



Part of the act4europe campaign initiated by the Civil Society Contact Group

## Briefing N°30

# The Development Co-operation Instrument

## *European Parliament puts the EU back on track*

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*Eurostep is a network of autonomous European non-governmental development organisations working towards peace, justice and equality in a world free of poverty. Its membership, rooted in their own societies, works together to influence Europe's role in the world, particularly in pursuing the eradication of injustice and poverty. It advocates changes in Europe's policies and practice based on the perspectives drawn from direct experiences of an active involvement of its members and their partners in development in over 100 countries across the world. The members of Eurostep include: 11.11.11 (Belgium), ACSUR Las Segovias (Spain), Alliance Sud (Switzerland), Concern Worldwide, Deutsche Welthungerhilfe (Germany), Helinas (Greece), Hivos (Netherlands), Kepa (Finland), Manitesse (Italy), Mellemfolkeligt Samvirke (Denmark), Oikos (Portugal), Oxfam International (Netherlands), People in Need (Czech Republic), SNV (Netherlands), terres des hommes Germany.*

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**After a year long deadlock over the European Union's new development instrument, the European Parliament's rapporteur has presented a set of amendments to the Commission's original proposal. The proposed changes would establish a clearly defined enabling instrument for the EU's development co-operation. Eurostep welcomes and supports the proposed amendments.**

In March 2005, the European Parliament's Committee on Development unanimously rejected the Commission's proposal for a Development Co-operation and Economic Co-operation Instrument. While the European Commission refused to amend its proposal, the UK Presidency introduced a new text containing stronger language on development. Based on consensus between the Council and Parliament that the Commission's initial proposal introduced unacceptable elements, the Parliament's rapporteur, Gay Mitchell MEP (EPP-ED), has since moved the process forward by proposing a series of amendments.

Through his proposed amendments, the rapporteur has quite rightly endeavoured to establish an instrument that is entirely focused on development co-operation in line with the *acquis communautaire*. If the amendments are adopted, the Development Co-operation Instrument will be based entirely on Article 179 TEC and will be in line with both Council and European Parliament legal opinions as well as established case law. It takes as its point of departure the legally established principal that all EU development actions in developing countries are funded on the basis of this particular treaty article. The rapporteur has rightly excluded any co-operation with industrialised countries, for which the Development Co-operation Instrument is neither appropriate nor relevant. Finally, these amendments ensure provision for those mechanisms necessary to ensure that the European Parliament's co-decision powers can be exercised properly.

By adopting the proposed amendments, the European Parliament will establish a well defined enabling instrument for development co-operation. Such an instrument would meet comprehensively the requirements for effectiveness and flexibility - two core objectives of the entire revision process.

**Rapporteur Mitchell's amendments to the proposal for an Instrument for Development Co-operation create the desired balance between an instrument which provides clear definition of scope and application but which at the same time provides for the required flexibility and efficiency within its overall parameters.**

**By adopting these amendments, the European Parliament will strengthen development and thus ensure the future role of the EU as a truly global player in this area of external policy in which it is clearly strongest.**

**Moreover, the fact that the rapporteur's amendments preserve Parliament's powers of co-decision ensures that it will continue to be able to promote this crucial role.**

### **A single instrument for developing countries only**

By introducing a single instrument for financing the EU's development co-operation efforts, the rapporteur's amendments are in line with the EC Treaty. He proposes to maintain the separation between the EU's relations with developing and industrialised countries<sup>1</sup> which would clearly contribute to the strengthening of the EU's role as a responsible global player, in providing an instrument which is consistent with, and at the same time allows for the pursuance of, a clearly defined development policy applicable to all developing countries.

The rapporteur proposes using Article 179 TEC, which covers development co-operation only as the sole legal basis for the Development Co-operation Instrument. Article 181a TEC, which covers the EU's co-operation with industrialised countries, is thus deleted from the instrument.

