Report on the consultation on the Green Paper on "EU Development Policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy"

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EXECUTIVE SUMMARY

There has been a rich and healthy participation to the public consultation on the Green Paper “EU Development Policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy”. The public consultation was launched after the publication of the Green paper on the Europa website, over the period 15 November 2010 – 17 January 2011. In addition to the questionnaire contained in the Green Paper itself, several events were organised in parallel to present and discuss the Green Paper with different categories of stakeholders.

240 responses were received. The total documentation of responses amounted to more than 2,000 pages. All contributions have been made publicly available on the Commission EuropeAid website. The following table lists the number of responses by each category of respondent.

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<tr>
<th>CATEGORIES</th>
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The Green Paper contained 26 open questions relating to a set of four main concerns:

- How to ensure high EU impact development policy;
- How to facilitate more, and more inclusive, growth in developing countries;
- How to promote sustainable development as a driver for progress; and
- How to achieve durable results in the area of agriculture and food security

The following report summarises the main issues raised in the responses.

General comments/cross-cutting issues

The EU is the world’s largest provider of Official Development Assistance (ODA), totalling almost € 54 billion in 2010. It is also the world’s largest economic bloc with 501 million inhabitants and a total GDP

of over € 12 trillion in 2009; its annual imports from third countries exceed € 1.3 trillion (Euro zone only).

Most respondents have welcomed the Green Paper as a very timely initiation of a broader reflection and debate on EU development policy, especially against the backdrop of recent geopolitical and institutional as reflected, *inter alia*, in the setting up of the G20 and the creation of the new European External Action Service. The consultation also ties in with the discussions that precede the next EU financial framework 2014-2020.

Respondents recognise that the current financial and economic crisis creates additional need to ensure that ODA funds, since they derive from donor governments’ budgets, are used with the aim of maximizing the impact on poverty. This will be necessary to secure continued support from taxpayers for future increases in development aid.

Most respondents therefore endorse the increased emphasis on inclusive economic development, growth and employment creation for which ODA plays a catalytic part, since it mobilises additional domestic and international funding needed to achieve the Millennium Development Goals and the ultimate goal of eliminating poverty. This is, however, contested by some respondents, especially from the NGO community, who point out that there is little evidence to suggest that economic growth without active redistributive policies and social protection systems actually has had an impact on poverty in the past.

A number of respondents state that the Green Paper does not provide the analysis and evaluation of the impact of current policies that would be sufficient for it to serve as a base for a modernisation of the European Consensus on Development. Many of the terms used in the Green Paper need definition and further clarification, including “high impact”, “added value” and “inclusive growth”, neither of which appear in current EU development policy legislation.

Several respondents therefore call for current policies to remain in place as outlined in the Lisbon Treaty and the European Consensus on Development. These define the eradication of poverty as the overarching objective for the use of EU ODA. Policy coherence should be assessed against this goal alone, it is argued. In addition, some contributions recall that, while the Treaty calls for the EU and Member States development policy to complement and reinforce each other, development is not, unlike trade and climate change, an EU responsibility.

Furthermore, it is argued that the EU is a value-based organisation and that its development policies should be based on promotion of democracy, fundamental human rights and freedoms, including those of women, children, disabled people and minorities.

Most of the Member States underscore in their contributions that they see the Green Paper, together with the consultations on the funding of EU external action after 2013 and on EU budget support, as the starting point of a longer process of elaborating and agreeing a new EU development policy. Development research institutions call for the EU to take the intellectual leadership in this process.

### 1. High Impact development policy

Many respondents underline that ODA constitutes only a fraction of funding for development, and needs to be seen as a complement to domestically mobilised resources, foreign investments, trade and remittances. At the same time, in low-income and/or fragile countries ODA can provide up to half of development resources available. These respondents therefore call for traditional ODA development programmes to be primarily reserved for the Least Developed Countries (LDCs). However, they also call for an overhaul and redefinition of the classification of countries that are eligible to ODA, as it is defined by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD).

Consistent with the call for reserving ODA for the LDCs, is the demand for greater coherence in EU development policy especially with regards to middle-income countries. The establishment of the EEAS provides an opportunity for a more holistic approach to external action, including all aspects of EU action: trade, commerce, agriculture, fisheries, intellectual property, security, climate change etc.
Many answers endorse the notion of more focused aid and a consolidation of the currently more than 45,000 projects funded by EU donors, combined with further cross-country and in-country division of labour among EU donors. Aid should be consolidated into multi-donor, sector/thematic sector wide approaches (SWAp) with long-term, predictable and reliable funding commitments based on strengthened PEFA and other assessment systems. Apart from education and health, energy infrastructure, agriculture/food security and aid for trade are identified as focus areas.

While joint EU country programming of assistance is endorsed in principle, it should be introduced gradually starting with countries where it would yield demonstrable added value. Conflict analysis should be a mandatory part of the joint assessments that precede country programming exercises.

A number of contributions underscore that development cooperation must be a reciprocal partnership. In exchange for long-term EU commitments, partner countries need to commit to allocating a sufficient part of their budgets to priority areas such as social sector reform, health and education.

Many respondents call for an increased direct involvement of elected parliamentary assemblies at national, regional and local levels in both EU and partner countries as part of a broadened partnership between democratic institutions. There are equally strong calls for broader involvement of civil society organisations – North and South – including private sector organisations, in the programming, monitoring and evaluation of assistance.

2. Inclusive and sustainable growth

While most respondents recognise economic growth as a necessary condition for development, many also point out that growth alone is not sufficient. International agreements on transparency, decent work and environmental standards as well as effective, transparent monitoring of actual behaviour combined with effective sanctions should form part of EU development policy, as outlined for example in the Initiative on Extractive Industries.

However, there is almost universal support for active promotion of local SMEs, especially in the agricultural sector, by supporting necessary infrastructure in transport, energy and communications (ICT). Even more important, is the strengthening of the legal and financial frameworks that are necessary to entice the informal sector into the official economy and to broaden the development resource base.

