration for reasons of policy coherence as well as coordination. Commissioner Piebalgs is reportedly contributing to an inter-service agreement that will govern the relationship between the EEAS and the Commission departments.⁴⁹ Any new arrangements will need to be tested in the field (Lieb 2010).

Article 208 of the Lisbon Treaty (TFEU) calls for complementarity between Union and member state development policy.⁵⁰ However, coordination between the EEAS and member state development programmes is likely to continue to vary according to circumstances. Poor coordination is due to several factors, and is not only a European problem but one symptomatic of a fragmented international development landscape where a large number of actors struggle to stay in touch with each others' activities (Faust / Messner 2010). Communication breakdown is often blamed for coordination problems among European actors as well, but there have been cases where Community and member state development actors have adopted a silo mentality towards each other's programmes in an effort to protect their own turf. Officials privately admit that the foreign and development ministries of some EU member states have policy programmes and strategies that are not well coordinated. Poor coordination among national implementing agencies has exacerbated the problem, prompting calls for reform (Scholz / Wolff 2010). At the EU level, the introduction of joint programming and efforts to coordinate 'decentralised cooperation' have grown markedly in the last decade. Progress through the 2007 Code of Conduct on the Division of Labour has been made, although there remains work to be done. Such issues are not only systemic – vested interests make them difficult to resolve, and the EU's new set of livery is unlikely to change this.

The EEAS' closer links to the Council mean that (in theory) overlaps and inefficiencies should be reduced. As Lieb (2010) argues, EU programmes have a better chance of success if relevant member states are on board. The Commission has been able to set priorities and build up expertise, especially regarding aid effectiveness. However, the Commission has lacked a clear mandate to coordinate and promote partnerships with developing countries, especially as partner country 'ownership' of development strategies has become more important. The increasing use of budget support in particular has raised political debates about consensus and governance that are of interest to the member states whose taxpayers fund the EDF and Community development programmes. One advantage of shifting part of the programming cycle to the EEAS is that this problem of mandate may be partially resolved by the direct relationship between the Service and the European Council. As one observer has pointed out, this may enable EU delegations to engage more strategically with partner country governments than Commission delegations have been able to thus far (Schulz 2010).

48 At COREPER meetings that took place on 14 and 16 Apr., the UK's suggestions were reportedly supported by the Netherlands, Luxembourg, Ireland and Sweden. The French and German foreign ministries were against the suggestions as they felt that they had the potential to limit the role of the High Representative.

49 *European Voice* 15 July 2010.

50 See: www.lisbon-treaty.org/wcm/ (accessed 23 Mar. 2010).

The EU Delegations will hold the key to successful coordination. The delegations are the EU's 'eyes and ears' on the ground in developing countries, and they provide partner country governments with a point of contact and conduit for information to Brussels. Before the Lisbon Treaty, the delegations performed a crucial role at each stage of the programming process, providing detailed intelligence to support country strategies, liaising with developing country actors on national indicative programming, as well as managing programmes and projects on a day-to-day basis. Under the Lisbon Treaty this work will continue under a new chain of command that flows from the Council and Commission through the High Representative to the Head of Delegation. Coordination within delegations between heads and Commission staff to be crucial to this process, especially as it is likely that DG Trade and EuropeAid staff will outnumber EEAS diplomats in many EU developing country delegations.

If the division of labour between EU and member state programmes is to be improved, the capacity of delegations to signal overlaps, inconsistencies and policy incoherence to Brussels needs to be strengthened. The inclusion of member state diplomats in the EEAS – especially at the delegation level – has the potential to facilitate better coordination. Member state officials will officially owe their first loyalty to the EU rather than to their home countries and will have to report home via official channels. However, regular briefings between diplomats serving with the EEAS and the relevant divisions of national ministries should be encouraged in the interests of coordination between member state and EU policies. This would help the EEAS add value in terms of improving the EU's visibility in member state capitals, while keeping Brussels informed about member state activities likely to affect EU-level programmes.

