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**Research Report**

## A better link between security and development in the European Union? The European Community's Instrument for Stability (IfS)

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## A Better Link Between Security and Development in the European Union? The European Community's Instrument for Stability (IfS)

Tackling the linkage between security and development policy poses policy challenges to many development actors – whether in the context of fragile states, natural disaster responses, or post-conflict reconstruction. The challenge is particularly pronounced for the European Union (EU), since policy issues are unlikely to respect any of the complex delimitations of competences within the EU. Europe's multilevel governance system involves a plethora of institutions and actors from both the European and Member State levels. These actors are constantly compelled to find new ways to increase inter-institutional as well as intra-institutional collaboration in order to provide effective policy responses to cope with these new challenges that evolve in a 'grey area' –

to be understood in the sense of overlaps – between traditional foreign, security and development policies.

In 2007, the European Union launched an 'Instrument for Stability' (IfS) which adds new capacities to the EU's crisis management toolbox: First, it enables the Community to quickly respond to political crises and natural disasters – and substantially increases its capacity for sustained funding from Community sources. Second, it provides a clearer picture of European Community (EC) and Union competence when it comes to emphasising the linkage between security and development policies. Third, it enables the EU to draw regional organisations and non-governmental organisations (NGOs) much closer towards implementation of EU policies.

### Security, development and EU foreign policy: from 'gap' to 'nexus'

The system of EU (multilevel) governance is rather complex, which affects its crisis response and management capacity. Since the Maastricht Treaty came into force in 1993, the EU has stood upon three pillars: the first pillar includes highly 'communitarised' policies, such as trade and competition; the second pillar is synonymous with the EU's Common Foreign and Security Policy (CFSP), later supplemented by the European Security and Defence Policy (ESDP); and finally, the third pillar encompasses Police and Judicial Co-operation in Criminal Matters. These pillars engender different decision-making procedures. The external relations of the EU as a whole – often referred to as 'EU foreign policy' – thus subscribe to different structures of logic in EU governance and legislation, comprising elements of all three pillars: EC external relations (Community competence), CFSP/ESDP as well as European development cooperation (shared competence of the Community and the Member States). Finally, EU foreign policy is driven mostly by the national foreign policies of all 27 Member States. Coordination of actors involved as well as coherence of activities is politically mandated by the EU treaty (Art. 3(2) TEU). At the same time, however, the challenges which the EU is encountering as an actor on the global stage, such as the potential repercussions of post-conflict reconstruction, fragile states and instable regions, are not structured along institutional demarcations of competence.

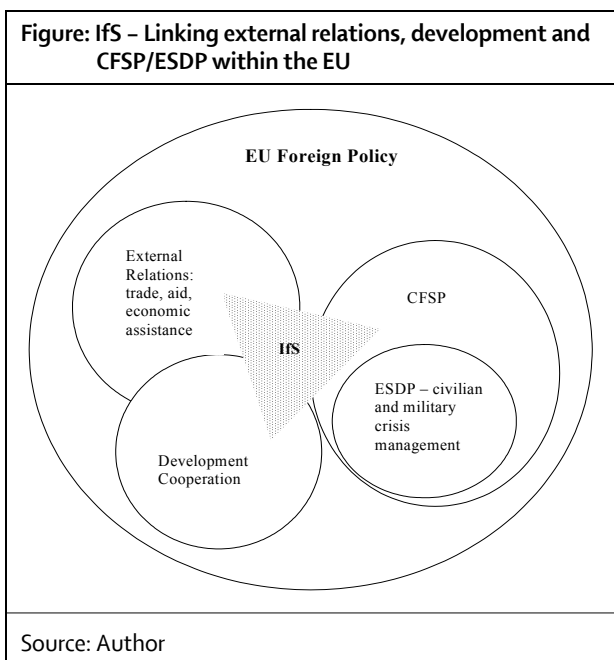
Increasingly, EU engagement needs to address the 'grey area' between foreign and development policies. Observers refer to this situational context in terms of a 'security-development gap' and stress the many incompatibilities

between both policies, in particular with regard to different perspectives, objectives, and policy instruments that are available. Others prefer to frame the grey area in terms of a 'nexus', which means that security and development are intrinsically linked and mutually reinforcing. The European Union prefers to refer to this situational context as a 'nexus' (see for instance the 2005 European Consensus on Development); it has stepped up its role in crisis response and conflict prevention by coordinating more effectively the various civilian means and resources parallel to the military ones. Conflict prevention and post-conflict reconstruction have increasingly been integrated into development programmes. Thereby, external policies of the EU's various pillars (external relations, trade, development etc.) were drawn closer together.