A case is made for reinvigorating the creation of cooperative enterprises, especially producer-cooperatives in the agricultural and fisheries sectors, as a stakeholder alternative to the shareholder company model currently predominant in the West. It is pointed out that the democratic structure of cooperatives brings with it a built in training in functioning participative democracy and governance.

Many respondents call for increased ODA support for direct funding of social protection systems, especially targeted to the poor.

3. Sustainable development

Some respondents suggest that the term “Green development” should replace “Sustainable development” because it has greater universal recognition.

Climate change adaptation is a priority and the work of OECD/DAC in developing guidelines and accounting rules for assistance to climate change is of particular relevance to promote coherence and to leverage financing.

It is suggested that the EU should conform to the Natural Resource Charter when providing development assistance. Equally, the EU should support the goal of the CBD Nagoya Strategic Plan towards stopping global deforestation by 2020.
There are diverging views on how to strike the right balance between support for mitigation and adaptation measures in the area of climate change. **Programmes need to be designed for different circumstances in different countries.** However, countries’ exposure to natural hazards is generally not underlined to the extent it should be in Country Strategy Papers, with disaster risk reduction – or prevention - measures rarely included in agreed programmes.

Support to sustainable energy cannot be seen apart from the EU strategy on climate change and development. There are Council Conclusions (May 2009) and an Energy Facility, which should be implemented.

It is pointed out that reliable, sustainable, and renewable sources of energy are among the necessary conditions for enhancing economic activities and reduction of poverty. The priority of the EU’s efforts should therefore be support for accessible sources of energy at the local level, energy self-sufficiency, with emphasis on the diversification of energy sources, clean technologies, emission reduction, know-how exchanges in the sphere of energy efficiency, and the sustainable use of water and soil, including minerals.

Many respondents, especially NGOs, advocate that all actions relating to Climate Change measures should be funded separately from ODA and not counted under ODA.

4. **Agriculture and Food Security**

Most respondents strongly endorse incorporating sustainable agriculture and food security in the priority areas for EU development policy. Strategic areas should encompass support for smallholders, including land tenure rights and provision of knowledge, supplies and equipment.

It is pointed out that the EU possesses extensive expertise relating to sustainable agriculture under changing conditions, which it should use to support initiatives in poor countries with the aim of optimising use of agricultural production means, integrated plant protection, improved land and water resource management and the introduction of resistant species.

**EU countries have broad experience when it comes to carrying out systemic and economic transformations**, also in the agricultural sectors. In developing countries, such experience should be used to promote ownership relations and the right to use land for rural populations. These are pre-requisites for greater efficiency.

Support for agro-ecological solutions, applied research and capacity building for extension services are emphasised as priority areas. Support to smallholder farmers is widely endorsed as well as the special targeting of women farmers.

5. **Missing areas**

Many respondents have pointed out that the Green Paper does not pay sufficient attention to fundamental issues, such as democracy and human rights, the important role of women in development, or to the rights of children, minorities, indigenous peoples or the disabled. Similarly, it is felt, that issues related to HIV/AIDS, pervasive corruption and lack of transparency have not been adequately covered in the Paper.

6. **Next steps**

The results of this consultation process will inform the Commission’s proposals related to development to be made in the 3rd quarter of 2011.
1. INTRODUCTION

On the 10th of November 2010, the European Commission on the 10th of November 2010 presented its Green Paper “EU development policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy”. It invited interested stakeholders to contribute by answering to the questions presented in the document and/or by providing general comments on the issues raised. The public consultation lasted from 15 November 2010 to 17 January 2011.

The European Consensus on Development as a joint statement by the Member States, the European Parliament and the Commission reflects the commitment of the Union: “Combating global poverty is not only a moral obligation; it will also help to build a more stable, peaceful, prosperous and equitable world, reflecting the interdependency of its richer and poorer countries.”

The Commission is committed to continuing the modernisation of EU development policy and spending programmes, providing better added value, value for money and effectiveness. The publication of the Green Paper comes at a crucial point in time when existing aid commitments, institutional changes and global developments create both opportunities and challenges for improved EU development policies.

The EU and its Member States have doubled their spending on official development assistance (ODA) over the last decade. Europe has, in parallel, significantly improved its aid effectiveness performance and introduced new mechanisms to enhance the coordination and harmonisation of programming procedures together with improved cross-country and in-country division of labour between EU donors. The EU, in 2010, reaffirmed its collective target of devoting 0.7% of its GNI to ODA by 2015. Development assistance remains a matter of solidarity, commitment and mutual interest for the Union and its partners. At the same time the Green Paper was published against the backdrop of the mixed progress that has been made so far towards achieving some of the 2015 Millennium Development Goals (MDGs), with great variation between regions and countries.

The Lisbon Treaty, which entered into force in December 2009, places development policy at the heart of its objectives: Article 208 specifies that “Union development cooperation policy shall have as its primary objective the reduction, and, in the long term, the eradication of poverty.” The principle of policy coherence is enshrined in the same article 208: "The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."

The Treaty further creates a more efficient framework for the EU as a global actor, with the establishment of the European External Action Service.

This should be viewed in the context of other major changes that have taken place during the last decade, where the growth and development of some formerly low-income countries have moved hundreds of millions of people out of poverty and some developing countries have now become important donors themselves and major exporters of capital for investment and development themselves.

In 2008/2009, budgetary constraints weighed heavily on aid and many donors, including several EU Member States, decreased their spending on official development assistance (ODA). In 2010, the trend of the previous year was reversed for the EU. Expressed as a share of GNI and in total terms, 2010 consequently saw the highest amount of ODA ever spent by Europe: €53.8 billion (0.43% of GNI). The Union is still by far the leading donor worldwide and continues to pursue its ambitious ODA goals for 2015. Promoting inclusive growth and sustainable development in partner countries is a matter of mutual interest for the EU and its partner countries. The aim of the Green Paper was to
move ahead the debate on a clearer focus of the future of development policy, better cooperation, and a higher impact on the ground.
2. THE GREEN PAPER

The European Union, apart from being the world’s largest provider of ODA with € 50 billion annually, is the world’s largest economic bloc with 501 million inhabitants producing an annual GDP exceeding € 12 trillion. Its annual imports of goods from the outside world exceed € 1.3 trillion (extra-Eurozone only).