5.3 Fostering professionalism in the EEAS

Staff professionalism will be a crucial factor in the effectiveness of the EEAS, especially given that certain institutional safeguards for policy coherence and coordination are likely to be informal. Personnel issues have been widely discussed in the media and were central to the negotiations around Ashton's EEAS proposal. The EEAS will need to foster professionalism at two levels: top level political appointments and general staff. In both cases the work of individuals will be crucial, and systems that encourage and enable staff to perform at their best need to be established. It is important to ensure at the EEAS' launch that it can operate efficiently as part of the EU bureaucracy, minimise waste and duplication, and that a culture of merit guides staff recruitment and postings.

Senior Appointments

There have been major debates over staffing issues in the EEAS, particularly regarding the top posts such as secretary-general, deputy secretaries general, directors general, special representatives and the heads of delegations. Inevitably, these posts will be political appointments and member states will have a say. As the EEAS has taken shape, member states have increased their jockeying to win coveted positions in the new service for their nationals.

The furore over the February 2010 appointment of Joao Vale Almeida as the replacement for former Irish Prime Minister John Bruton as Head of Delegation in Washington served as a reminder that top appointments need to be made transparently. Swedish Foreign Minister Carl Bildt led the complaints in an open letter that questioned whether Almeida's appointment had been made in accordance with principles of transparency, member state involvement and under Ashton's authority.⁵¹ Barroso was accused of taking cynical advantage of the Commission's pre-Lisbon Treaty prerogative to appoint delegation heads, and there were even whispers that he was favouring a fellow Portuguese official. The appointment of a civil servant as replacement for a high-ranking politician also prompted American accusations that the EU was not sufficiently valuing the transatlantic relationship.⁵² The unseemly row merely served to make the EU appear disjointed and unable to resolve internal differences.

Following the release of Ashton's EEAS proposal the European Parliament raised concerns that member states will outnumber Commission and Council officials in the new service (see Box 5). Underpinning this concern was the fear that over-representation of member state officials would undermine the community method of decision-making as well as the community spirit in the service. On the other hand, smaller member states highlighted the need for a geographical balance in the EEAS as they are currently under-represented in DG Relex and the Council Secretariat. Maltese and Lithuanian diplomats, for instance, have said that they regard the EEAS as an opportunity to increase their countries' involvement in EU foreign policy. There are several potential benefits, including the experiences gained by national diplomats serving in EEAS desks and delegations in countries where they would otherwise be unrepresented.⁵³

Box 5: EEAS staffing

The EEAS' staff will come from three sources:

The Commission, including especially DG Relex and DG Development;

- **The Council Secretariat**, including the High Representative's Policy Unit, the Military Staff and Directorate General E (external and political-military affairs);
- **Member states**, from which diplomats and other civil servants will be rotated.
- **1,525 civil servants** from the Commission and the Council's General Secretariat will be transferred to the EEAS on 1 January 2011. **100 new posts** have been created.
- Following agreement with the European Parliament, **at least 60% of the EEAS' staff will be EU personnel.**
- The EEAS is expected to have **between 6,000 and 8,000 personnel** once it is fully up and running, a process projected to take two to three years.
- Member state officials will be posted to the EEAS for **up to ten years on a 4-4-2 basis**: a once-renewable four year posting with the possibility of a two year extension.
- **Seconded national experts** will not be counted as staff from member states.

Source: *EurActiv*

51 *European Voice* 22 Febr. 2010.

52 *European Voice* 4 Mar. 2010.

53 Ministry of Foreign Affairs of the Republic of Lithuania press release, 6 Mar. 2010.

The issue of the nationality of senior post-holders is particularly sensitive regarding the appointment of delegation heads. It is to be expected, for example, that France will seek strong representation in the parts of the EEAS that will deal with the Maghreb and West Africa, Belgium will want its nationals involved in decision-making over central African policy, Spain in Latin America, and so on. The requirement that national representation be balanced mean that while patterns will inevitably be noticeable, a carve-up of partner country relationships along former colonial lines is unlikely to take place. This issue will require careful management due to colonial sensitivities, although practical issues such as common national interests, language, personal ties and diaspora activities are important to partner countries and likely to be taken into account when personnel decisions are taken.