The EU's relations with industrialised countries should be dealt with under another instrument. This instrument would most likely be a continuation of the current Regulation N°382/2001, which relates to implementation of projects promoting co-operation and commercial relations between the European Union and the industrialised countries of North America, the Far East and Australasia.

### **An instrument truly focused on development**

While the original Commission proposal seemed to suggest that structures and instruments were coming before policy, the rapporteur's amendments clearly define the future instrument as a tool in order to implement the EU's development policy. They identify explicitly the *"European consensus on development"*<sup>2</sup> as the general framework for the EU's co-operation with developing countries.

Furthermore, the rapporteur proposes to redefine the primary objectives of the Development Co-operation Instrument to better reflect the principals of the EC Treaty and the Millennium Development Goals (MDGs). Crucially, he proposes that all actions financed under this instrument should be eligible for Official Development Assistance - as defined by the OECD/DAC - and that they should target the poorest countries. This proposed amendment reinforces the instrument's development focus and serves to strengthen the EU's position as a leader in the fight against world poverty.

### **An instrument asserting the centrality of the European Parliament**

Whereas the original Commission proposal foresaw a major expansion of the executive body's powers in terms of resource allocation and policy implementation, the rapporteur's amendments reaffirm Parliament's role as a key actor in the EU's development policy by proposing co-decision not only at the level of the Instrument providing enabling legislation, but also at the levels of the regional and thematic priorities of EC aid. The rapporteur's proposal to establish Parliament involvement in the adoption of the proposed Multiannual Financial Framework will be essential in ensuring that the policy priorities set by the legislative authority are properly implemented by the Commission and is in accordance with the Parliament's budgetary power. The establishment of regional and thematic regulations, as proposed by the rapporteur, will also allow a more detailed definition of thematic

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<sup>1</sup> According to OECD DAC list I

<sup>2</sup> Statement on European development policy adopted by the European Commission, Parliament and Council in December 2005.

approaches within EC development co-operation, thus keeping the development co-operation instrument as a clearly defined enabling instrument.<sup>3</sup>

### **Wording on coherence in line with the Treaties**

The rapporteur's amendments reinforce the need for those Community policies - both internal and external - which impact on developing countries to be coherent with the EU's development objectives. This is in line with the definition of coherence as provided for in the Treaties.

### **Stronger role for civil society**

The participation of all actors, and very particularly the poorest and most marginalised, is a prerequisite for poverty reduction and the achievement of the MDGs. The rapporteur's amendments take this into account by encouraging the consultation of civil society at the earliest possible stage in the programming as well as the evaluation phases. The wording included in his amendments is in line with the language on partnership, ownership and participation as provided for in the Cotonou agreements.

### **Increased resources available for the instrument**

The ambition shown by European Heads of States in 2005 both through their pledges to increase ODA commitments and through the adoption of the revised EU Development Policy Statement should be matched by an adequate allocation of resources to the Development Co-operation Instrument. The proposal to increase the level of financing in the general envelope available for the Development Co-operation Instrument from €44.229 million to €47.122 million is therefore both appropriate and welcome.

Although the European Council reached agreement on the level of EU spending 2007 – 2013 at its meeting on 16 December 2005, the next financial perspective cannot take effect until it is approved by the European Parliament. During its plenary session on 18 January, Parliament overwhelmingly rejected the deal reached by the heads of state and government and called for further negotiations. These discussions, which are scheduled to begin on 23 January, will take place alongside the negotiations on the new legal instruments governing the financing of EU external policies spending which are currently being debated by Parliament.

***Eurostep therefore encourages members of the European Parliament to support the amendments to the regulation establishing a Development Cooperation Instrument proposed by the rapporteur Gay Mitchell.***

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<sup>3</sup> In previous experiences, such as the 2004 revision of the ALA regulation, a multiplication of objectives was introduced to deliberately weaken the specific definition of the instrument, which was then also rejected by the European Parliament.