The entering into effect of the Lisbon Treaty on the European Union in 2009 and the establishment of a common European External Action Service (EEAS) in 2010 represent major events in world international development.

The Green Paper on EU development policy therefore seeks to launch a debate on how EU can best support developing countries’ efforts to speed up progress towards reaching the Millennium Development Goals and how it can strive to leverage new opportunities to reduce poverty. It defines a set of questions on how to achieve the four main objectives to be pursued collaboratively by the EU and its Member States:

1. How to ensure high impact EU development policy;
   - How to put “High Impact” into practice;
     - How to provide Added Value to the funds spent;
     - How to improve coordination of programming of aid;
     - How to leverage funds for reforms and sound policies;
     - How to better communicate the achievements of aid;
   - How to ensure growth focused on human development;
   - How to promote good governance
   - How to support development in fragile and conflict-prone states;
   - How to make coordination of EU and MS policies on development cooperation a reality;
   - How to ensure policy coherence for development; and
   - How to improve the impact of budget support.

2. How to make development policy a catalyst for inclusive and sustainable growth;
   - How to create new partnerships for inclusive growth;
     - How to promote and support productive and sustainable investments;
     - How to create access to capital and affordable credit;
     - How to build effective and predictable legal and regulatory frameworks;
     - How to enhance scientific and technological cooperation and capacity building;
     - How to ensure decent working conditions and social protection; and
     - How to foster regional integration and ensure trade for development.

3. How to promote sustainable development as a driver for progress;
   - How to promote mainstreaming of climate change, biodiversity and development interventions; and
   - How can the EU support sustainable energy for all citizens of developing countries.

4. How to achieve durable results in the area of agriculture and food security, especially for Africa

Under these main themes, the Green Paper posed 26 specific but open questions, to which interested stakeholders have been invited to respond.
3. THE CONSULTATION PROCESS

The EC Communication of 11 December 2002 spells out the rationale and principles underlying the public consultation process of the European Commission.\(^4\)

The Green Paper and information regarding the consultation were published and transmitted to the Member States, the European Parliament, the Committee of the Regions and the European Economic and Social Committee as well as to all EU Delegations, who were invited to launch a debate in partner countries. In addition to the open invitation to all interested stakeholders on the Commission’s website\(^5\), the Green Paper has been presented to stakeholders at a series of events, including:

- A discussion by a High Level Panel “New Policy Challenges” at the European Development Days, 6 December 2010
- A seminar with non-state actors (jointly with the European Economic and Social Committee) on 11 January 2011.

The current consultation on EU development policy is to be seen together with two other consultations undertaken at this time, namely the Green Paper on “The Future of EU Budget Support to third countries”, open during the period 19 October 2010 to 31 January 2011, and of the public consultation on “What funding for EU external action after 2013?” open from 29 November 2010 to 31 January 2011.

The three consultations will individually and separately inform the Commission’s forthcoming communications on these subjects.

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\(^4\) COMMUNICATION FROM THE COMMISSION
Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission Brussels, 11.12.2002
COM(2002) 704 final
“Consultation mechanisms form part of the activities of all European Institutions throughout the whole legislative process, from policy-shaping prior to a Commission proposal to final adoption of a measure by the legislature and implementation. Depending on the issues at stake, consultation is intended to provide opportunities for input from representatives of regional and local authorities, civil society organisations, undertakings and associations of undertakings, the individual citizens concerned, academics and technical experts, and interested parties in third countries.”

\(^5\) (http://ec.europa.eu/yourvoice/)
4. RESPONSES TO THE GREEN PAPER

This report summarises and analyses the contributions received from 240\(^6\) individuals, governments and organisations that have responded to the Commission’s call for comments. All contributors are listed in Annex I and their statements are available on the Commission website (http://ec.europa.eu/europeaid/how/public-consultations/5241_contributions_en.htm).

The presentation of the responses is structured into three parts:
1. Responses/ comments received during the public events
2. Responses/ comments received from the different categories of respondents
3. Responses/ comments related to the four thematic clusters identified in the Green Paper

Given the structure of the consultation and the contributions received, some overlap and repetition are inevitable. However, this should facilitate the identification of divergences and convergences in views put forward by different categories of respondents.

4.1 RESPONSES DURING THE PUBLIC EVENTS

The consultation process has, in addition to the invitation for written comments, included two public events:
1. High-Level Panel discussion on “New Policy Challenges” at the European Development Days in Brussels on 6 December 2010; and
2. A one-day seminar with Non-State actors organised together with the European Economic and Social Committee on 11 January 2011.

The first event, the High-Level Panel Discussion at the 2010 EED, was attended by the Commissioner and ten other high-level participants representing international development organisations and NGOs. The main points raised in the discussion were the following:
- Africa needs major investments in infrastructure before growth can be expected to take place;
- It is important to build social protection systems which include the poor;
- New technologies, e.g. ICT and Internet, offer new opportunities for civil society participation and demand for accountability;
- More transparency is needed both from donors and from partner governments;
- Investments in agriculture are vitally important for food security in Africa; rural smallholders need energy and access to markets;
- The North-South relationship needs restructuring to reflect a more equal partnership; and
- The Green Paper represents a new beginning, but many fundamental issues are not dealt with in the document.

The second event, the EESC seminar with non-state actors on 11 January 2011 was composed of four workshops\(^7\), dealing with the following topics and yielding the following comments:

1. Engaging with the private sector and other non-state actors in development:
   - The necessity to identify methods for assessment of enabling factors for private sector development;
   - The need to distinguish between local and international actors;
   - The value of cooperative enterprises;
   - The need to define inclusive growth.