General Staff

At lower levels the EEAS' success will depend to an extent on its ability to attract the best people from other EU institutions and member state ministries (Duke 2008). Commission staff have expressed private concerns that member states will take all the best positions and that career advancement will be difficult. There may also be some resentment that member state civil servants will not have to endure the rigorous examinations and selection procedures as their Commission and Council Secretariat colleagues. On the other hand, some member state officials are worried that as the Commission will provide most of the staff initially, this will determine the institutional culture and it will be difficult for national diplomats to make an impact. Member states attitudes to the EEAS will be an important factor in the attractiveness of the service, since they will make decisions on whether experiences gained while on rotation with the EEAS counts towards career advancement at home.

As the largest organisation to be integrated into the EEAS, DG Relex staff will form the core of the new service. The new aspect will be their colleagues from the Council Secretariat and the member states who will come from organisations with different cultures. Each foreign ministry has its own protocols and pay scale, while member state diplomats representing their countries in Brussels are often more used to competing to advance national interests than working cooperatively.⁵⁴ Member state diplomats and officials from the Council Secretariat and Commission are aware of these concerns, but have privately expressed confidence that the transition should work smoothly on the personal level. It appears that amongst civil servants there is a general willingness to make the EEAS work, as well as a degree of patience and understanding that teething problems are inevitable and will have to be dealt with. There is reason to be confident that the EEAS will meet high standards of professionalism.

In the medium term, the proposal of MEPs Elmar Brok and Guy Verhofstadt for a Code of Professional Conduct (drawn up by the High Representative) and establishment of an External Action Academy appears to be gaining traction. Common training would have the objective of reinforcing the esprit de corps and the professionalism of the EEAS, as well as ensuring that diplomats from across the EU have the same level of training. It would also have a more subtle long-term role of instilling an EEAS culture. Several options are being discussed for the potential location and curriculum of an External Action Acad-

54 *EU Observer* 4 June 2010.

emy.⁵⁵ From a development perspective, it will be important to ensure that staff training covers development issues and that staff with development expertise are able to progress in the EEAS hierarchy (European Think Tanks Group 2010b).

5.4 Building the EEAS' legitimacy inside and outside the EU

Political legitimacy is a notoriously slippery concept, covering aspects of the legal framework within which an actor operates, its social embeddedness, and way it uses hard and soft power (Breitmeier 2008). There is no universally accepted definition of political legitimacy, nor is there anything approaching universal agreement of whether a given political process is legitimate or not. Legitimacy debates occur at the very heart of the political, and like any political controversy they necessitate that protagonists take a stand based at least partially on subjective judgements, if they are brave and honest enough to do so. More narrowly (and less controversially), legitimacy can be understood as having sufficient socio-political authority to co-opt, rather than coerce, other actors. The more legitimacy a political actor enjoys, the more effective it will be in carrying out its tasks and achieving its goals (Clark 2007). The EEAS will have to build legitimacy both in Europe and with partner countries, and its legitimacy will therefore have an internal and an external dimension.

The internal dimension

On the internal dimension, the EEAS' democratic legitimacy should not be in question as it will represent 27 democratic member states. Public opinion surveys have revealed strong support for the CFSP and for EU development policy (Hooghe 2003; Kentmen 2010). However, the EEAS' roll-out has been touched by wider questions about the democratic legitimacy of the EU project following failed referenda on the EU Constitution and the Lisbon Treaty in France, the Netherlands and Ireland. This debate has made its presence felt through two interlinked legitimacy debates following the entry into force of the Lisbon Treaty: a legal debate about the role of the EEAS in development policy programming, and a procedural debate about the oversight powers of the European Parliament.

Several development NGOs, including Oxfam, Save the Children and ONE, have criticised HR Ashton's proposal to transfer development policy responsibilities to the EEAS on legal grounds. A recent paper from Brussels policy institute European External Policy Advisors (EEPA) argues that the Treaty does not grant responsibility for development policy programming to the High Representative or the EEAS. The NGOs pointed out that the Lisbon Treaty specifically states that the CFSP is to be implemented by the High Representative and that the EEAS will support her in this task. If the Treaty's drafters had intended this function to be taken over by the EEAS this would have been clearly stated in the Treaty (van Reisen 2010).

Led by Catholic development charity CIDSE, the NGOs commissioned a legal opinion by UK law firm White and Case which argued that

⁵⁵ *EU Observer* 4 June 2010.