The European Commission has suggested that the concept of human security should inform the process of linking security and development policies. The term advocates a people-centred instead of a state-focused understanding of security; it is not uncontested, but increasingly used to describe the complexities of interrelated threats associated with civil war, genocide and the large-scale displacement of populations. Advocates of the concept of human security seek to ensure that EU security policy sufficiently takes the needs of people in target countries and regions into account.

From an institutional angle, the linkage between security and development policy exhibits two different dimensions: The first is a *politico-legal dimension*, since it suggests that there is a need for sustained efforts to further improve coordination and coherence between distinct, but inter-locking policy areas and actors, with important legal implications. Deciding whether a certain action

should be attributed either to the Union's security and defense policy or to the Community's development policy has significant consequences for voting rules in the Council, the role of the European Parliament and the European Court of Justice and the functions of the Council and the Commission in implementation. Coordination and implementation also require closer links ('inclusiveness') with non-governmental organisations and other international or regional organisations that deal with the policy challenges 'on the ground'. Second, it exposes a *time dimension* ('flexibility and rapidity'), for there is a need to marshal instruments that respond rapidly and are capable of 'building bridges' between short-term security or humanitarian interventions on the one hand and long-term development programmes on the other. The IfS has been designed as the EU's key response tool to this need (see Figure).



### Linking security and development below the threshold of treaty reform

The Instrument for Stability entered into force on 1 January 2007 and was part of a major overhaul of EC external relations instruments; it is now discussed as an instrument for the future EU High Representative should the Lisbon Treaty enter into force. The IfS built on the EU's Rapid Reaction Mechanism (RRM), which was in operation from 2001-06. The RRM could be launched whenever an action could not be attributed to any of the geographical or thematic EC instruments. However, the RRM's measures could only last for up to six months and its relatively small average annual budget of around € 30 million per year put financial constraints on each measure. The IfS, on the contrary, can cover an intervention cycle of up to 24 months and has an annual budget of about € 150 million. Since the IfS has been designed to prepare the implementation of the Reform Treaty and further reorganisation of the EU system of external relations, it was also meant to provide opportunities for the Commission and Council to engage in closer cooperation

in the policy areas which underlie the security-development nexus.

The Instrument for Stability is also to be seen in the context of new EU financing measures for peace-keeping in Africa. In response to a request of the African Union (AU), the Council of Ministers of the group of African, Caribbean and Pacific (ACP) states and the EU decided to establish a 'Peace Facility for Africa' in 2003. This instrument has become the EU's single most significant financial support mechanism for Africa. For the period 2008-10, it has committed € 300 million within the context of the 10th European Development Fund (EDF), which is outside the regular EU budget. This amount can be used to financially support African countries in deploying their peace-keeping forces in other African countries, including the costs of transporting troops, soldiers' living expenses and the development of capabilities. However, funding from the Peace Facility for Africa cannot be used to cover military and arms expenditures.

The Instrument for Stability pursues a threefold operational goal and can be subdivided into a short-term and a long-term component: First, in a situation of emerging political crisis or natural disaster, it seeks to contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the EC's development and cooperation policies. Cooperation is usually funded via the Development Cooperation Instrument, European Neighbourhood and Partnership Instrument, etc. Thus, the IfS has been sketched out to (1) address new political crises or natural disasters, (2) respond to 'windows of opportunity' for pre-empting crises (e.g. a situation like the withdrawal of Israeli forces from Gaza in 2009), (3) secure the conditions for delivery of EC assistance (e.g. as in Afghanistan) and (4) be part of a joint approach involving ESDP operations (e.g. EUFOR Chad/Central African Republic). Second, within the context of stable conditions, it aims to enable the EC to address specific global and trans-regional threats which might have a destabilising effect, such as the proliferation of weapons of mass destruction, human trafficking, terrorism and organised crime. Third, again in a situation of stable conditions, it seeks to ensure the preparedness of international and regional organisations as well as state and non-state actors to respond to pre- and post-crisis situations (see Box).