2. Agriculture and food security:
   - Better EU policy coherence is indispensable for better food security;
   - The need to focus EU support on financing for small-holders, especially women farmers;
   - The need to support the strengthening of CSOs in agriculture;
   - The need to support land reform.

3. Climate change, biodiversity and energy:
   - Poverty eradication should take precedence over climate change funding;

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\(^6\) Annex I
\(^7\) Summary outcomes in Annex II
- Biodiversity requires involvement of all parties;
- The need to support local production of energy;
- Mainstreaming of climate adaption must be a continuous activity;
- Use existing mechanisms before creating new ones.

4. Enabling factors for inclusive growth in developing countries:
- Eradication of extreme poverty remains the priority;
- Improving governance and security are key pre-conditions;
- Administrative capacity and institutional quality are very important.

4.2 CATEGORIES OF RESPONSES

Methodological issues

This consultation was open to all interested parties. However, a categorisation of respondents has been made in accordance with the general principles and groupings contained in the Commission’s communication (see above). One category of “Others” (comprising contributions with no identifiable respondent) has been included. All responses have been treated equally without weighting and recorded as they have been received. However, it should be noted that many NGOs appear both as individual organisations and as part of national platforms and of international networks.

The following table provides a breakdown of the 240 responses received. Classifications have been made from information provided on the websites of the submitting/originating organisations. However, where the submitter and the statement were not the same – this is often the case with many networks – the statement heading has been used.

All received statements have been reviewed and relevant parts copied into a matrix of the 26 questions posed wherever it has been possible to attribute a response to a specific question or cluster. Otherwise they have been recorded as general comments.

Several significant caveats regarding the recording and analysis of the contributions need to be highlighted:

1. The website questionnaire, intended to provide a standardised format to be used by the majority of the contributors, was, in effect used only by a very small number of respondents. Instead, the vast majority of the contributors have chosen to submit statements, not always linked to the questions formulated. This, together with the open character of the questions posed, has made the compilation of the responses and their links to the questions less stringent than would normally be required for any form of statistical analysis of the responses.

2. The method used by the Commission for these consultations – open invitations to any interested stakeholder to contribute, rather than the random sampling techniques used in opinion surveys - serves primarily to generate views and ideas that can then be fed into the normal, representative decision and policy making process of the Union. It therefore is not suitable for any quantitative analysis but can provide new perspectives and ideas from those most involved with the issues.

3. The lack of standardisation and contributor identification of the responses has also made it difficult to clearly identify and categorise the respondents. This is especially the case with the large number of non-state actors who form loose parts of thematic or national/global networks, platforms and associations. The categorisation below, as discussed with the Commission, must be read with caution.

4. The statements contributed have an average length of 8 – 10 pages, sometimes significantly more. It has obviously not been possible to reflect all the comments and suggestions made. However, all contributions, unless explicitly stated not to be published, are made publicly available in the form they have been contributed (see above).

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8 Some twenty contributions were received after the closing of the website questionnaire on 17 January 2011.
Regarding the responses to the consultation a few reflections can be made.

- The majority of contributions were received from member states and NGOs inside the EU.
- Only a limited number of partner countries and three local government institutions in non-EU countries have sent written contributions.
- Twenty-two EU member states and sixteen EU local governments or their associations provided extensive responses. Only three out of the 97 NGOs are from partner countries.
- One academic institution and one research institute from partner countries and a significant number of trade union, employers’ associations, cooperative movement organisations and private companies with businesses in partner countries reacted.
- No private sector institution from partner countries contributed.
- Sixteen institutions involved in development research, including three in partner countries, provided their contributions.
- Very few individuals participated.

4.3 GENERAL COMMENTS ON THE GREEN PAPER AND THE PROCESS

Many contributors have commended the Commission for the timeliness of the Green Paper. It is recognised that significant changes have taken place, both within the European Union and in the international/global financial and economic environment, since the adoption of the UN Millennium Declaration in 2000. In 2005, the European Consensus on Development, a rare joint statement by the Council, the Member States, the European Parliament and the Commission on European Development Policy, was a major achievement in EU policy making. The implementation of the Paris Declaration on Aid Effectiveness in 2007, and its follow up Accra Agenda for Action in 2009 and the Marrakesh Action Plan for Statistics, where the Commission has played a very significant role, equally represents major steps forward.
Opening the debate
Many respondents therefore welcome the Green Paper as an invitation to open a wider debate regarding the policies and strategies for EU development cooperation in a broader, global context linked to the discussions of the new financial framework 2014-20. This also links to the issue of whether EDF funding is to be included in the EU budget. Several member states voice their opposition to it being included, while others, claiming the importance of the budget process for policy coherence and involvement of the European Parliament in the prioritising and scrutiny of the development instruments support its inclusion.

Defining High Impact
While many of the respondents have asked for clarification and definition of ‘high impact’, others have interpreted the term as referring to the achievement of the MDGs, the European Consensus on Development and/or the definition contained in the Lisbon Treaty itself. It has also been related to the achievement of the agreed EU ODA target levels. Many member states call for higher impact through a much more focused assistance with special emphasis on energy, infrastructure, agriculture/food security and aid for trade.

Differentiation of partners
Several respondents have pointed to the need for differentiation of developing countries into two categories: middle income countries (some former low-income) which have reached the critical mass for self-sustaining development or a high level of domestic resources, and, on the other hand, those left behind as low-income and/or fragile states. Calls have been made for an overhaul of the OECD/DAC classification of what countries should be eligible for scarce ODA funding, with the idea of reserving ODA funds for the Least Developed Countries.

Many respondents, however, have pointed out that, with more than two-thirds of the poor in the world today to be found in middle-income countries, the objective of targeting the poor and poverty eradication, EU development cooperation must not exclude these countries. It is also put forward that EU development cooperation should be value-based, and used for promoting human rights, democratic governance and political freedoms as well as the rights of women, children, the disabled and minorities. Therefore EU development policy should not be seen as geographically constrained but rather as an overarching instrument for EU external relations, while ensuring policy coherence for development.