“(T)he Ashton proposal, which is intended as an instrument merely setting out the organisation and functioning of the EEAS, cannot alter the areas of competence of each institution as defined under the Treaties. The role of the EEAS under the Treaties is restricted to the EU’s common foreign and security policy (‘CFSP’), which represents only part of the EU’s external action. Development cooperation is outside the scope of the CFSP and therefore the EEAS has no capacity in respect of it.”⁵⁶

Indeed, the Commission’s primacy over development policy appears to be confirmed by Article 17 of the Treaty (TEU), which states that:

“The Commission shall execute the budget and manage programmes. It shall exercise coordinating, executive and management functions, as laid down in the Treaties. With the exception of the common foreign and security policy, and other cases provided for in the Treaties, it shall ensure the Union’s external representation. It shall initiate the Union’s annual and multiannual programming with a view to achieving inter-institutional agreements.”

The Commission itself has also queried whether these competencies could be taken over by the EEAS. An opinion from the European Commission Legal Service stated that development cooperation agreements were Community agreements, which the Commission could negotiate and conclude on behalf of the EU. After the Lisbon Treaty the Commission ‘shall ensure the Union’s external representation’ with the exception of CFSP and European Monetary Union (EMU) matters. The opinion goes on to argue that *“in all matters where the EU has non-CFSP competencies, the Commission represents the Union and sits behind the nameplate “EU”. It could be the HR/VP (or a representative of the EEAS) or a Commissioner (or a representative of a line DG) within their respective competencies”* (EC 2009).

A counter opinion conducted by two legal scholars in response to the NGOs initiative argues that Ashton’s proposal does not violate the letter or spirit of the Lisbon Treaty. Duke and Blockmans argue that the assertion that development policy should be autonomous is ‘puzzling’ since the Lisbon Treaty abolishes the European Communities as a legal entity together with the former ‘three pillar’ structure (Duke / Blockmans 2010, 4–7). According to this view, it is highly unlikely that any legal challenge to the EEAS’ involvement in ODA programming would be successful. HR Ashton is also a Commissioner and so it cannot be said that the right of initiative for development policy is being taken away from the Commission. Ashton’s proposal clearly states that DG Development and the Development Commissioner will be involved in the programming cycle and that proposals must be agreed jointly.⁵⁷ The Commission is still legally responsible for the administration of the development financial instruments, even though it will share programming responsibilities with the EEAS. There is unlikely to be legal recourse even if it turns out that DG development is sidelined in EEAS programming decisions.

56 White and Case memorandum ‘Legal objections to the EEAS’ involvement in EU development activities’, 16 Apr. 2010.

57 Proposal for a Council Decision of (date) establishing the organisation and functioning of the European External Action Service, revised draft (21 June 2010), Consolidated Version with Latest Amendments post-Quadrilogue of 21 June 2010.

The second significant internal legitimacy debate has concerned the issue of transparency and the oversight role of the European Parliament. The Parliament has used its increased powers over budgetary and staff regulations to ensure a major role for itself in promoting the transparency and long-term legitimacy of the EEAS. The AFET cross-party working group, headed by *rapporteurs* Elmar Brok and Guy Verhofstadt, voiced concerns about the potential independence of the EEAS from other Community institutions and rejected Ashton's initial proposal because of its lack of checks and balances. In a 'non paper' outlining the European Parliament's position on the EEAS' future role and responsibilities, Brok and Verhofstadt affirmed the need for a *sui generis* EEAS that can promote policy coherence, but argued that "*the EEAS is not a decision-taking body, but rather a service that supports the VP/HR in her role in Council and Commission decision-making, as laid down in the treaty*" (Brok / Verhofstadt 2010, 2). The working group argued that as there is no precedent for a 'service' that is not an 'institution,' an 'office' or an 'agency', and as the EEAS would take on tasks previously handled by DGs Relex and Development, it should be closely linked to the Commission in terms of administration and budget.