For the period from 2007-2013, the budgetary allocation for the Instrument for Stability amounts to € 2,062 billion, with the lion's share in the order of up to 73 % or € 1,505 billion being reserved for its short-term component, and up to 27 %, or € 557 million being channelled towards the long-term component. By its very nature, funding allocated to the short-term component is non-programmable thus making the instrument extremely flexible. In December 2008, the Council and the European Parliament – following the suggestion of the EU Commission – decided to channel almost one eighth of the IfS total budget (€ 240 million) towards the newly estab-

**Box: The Peace-building Partnership (PBP): Managing networks**

Funded via the IfS, the PBP was launched in November 2007 and aims at building the capacity of international, regional, and sub-regional organisations, i.e. state and non-state actors, in relation to their efforts in: (a) promoting early-warning, confidence-building, mediation and reconciliation, and addressing emerging inter-community tensions; (b) improving post-conflict and post-disaster recovery (see Art. 4(3) of IfS regulation). The Commission engages in 'network management' and hopes to tap external expertise through the PBP inasmuch as it lacks implementing powers of its own.

Supported within the framework of the PBP are the exchange of information, the transfer of know-how, the assessment of risks and threats, research and analysis, early-warning systems and training. The PBP thereby aims to foster a network of specialised NGOs with expertise in early warning, peace-building and recovery after conflicts or natural disasters. At the same time it seeks to develop the relationship with international partners (UNDP and African Union) and relevant agencies in the Member States (e.g. 'European Group on Training', an 'open network', comprising European training institutions, NGO training providers and government institutions engaged in the recruitment and training of civilian crisis management personnel).

The Commission holds regular consultation meetings with civil society organisations in the context of the PBP - three such meetings were held in 2008. Also invited to those meetings are representatives from Member States and from the European Parliament. The Commission's commitment to continue working with civil society organisations on peace-building issues and to provide adequate funding to this end is confirmed by the draft 2009 Annual Action Programme. With regard to other target organisations, the Action Plan focuses on the UN Peace-building Support Office's Mediation Support Unit, the African Union, the League of Arab States (enhancement of early warning networks), the International Dialogue on Peace-building and State-building, managed by the OECD-DAC Secretariat and further delivery of training for police experts in civilian missions.

Many NGOs have criticised the PBP. They had expected the EU to pursue more ambitious goals in the area of peace-building, including a genuine European Peace-building Agency as a counterpart to the European Defence Agency. Yet, the partnership is commended for taking some small steps in the right direction e.g. by the European Peace-building Liaison Office (EPLO).

lished Food Facility in order to address the global food crisis.

However, the IfS is meant to be more than just a budget line. For the first time ever, an EC external relations instrument translates the requirement for consistency in the EU's external actions (Art 3(2) TEU) into secondary law. Importantly, a voice was given to the European Parliament in an area of EC cooperation policies that potentially would have an impact on EU foreign policy as broadly conceived. As the legal basis, articles were chosen that result in parliamentary co-decision-making processes (Art. 179 and 181(a) instead of Art. 308 TEU, which was used for the RRM.

**Assessing the Instrument for Stability: Living up to expectations?**

The EC has instruments for responding to crisis situations, such as humanitarian assistance, civil protection or other external financial instruments. These Community instruments, together with EU Joint Actions under CFSP/ESDP, constitute the very core of the EU's crisis response capability. The Instrument for Stability is an important addition to this policy tool box and has improved EU responses to security and development challenges at three levels: flexibility and rapidity, the politico-legal dimension, and inclusiveness.