It has also pointed out that ODA plays only a minor role in funding development, with domestic resource mobilisation, trade, remittances and foreign direct investments and credits being of paramount importance. However, it is equally pointed out that, in the case of LDCs, traditional ODA should still play a very significant role.

Development and security
A different perspective on the EU role in promoting global development, however, was put forward by several member states, arguing the close links between development and security, where security is essential for development to take place, but where long term development is equally essential for global security. This is institutionally reflected in most donor countries with development cooperation and diplomatic relations brought together within the ministries responsible for foreign affairs. This is now also the case within the EU with the creation of EEAS.

Some respondents therefore also point to the need to bring security aspects into the same considerations, referring to a 3D (diplomacy, development, defence) policy cluster.

EU or 27+1
Several respondents stressed the importance of the links between the EU and member states’ development policies, in the framework of the Lisbon Treaty.

Significant progress has been made in improving, inter alia, both cross-country and in-country coordination through various initiatives to establish a more effective division of labour between EC and member states. Even so, however, the fragmentation of EU development cooperation persists, with commitments to over 45,000 EU funded projects identified in 2008 by Aid Data.
A call was therefore issued for the EU to develop the capacity to provide the intellectual leadership in international development cooperation, based on the realisation that development is in essence a political change process and the EU is, unlike other multilateral institutions, a political entity with capacity and resources to take such action.

To do so, the EU needs to strengthen its efforts at developing political economy approaches, based on the findings of analyses in particular regional, country or sector settings, and integrating these in the ongoing EU development policies and practices.

This links up with the calls for an enhanced partnership dialogue, involving also parliaments and other stakeholders in the North-South dialogue preceding the elaboration of Joint Country Strategies and longer term joint funding arrangements.

**Stakeholder involvement**

Many respondents, including European NGOs and regional and local governments, call for the country strategy process to become a vastly more broadly based exercise involving both national and local elected assemblies as well as Civil Society Organisations (CSO), including trade unions, employers and other local NGOs. They proposed that EU Delegations with national parliaments initiate such consultations prior to starting negotiations.

There were also calls for the EU delegations to be equipped with adequate expertise to undertake political, economic and social analyses as a base for discussions. Responses from local government institutions in partner countries urged the EU to discuss interventions directly with local governments.

Several respondents called for a more reciprocal partnership, where donor financial commitments would be matched by partner country undertakings for reforms and/or allocation of a portion of the national budget – 15 to 20 per cent – to social sectors as education and health. Others asked for either a swift conclusion of discussions on Economic Policy Agreements between the EU and partner countries or the cancellation of the efforts pending the reopening of the Doha round.

**EU transition experiences**

EU Member States in Eastern and Central Europe pointed towards their own experiences of going through deep reforms to conform to European values. In particular, they pointed to the European Transition Compendium, as a model for the political, social and economic reform and development process.

**Cooperatives for development and democracy**

The Cooperative Movement organisations pointed towards their long experience of developing both producer and consumer cooperatives in many developing countries. In particular the training in practical democracy entailed in being part of member governed organisations is held out as a business form well in line with European traditions and values of participation and solidarity.

**Freedom of information and access to the Internet**

The systems for transparency and information and the role played by open access to communications, news and information through Internet and mobile telephone systems are only peripherally alluded to in connection with ICT.

### 4.4 GENERAL COMMENTS BY MEMBER STATES

Twenty-two Member States have provided their contributions to the consultation. The following summarises main general issues brought forward by Member States. Specific responses to the various clusters of the Green Paper are summarised in section 5 onwards.

**Starting the debate on EU development policy beyond 2013/2015**

Many Member States consider the Commission’s initiation of the debate on the future of EU development policy (post 2013 end of EU financial framework or post 2015 – MDG target year) very timely, in view of the fundamental changes that have taken place in the last decade, and generally agree with assessments made in the Green Paper including the need for modernisation of EU development policy. The current financial and budgetary pressures in donor states make it paramount to enhance the impact of and value added from external spending.
Several MS, however, advocate that the EU should adhere to poverty eradication as its key principle of development policy as enunciated in the European Consensus and in the Lisbon Treaty. The focus on inclusive growth is generally endorsed, with special emphasis on sustainable and decent work creation as the surest route out of poverty.

MS generally agree that the EU needs a sharper focus on thematic choices, with emphasis on supporting inclusive economic growth through investments in sustainable and renewable energy, infrastructure, agriculture/food security and aid for trade. Better coherence between development, trade and other policy areas is needed. The EU needs to review and differentiate between middle- and low-income (LDC) countries. Similarly, a clearer division of labour between EU donors remains essential, both cross-country and in-country.

Aid allocations must be based on an assessment of the positive conditions (enabling framework for development, political will and the efforts of the partner government itself) for successful development cooperation. Sustainable development and poverty eradication is only possible where there is a sustainable growth of the economy.

Several donors call for the EU and MS to reaffirm their agreed ODA targets, while one donor, looking at the period beyond 2015 calls for a new, maximum target/cap of one per cent of EU GNI for the new financial framework for external action.

**Overhauling/redefining ODA**
According to some donors, true partnership will not be achieved without recognising the call from partner countries for a dialogue on a total overhaul and redefinition of ODA, including a review of the list of ODA eligible countries, in cooperation with OECD/DAC. Donors call for a clearer definition of ODA in the contexts of the links between diplomacy, security and development.

It is also noted that several low income countries now have moved to the middle income category and, as in the cases of China, India and Brazil, have themselves become donors and are engaged in South-South cooperation, investment and trade on a significant scale. The EU may need a proper debate about the use of EU aid in Middle and Low Income Countries, including a call for ending traditional development programmes in more prosperous middle-income countries.

It is also suggested that ODA should support capacity building for democratic institutions, rule of law and civil society in partner countries and use the rich transition experience of several EU Member States.