Brok and Verhofstadt called for the EEAS to have responsibility for the broad political direction of development policy, but that the management of operational budgets and administration should remain firmly in the hands of the Commission where the Parliament has greater oversight powers (Brok / Verhofstadt, 2010). Brok presented an alternative organigramme for the EU's external relations to HR Ashton in mid March that envisaged a loose institutional tie up between the EEAS and the Commission. Brok's model proposed a policy coordination body consisting of the High Representative and the Commissioners for Development, Enlargement/Neighbourhood and Humanitarian Assistance, as well as the HR's 'politically accountable' deputies. Brok also proposed a development directorate in the EEAS which would coordinate its activities with the Development Commissioner. According to Brok, this model would preserve the EEAS' independence while giving the Parliament a say over major decisions, favouring long term transparency and legitimacy. Provisions in the revised EEAS proposal of 21 June for an administrative Directorate-General in the EEAS reporting to the Commission go some way towards satisfying these concerns without entirely resolving the transparency issue.

There is a cynical view that the EP is 'a venal retirement home for European politicians' that is simply trying to maximise its power or justify its existence.⁵⁸ However, Parliamentarians are elected and have an important role to play in connecting the EU to its citizens and ensuring transparency in EU policymaking. In spite of the debateability of the Parliament's own legitimacy credentials, and the fact that member governments are sometimes uncomfortable with foreign policy positions taken by the Parliament, enabling Parliamentary scrutiny of senior appointments and key policy decisions is still a means for building long term legitimacy within the EU. The potential for opaque decision-making that is ever-present in foreign policy does not exclude the EU, while exclusion from foreign policy decision-making undermines the standing and legitimacy of the Parliament itself.

Parliamentarians have also expressed a long-standing interest in foreign and development policies, and consider that they have the mandate to engage themselves and their institution in these interesting policy areas. The question is whether Parliamentarians are merely

58 *Financial Times* 16 June 2010

using technical measures to enhance their own importance, or whether there is a genuine interest in making EU development cooperation and foreign policy more effective. Indications are that the latter is the stronger motivation, which bodes well for an effective EEAS.

The external dimension

On the external dimension, the EEAS' legitimacy as a development actor will be closely related to the extent to which it pushes genuine development policy that is not perceived as being a front for short-term interests. It will need to continue the work of the Commission in promoting partner country ownership of programmes, while working with partner countries to uphold agreed standards of good governance and transparency. This means treading the delicate line between donor demands for 'democratic' ownership and accountability, and recognising that the core domestic political conflict in many developing countries is over the basic institutions that define the distribution of wealth and power. Some experiments must be allowed to fail if lessons are to be learned on both sides (Faust 2010).

From an external legitimacy perspective, the enhancement of development in EU external relations is likely to have a positive long-term effect. US Secretary of State Hillary Clinton has welcomed EU efforts to focus foreign and development policy.⁵⁹ As Paul van den Berg, Chairman of the European network of NGOs in Afghanistan, has written, 'it is crucial that the EU continues to be perceived as a non-military actor, thereby safeguarding its credibility as a donor, committed to funding development.'⁶⁰ Internal arrangements, such as the allocation of decision-making responsibilities between the EEAS, DG development, DG enlargement and EuropeAid, are unlikely to make much difference to partner countries so long as programmes are designed and implemented successfully. In time, the EEAS will accumulate legitimacy with other international actors through the success (or otherwise) of its work.

6 'Development Power Europe'? Conclusions and further research

The full implications of the Lisbon Treaty's changes to external policy are not yet clear, but the trend towards the integration is real, and development policy is playing an increasingly important role. The Treaty brings development, external relations and foreign policymaking together in a unified institutional framework, albeit with different modes of decision-making. This represents a major opportunity for European policymakers to translate decision-making into action more efficiently, and to exploit synergies between policy areas. Following the post-Lisbon Treaty reorganisation the EU's development policy and operational budgets will not be as strongly ring-fenced as before, but EU external policy is set to take on a more development-oriented focus that has the potential to more than compensate for this loss of autonomy.

Development policy is the key: it is the link between foreign and economic policy in many partner countries and regions, and it represents Europe's largest investment abroad. The

59 Hillary Rodham Clinton 'Remarks on the Future of European Security,' speech at L'Ecole Militaire, Paris, 29 Jan. 2010.

60 *European Voice* 8 Apr. 2009.