*Flexibility and rapidity:* The Instrument for Stability has de facto increased the rapidity with which the Community can now respond to natural disasters and (emerging) political crises. Besides humanitarian aid, the IfS can be launched within 8-12 weeks and provides an important link for long-term programmes. For projects below € 20 million the administrative process is fairly simple and straightforward: the European Commission is only obliged to keep the Political and Security Committee (PSC) informed. Not surprisingly, no measure has been above the € 20 million threshold to date. Thus far, the European Commission reports, Member States have not expressed any major concern about the Commission's funding objectives and practice under the IfS.

*Politico-legal dimension of the security-development nexus:* Both the Commission and the Council have become very sensitive in choosing the appropriate legal basis for action. In the light of several rulings of the European Court of Justice in matters defining competences among the above-mentioned pillars, the IfS clearly enumerates areas of Community competence. The IfS has contributed to reducing legal ambiguities between Union and Community competences. If measures focusing on democracy, the rule of law and human rights are primarily geared towards the provision of training as well as technical and financial assistance, for instance, they lie within Community competence; in cases where measures imply the large-scale involvement of lawyers, judges and policy officers from the Member States in taking a more active role in managing the transition to rule of law, it would rather fall into the competence of the Member States and therefore CFSP. Following a European Court of Justice decision (the so-called ECOWAS case of 20 May 2008), measures against the proliferation of small arms and light weapons are likely to be implemented by the Community under its development policy – and not CFSP. Furthermore, the Commission has recently improved intra-service cooperation of those Directorates-General of the Commission that are dealing with the IfS; yet, this has not been matched by increased Council-Commission coordination. The IfS is operating as a bridge, but it falls short of fully supplanting the pillars of the EU. In the given setting, making the security-development nexus 'work' is ultimately a political task of all actors involved, the Commission, the Council, the European Parliament as well as the Member States.



*Internal and external inclusiveness:* The IfS has increased the European Parliament's scrutiny powers in external relations. Obviously, the decision to strengthen the European Parliament was a major success in increasing the Parliament's democratic oversight in EC external relations and its involvement in matters close to CFSP (internal inclusiveness). In addition, the Peace-building Partnership provides NGOs with various financial opportunities as well as some access to the preparatory phases of the EU decision-making process (external inclusiveness).

## Conclusion

The Instrument for Stability has the potential to improve coherence in the European Union's external actions. While legally remaining an EC instrument decided upon by the Commission, the close coordination which it establishes among EU Member States, notably in the Political and Security Committee but also in the geographic working groups, has contributed towards improved coordination. The IfS has clarified a number of legal issues with regard to Community vs. Union competence and can thus be regarded as an important multi-functional tool within the EU's overall toolbox for crisis management.

With a view to the mid-term review of the Instrument for Stability in 2009, the following topics should be addressed:

- 1) The EU as a whole cannot foster its capacities in linking security and development policy unless the Member States are committed to the same objective. Member States should use the Instrument for Stability as a complementary incentive to increase inter-ministerial coordination.
- 2) There still is a need for improving the coordination between the Council and Commission units dealing with the implications of security-development nexus management. The IfS should be used as an entry point for effective Commission and Council collaboration at the level of delegations in partner countries once the European External Action Service (EEAS), combining representatives from the Council, the Commission and Member States diplomatic corps, has been established.

- 3) There might be some scepticism about strengthening the role of NGOs, given that this may further complicate coordination. Nevertheless NGOs need to be integrated into various policy-making phases of the Instrument for Stability, not least so in partner countries. European NGOs should be encouraged to strengthen links with other European and, in particular, Southern partners in order to win bids within the Peace-building Partnership. From that perspective, NGOs in the relevant fields should actively seek to liaise with European Commission Delegations.

The Instrument for Stability also offers an opportunity for future budgetary reforms in the EU. While the IfS is within the EU budget, the "Peace Facility for Africa" is funded via the European Development Fund (EDF) and thus outside the EU budget. Yet, the goals of the 'Peace Facility' are similar to the IfS. Although different administrative procedures apply to both funding streams, the IfS could possibly accommodate the 'Peace Facility'. Placing the European Development Fund in the regular EC budget ('budgetisation') would make this easier to achieve. In any case, reducing the number of different financing instruments for linking security and development policies would increase chances for policy coherence.



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