**Coherence of EU external actions**
The creation of EEAS has the potential to deliver a step change in the coherence of EU external actions – particularly in response to conflict-affected and fragile states – by better linking development, diplomacy and security policy. Similarly, it was pointed out during the EDD event, that including EDF in the EU financial framework/ budget would provide opportunity for both the European Parliament and the Council to review both coherence and resource allocations against other EU programmes and policies.

**Partnership is reciprocal**
It is reminded that the partner countries bear the responsibility for defining their own development priorities, policies and strategies. However, development cooperation is a mutual, reciprocal undertaking, where EU commitments need to be reciprocated by partner countries’ commitments concerning good governance, human rights and compliance with international agreements. There should be a requirement to adhere to the values and principles of the European Consensus – human rights, gender, quality, good governance, democracy and civil society participation not only as conditions for supporting growth but as self-standing objectives.

**The missing perspectives**
There is a general concern from many respondents regarding the lack of the fundamentally important gender perspective and the role of women in development in the Green Paper. Similarly, the fundamental rights of children, disabled and minorities are not adequately dealt with.
There is serious concern about the absence in the Green Paper of the essential role of parliaments and elected local assemblies in the scrutiny and accountability of aid in both member states and partner countries. Socially inclusive growth, complete with local ownership must guarantee a role not only for elected representatives, but also active involvement of civil society as an effective partner for development.

**The EU transition experience**

Recent EU members refer to their own experiences of political and economic transition and recommend the European Transition Compendium as an appropriate tool for partner countries’ development strategies. Several also call for a broader participation in the development dialogue including the broader Civil Society, trade unions, regional and local government, religious, humanitarian and other NGOs and private sector organisations in both donor and partner countries.

**Promoting inclusive growth**

Several member states stress the importance of promoting sustainable development by fostering endogenous private sector growth through integrated development activities, including public-private partnerships. The new direction of EU development policy could ideally serve the purpose of helping the poor by assisting and involving them in generating economic growth in order to achieve inclusive development on the grounds of pro-poor solutions. Current EU strategies to support business environment are considered well formulated and remaining valid.

**Good governance**

Good governance and transparency remain important development goals. However, good governance can only be evaluated for impact in the long term. Also, budget support should remain as part of a long term strategy to reduce aid dependency.

**More focused aid**

The MS underscore the need for a sharper focus on thematic choices, e.g. energy, infrastructure, agriculture/food security and aid for trade. They also call for the reinforcement of the partnership approach – non-donor driven – for the Commission to work closely with governments, the private sector and civil society to realise added value.

Several MS recognise that there seem to be two main ideas underlying the Green Paper’s proposals:

- A need for a differentiation inside the EU development policy due to the changes that have occurred in the developing world;
- The need for increased EU coordination and, at the end of the day, for joint programming (single CSPs), resulting from the implementation of the Lisbon Treaty.

Therefore “the Paper seems to propose a EU development policy “à deux vitesses”, one directed to developing countries still in need for a “traditional development aid”, the other directed to middle income countries where a traditional approach is no longer justified. The latter, which seems to be the main subject of the Green Paper, implies a new development paradigm, where the goals and priorities that have inspired development policy over the past decade (fight against poverty, MDGs, LDCs, Africa, Fragile States) give the way to new objectives centred on (inclusive and sustainable) growth”.

While understanding the need to adapt the development policy to a changing world, it is considered by other MS that there are still a large number of countries where the “traditional approach” continues to be needed. However, the fight against poverty should not be jeopardised by the new approach and the MDGs, the priority given to LDCs and Africa and a special attention to Fragile States and aid orphans should remain cornerstones of EU development policy.

“It should be acknowledged that the Development policy, while being part of the EU’s external action, is not part of the Common Foreign and Security Policy. Member States still have an important part to play and their national competences should not be put into question. Thus joint programming, leading to single CSPs, is taking the implications of the Treaty too far.”
4.5 GENERAL COMMENTS BY MEMBER STATES NATIONAL AGENCIES

Only three national development agencies have responded to the call for contributions. The British Council would like to see culture given greater prominence in the Green Paper. EC is seen as the world leader in advocating culture as a driver for economic and social development. Its success in advocating for the inclusion of culture in support of the MDGs at the recent UN summit is evidence of the EC commitment. Culture should be assigned a separate sub-heading in the section of "Partnerships for Inclusive Growth".

The German agency for technical cooperation (GTZ) has focused on the importance of rural transport interventions and user charges (including fuel charges) as a means to finance maintenance of trade and transport infrastructure investments. “However, from our perspective, in particular in Sub-Saharan Africa tremendous efforts are needed to improve transport and logistics on local (urban and rural) level, e.g. farm to market and market to market. Unfortunately, most development partners have withdrawn from this field and the international debate is more or less stalling with limited funds available. Therefore, we do suggest to (re-)initiate a wider focus on rural transport issues, to develop and implement funding schemes for rural transport interventions and to involve and strengthen actors such as SSATP (Sub-Saharan African Transport Policy Programme) and other players.”

The French development agency, AFD, while committed to the MDGs welcomes the perspective of a discussion of the longer term objectives of development cooperation towards sustainable growth as the basis for reaching the same goals as elaborated by the Millennium Declaration. It notices that the reflections of the Green Paper are well aligned with the six objectives formulated in the new French “Stratégie 2010 - Quelle politique européenne pour le développement”:

1. To put development policy at the heart of EU external action;
2. A new development policy consensus;
3. A new European policy better adapted to deal with increasing differentiation of developing countries;
4. A European policy adapted to the new global challenges;
5. A more coherent and global European development service; and
6. A modernised and more responsive European offer of funding for development and to overcome crises.