EEAS will have a major influence over EU development policymaking through its role in the ODA programming cycle, its country desks and the EU delegations. The new Service will improve the EU's effectiveness as a development actor if it is able to boost performance in the four areas discussed above: policy coherence for development, coordination among actors, operational professionalism and institutional legitimacy. These are medium-term process goals, and there are promising signs that the EEAS will be given every opportunity to fulfil them. Following negotiations and approval by member states, the Commission and the Parliament, it is unlikely that the basic structure laid out in HR Ashton's EEAS proposal will be revisited before a review scheduled for mid 2013. Nevertheless there is room for further measures that would improve the EEAS' ability to contribute to coherence, coordination, professionalism and legitimacy in EU development policy as the EEAS is rolled out: a clear role for the Commission in ensuring PCD backed by a comprehensive 'dual key' for ODA programming; more effective coordination through better intra-EU communication, including a cross-directorate development working group in the EEAS; a transparent appointment process and comprehensive training for EEAS diplomats, especially regarding development issues; and stronger oversight of the EEAS by the European Parliament.

Beyond technical measures, what has been missing from debates on the post-Lisbon Treaty EU thus far is a unifying strategic concept for external policy (cf. Renard / Biscop 2010). As former Commissioner Günter Verheugen has recently lamented, "*there seems to be no vision within the Union of where we are heading.*"⁶¹ In linking the Commission and the Council through the High Representative and the EEAS, the EU is building an institutional framework designed to coordinate actors and policies in a more coherent way. But it makes little sense to bring development, external relations and foreign policy together under one roof without a clear conception of what exploiting their synergies is supposed to achieve. HR Ashton has spoken of the need to unite behind 'a single political strategy,' but aside from broad principles there is still little agreement among Europeans on what an effective and realistic international strategy should be. If no strategic vision is forthcoming, then the long process of formulating, debating and ratifying the Treaty has been for naught. The opportunity provided by the Lisbon Treaty to strengthen the EU as a development actor cannot be exploited fully without wider agreement about the EU's role in the world and the contribution that development cooperation should make.

Pro-EU commentators, some outside observers and several European policymakers both in Brussels and in national capitals have called for the EU to become a 21st Century 'global power' as a balance to the United States and a rising China (Khanna 2004; Whitman et al. 2009). This is an unrealistic expectation, at least according to traditional understandings of the international balance of power. The EU is not a sovereign state and, advances in CFSP/CSDP integration notwithstanding, for the foreseeable future it is unlikely that the EU will be able to project hard power globally. Joint military capacities are likely to remain limited and ad-hoc for the foreseeable future despite high profile missions such as the EU naval mission Atalanta off the Somalian coast. In any case, it is doubtful whether attempting to follow the traditional path to global influence would prove useful anyway: China's rising power has been based on trade, investment and development assistance

61 Spiegel Online, interview with Günter Verheugen, 9 Febr. 2010; online: www.spiegel.de/international (accessed 23 Mar. 2010).

rather than hard power and coercion, while the American approach to global influence may no longer be as effective as it once was.⁶²

An oft-heard refrain is that if Europe could only ‘speak with one voice’ on major international issues, then rest of the world would listen. This is not necessarily so – there are no guarantees that the EU will exert major influence even when it is able to bring a common position to the international table. As one leading scholar recently argued, climate change has been a policy area in which the EU has been able to reach a common bargaining position to take to international negotiations. Europe’s efforts to shape the global climate change agenda have been a key aspect in the emergence of an EU identity as an international actor, as Europeans have taken pride in their joint leadership (Vogler 2010). The disappointment and recriminations that followed the Copenhagen climate change summit in December 2009 reflected the shock Europeans felt at being sidelined by the United States, China and others in the drafting of the final declaration. Such disappointments serve as painful reminders of both the EU’s ‘capability-expectations gap’ (Hill 1993), and the gap between potential and what European policymakers enable their creation to achieve.

As if the implementation of the Lisbon Treaty was not enough to keep European leaders busy, the escalation of Greece’s fiscal deficit problems into a full-blown Euro-area crisis during the spring of 2010 cast a major shadow over Europe’s public finances. It is highly likely that negotiations for the EU’s 2014–2020 budget, which are due to start in mid-2011, will be affected by the precarious domestic fiscal situations in a number of EU member states.⁶³ Most Western governments have pledged to maintain ODA levels in spite of the need to balance domestic budgets, and since development policy is driven by numerous factors in donor countries the precise effect of economic downturn is difficult to measure (Paxton / Knack 2008). Nevertheless, it is reasonable to expect that development’s position in the hierarchy of priorities may come under pressure. A shrinking budget will inevitably sharpen debates within the EU over external policy priorities.