4.6 GENERAL COMMENTS BY LOCAL AND REGIONAL AUTHORITIES

Sixteen regional and local government authorities, all French, Spanish, Italian and one German have responded to the consultation. They all underscore the unique knowledge, experience and competence of European local governments in managing high quality and essential local services, which can – and is – being mobilised in various forms of twinning exchanges with local governments in developing countries and regret the absence of any mentioning of their role in the Green Paper. Reference is made to the 2008 Communication Local Authorities as Actors for development. It should be noted that this is echoed by the, albeit few, contributions from local governments in partner countries, which call for a larger share of the assistance to be channelled directly to local governments to help them build their capacity to provide services for their communities.

Following the launch of the “European Charter on Development cooperation in support of local governance” at the European Development Days in 2008 a number of regional and local authorities established a common network, PLATFORMA to facilitate the implementation of the Charter provisions to encourage and develop sustainable partnerships between European local authorities and local authorities from the South.

Similarly the Conférence des Présidents des Régions Ultra-périphériques (RUP) together with the Conseil Régional de la Martinique, have pointed out the potential advantages of their locations, close to many vulnerable developing countries, frequently exposed to natural disasters. These locations can be extremely useful for rapid responses to local disasters and be locations for prepositioning urgently needed supplies and equipment.

4.7 GENERAL COMMENTS BY PARLIAMENTARY ORGANISATIONS

Four parliaments – the Belgian Senate, the UK House of Lords, the Danish Parliament and the

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Portuguese National Assembly – and two associations for parliamentarians involved in development cooperation - have provided comments on the Green Paper. All underscore the vital role that parliaments have to play in the democratic development process and the importance of establishing a dialogue between elected representatives of donor and partner countries to promote common understanding of development policies, priorities and strategies. The involvement of parliament in the development dialogue is also seen as a major tool for promoting ownership, democratic oversight, policy coherence and accountability. Where parliament retains control of the national budget it is seen as an important pre-requisite for budget support.

The enormous financial commitment undertaken by developed countries for development aid, especially at this time of serious economic and political crisis in Europe, is underscored. Therefore, if public funds are to continue to be allocated for this cause, its usefulness and relevance to EU citizens must be thoroughly explained and demonstrated. The sustainable use of scarce natural resources, biodiversity protection, economic activity with strong added value, education and decent employment are, among other factors, determinants of inclusive growth and sustainable development.

Five significant omissions in the Green Paper are highlighted:
1. Good governance without reference to the institution of parliament undermines the very foundations of the democratic process;
2. Socially inclusive growth, complete with local ownership, without guaranteeing a role for the elected representatives of the citizens constitutes a stark neglect of the relevant actors;
3. The commitments of the Paris Declaration and its follow up related to the use of the country’s own systems, inherently requires the involvement of parliamentary oversight and accountability;
4. Policy coherence for development cannot be achieved without an open dialogue amongst and between donor and partner country parliamentarians; and
5. True partnership with Southern counterparts cannot be achieved without heeding their call for a total overhaul of ODA and taking the appropriate steps to instigate a dialogue on a ‘beyond aid’ perspective.

They also underscore the institutional weaknesses and lack of resources of both national and local elected institutions, especially so in the low-income countries, when compared to their equivalents in developed countries. A call is therefore made for a Fast Track Initiative to urgently enhance programmes for building the capacities of both national and local assemblies. Local and regional self-government institutions in the EU have also drawn the attention to the important role that European local and regional government institutions can play in this regard.

4.8 GENERAL COMMENTS BY NON-EU DONOR STATES
Three non-EU donor states have provided contributions: Australia (AusAid), New Zealand and Switzerland.

Australia focuses its response on the education development sector and states that the global focus on MDG 2, ‘Achieve Universal Primary Education’ has led to the expansion of enrolments in many countries. However, measurements of learning outcomes have found that too many children are graduating from primary school without having achieved competency in literacy or numeracy. Responding to this challenge, Australia would encourage the EU to ensure their development policy addresses the education quality agenda in order to maximise impact and effectiveness.

Second, Australia would support the EU to take a holistic approach to education that recognises pathways of opportunity from basic education through to technical and vocational training and tertiary education. It would emphasise the value of basic education as a foundation for further learning and employment. Young people find it more difficult to get jobs and are less productive if they have not attended primary school and obtained basic reading, writing and numeracy skills.

New Zealand strongly agrees with section 2.5, Making Coordination of Aid a Reality, of the Green Paper. The EU’s active engagement in the Cairns Compact on Strengthening Development Coordination in the Pacific adopted by the 2009 Forum Leaders meeting is a positive example of EU commitment to improving aid coordination. Effective aid coordination will require flexibility on the part
of all development partners in terms of their systems and processes to enable coordinated ways of
working with partners and other donors.

The investment/access to capital/discussion overlooks the importance of remittances as a potential
source of finance for productive investment. In the Pacific remittances have proven to be an
important source of finance for small enterprises, as well as helping support investments in education,
health and the basic needs of other family members.

Many EU member states make contributions to the considerable number of trust funds, global and
thematic funds and international aid organisations and agencies in what has become an increasingly
complex international aid architecture. MFAT considers that this architecture could usefully be
reviewed in an effort to consolidate and reduce overlap as part of the general focus on improving aid
effectiveness.

Switzerland welcomes the Green Paper, which shares many of the directions of Swiss development
cooperation, viz. the emphasis on broadly based economic growth towards sustainable development
in partner countries, the focus on climate change and renewable energy. These correspond to the
goals and directions of the new Swiss Strategy for 2013-16, which also includes as priority areas,
poverty, water, climate change and migration. Similarly, disaster relief, conflict prevention and peace
building are all areas where priorities coincide.

4.9 GENERAL COMMENTS BY NON-STATE ACTORS – NGOs
Ninety-seven, mostly European, NGOs have contributed to the Green Paper. A full list of NGO
respondents is attached in Annex I.

Among the non-state actors, the NGO networks and platforms have provided the largest number of
contributions. Few of the NGOs have responded to all the questions raised but concentrated on their
particular area of interest. The leading group of NGOs are clustered together in the CONCORD
network, built on national NGO platforms, which are in turn built on national NGO networks and
organisations.