If the letter and spirit of the Lisbon Treaty are to be observed, then development policy, broadly defined, will be central to any future European global strategy. Development cooperation is arguably the area in which the EU and its members can make the greatest global impact. The EU is the world’s largest trading bloc, and its economic weight is such that it inevitably impacts on global development, whether or not this is intended (Grimm 2009). The EU and its members have been core partners in the international community’s efforts to address global poverty through the Millennium Development Goals and debt reduction (Holland 2008). European countries – individually and through the EU – provide more than half of the world’s combined development assistance. EuropeAid alone disburses around 17 percent of the world’s total ODA.⁶⁴ Development represents an area in which the EU has considerable comparative advantages over individual member states and other international actors, including size, wealth, accumulated expertise and legitimacy (European Think Tanks Group 2010). The European Commission also has a lot of experience with the technical aspects of development cooperation – the repetitive legalese

62 Andrew Bacevich ‘The End of (Military) History? The US, Israel and the Failure of the Western Way of War’; online: www.commondreams.org, 29 July 2010.

63 *EU Observer* 1 June 2010.

64 German Ministry for Economic Cooperation and Development (BMZ): internal memo

that captures few headlines but is essential for pursuing global development objectives, especially those oriented towards strengthening governance in partner countries.

There is, however, an important caveat: the institutional changes brought about by the Lisbon Treaty are only a step in this direction. Institutional changes can express and facilitate political will and leadership, but they cannot create them. The Treaty does not change the fact that major EU foreign policy decisions are negotiated intergovernmentally and taken by consensus, which means that they are prone to member state conflicts of interest. Open breaches, such as that of the Iraq War crisis of 2003, happen very rarely. Chaos is unlikely – the EU has managed to overcome problems of policy coherence and institutional complexity throughout its history and will do so again. Nevertheless the risk is ever-present that intra-EU disagreements over policy details can lead to sub-optimal common positions, bland statements of intent, ad-hoc inconsistencies and ineffective implementation.

By ratifying the Lisbon Treaty member states have expressed their intention to provide the political will to make the EU a more effective development actor and a more prominent international presence. The test of this political will is to implement the changes in the form of an External Action Service that has the mandate, resources and structure to produce coherent and coordinated policy and programmes. Granting the EEAS influence over development policy programming is not in itself sufficient – indeed, this step increases the risk that short-termism can trump solid development-oriented policymaking, especially in times of crisis. Managing this risk requires tighter institutional measures that will increase the capability of the post-Lisbon Treaty EU external relations architecture to serve global development and European foreign policy goals simultaneously, grounded on an international strategy based on Europe's strengths. Coherent, coordinated, legitimate and professional development policy could be the means for cementing the EU's position as a globally relevant and powerful international actor.

Several open issues for research and analysis remain. The key principal-agent question of how the EEAS will respond to institutional checks and balances is highly interesting from both a theoretical and an operational perspective. Secondly, from the perspective of coordination and coherence the operation of the EEAS' internal chain of command will be central to policy formulation and implementation. The central relationships here are likely to be those between EU delegations and policymakers in Brussels. Thirdly, a question mark hangs over the EEAS' ability to improve coordination and coherence between member state and community programmes in developing countries. This challenge that will depend as much on the readiness of national development actors to coordinate their activities with others as it will on the European Commission and the EEAS. A fourth issue concerns differing regional perspectives: the EEAS will have desks covering all countries and regions of the world, and will have to manage the varied interests of member states and EU institutions in different parts of the world. The neighbourhood is clearly a priority for the EEAS and the new structures will need to be capable of coping with the harsh political realities of this 'region.' Finally, the management of policy linkages – especially between security and development – will most likely form the core of the EEAS' work in the world's poorest and most fragile countries. An analysis of the structures that the EU has in place in Brussels and in partner countries for working in fragile states would boost understanding and potentially reveal opportunities for the EEAS to contribute to more effective EU development cooperation.

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