Their main message is to maintain the development policy focus as defined by the European
Consensus on development, the Millennium Declaration, the Paris Declaration and Accra Agenda on
poverty eradication/reduction as well as on social protection systems, including education and health.
Hence there are no calls for any discussion of new objectives for EU development cooperation, nor for
ODA redefinition. The use of ODA for other purposes than for poverty reduction is generally
rejected.

While the need for economic growth and employment generation is recognised, it is strongly
emphasised that economic growth alone and in itself cannot be the measure of human development.
Support for private sector investments is welcomed – especially for local SME in agriculture – but under strict adherence to internationally established labour standards (‘Decent Work’) and for purposes compatible with eradication of poverty. This is even more pronounced in the
case of international investments, which should be closely monitored.

The NGOs advocate the broad involvement of Civil Society Organisations, CSO, in all planning
and programming of aid and in the evaluation of its impact. All development interventions should be
rights based: human rights and freedoms, rights of women, children, minorities, indigenous peoples,
disabled etc.

While CONCORD and its members have specific contributions to the questions of the consultation,
their common stand is summarised in their submission as follows:
• The importance of maintaining the overarching focus of development policies on poverty
  eradication and reducing poverty, ODA and the delivery of essential services as the building
  blocks towards sustainable development.
• Economic growth is an important factor for development if truly inclusive, and applied
  alongside policies to ensure democratic governance and empowerment. Democratic
  governance is only possible with an active civil society, working in the interests of the poor
  and marginalised.
• Policy coherence for development is a crucial issue, both in terms of its impact on development and as a condition for inclusive growth; and requires increased capacity.

• The unique ability for ODA to focus on poverty eradication as opposed to other development instruments, and the only instrument readily available to respond to the immediate needs of poor people. The EU needs to ensure the aid that it gives is not redirected for other foreign policy objectives.

• The importance of maintaining Paris and Accra commitments to aid effectiveness, and striving towards their implementation at the Busan High Level Meeting.

• Maintain the focus of the debate on delivery of aid and aid modalities that can have the greatest impact for the beneficiaries rather than diverting attention towards increasing reporting demands.

Many NGOs are concerned about some of the discourse used in the Green Paper, which seems to neglect the focus on solving the challenges faced by the poorest of the world and diminishes the role of civil society in both EU and partner countries. Much of the terminology such as inclusive growth and high impact need to be clarified and defined.

Growth, focused on the interests of people living in poverty, and sustainably derived in a world of increasingly constrained resources, is seen by many NGOs to have a potentially huge impact on poverty eradication. A clear recognition by the EC that growth must be both sustainable and inclusive in this green paper is welcomed by the NGOs, yet the concept remains poorly defined and further elaboration is necessary. Without extraordinary growth, countries such as China and South Korea would not have been able to lift millions out of poverty. Yet, ‘growth’ has also left many behind.

Technical and Vocational Education and Training (TVET) is seen as a key route through which people can become self-reliant. It widens the opportunities for people to find a job that fits their talents and preferences; it helps them to access decent work and a fair income; it releases people out of the poverty trap and provides them with the skills to make a meaningful and sustained contribution to their community.

It is stated that the Green Paper seeks higher impact for development policy based on the EU’s added value by focusing in specific sectors. To truly ensure the strategic focus and added value of EU development cooperation, an in-depth analysis should be conducted on what exactly are the added value, influence and impact that EU can provide in the quest of eradicating poverty and pursuing other MDGs. The Green Paper does not explain nor justify where the new priorities presented in the Paper stem from. It also leaves the question unanswered of how the European consensus on development focuses and objectives are matching those of the Paper.

The following selection illustrates comments by other NGOs.

A key factor for sustainable development and eradication of poverty is the implementation of strategies for “decent work”:

• Creation of free and productive employment
• Respect for international rights of workers;
• The extension of social protection systems and
• Promotion of a social dialogue.

Transparency of aid information is seen as a pre-requisite for ensuring maximum impact and accountability.

Another NGO argues that the policy on inclusion of persons with disabilities has long been a weak link in the EU development cooperation programmes. This is partly due to the absence of a comprehensive EU strategy on the topic. The adoption of such a strategy is a matter of urgency.

4.10 GENERAL COMMENTS BY TRADE UNIONS

Seven central trade union organisations have responded to the consultation. They generally criticise the Green Paper for its lack of analysis of the underlying economic factors of poverty and question its focus on economic growth without including the necessary re-distribution mechanisms to benefit the poor.
They criticise the Green paper for not paying sufficient attention to the importance of upholding internationally agreed labour standards – the Decent Work agenda and social protection – as the central conditions for attaining sustainable development. The Decent Work agenda should form the centre piece for employment generation.

The trade unions are also pointing out the important role played by trade unions, together with employers unions among civil society organisations to be involved as important stakeholders in the development dialogue in the partner countries. They are therefore calling for the EU, as a priority, to include a significant programme of capacity building for CSOs, including trade unions.

4.11 GENERAL COMMENTS BY PRIVATE SECTOR ORGANISATIONS
Twenty-four contributions have been received from private sector organisations: twelve from business associations, nine from individual companies and three from the cooperative movement. The following selection begins with the major business organisations.

The private sector organisations welcome the opening of the debate on EU development cooperation policy. Generally they look for a broadening of the concept of development, pointing out that ODA provides only a minor portion of the funds for development. Compared with domestic funds, foreign investments, remittances and trade revenues, ODA dwindles. ODA should not be used for commercially viable projects, but could be used to reduce excessive risks, which currently prevent private investments in LDCs and fragile states.

It is underscored that effective involvement of the private sector in development requires efficient and predictable enabling political, economic/financial and legal frameworks in the developing countries. The EU, as a successful political and economic entity, could play a vital part in promoting this enabling environment. Promotion of good governance is equally essential for the participation of private investors, both domestic and international ones. The lack of physical infrastructure, most importantly for transport and energy, is a major obstacle to foreign and domestic investments. The main losers are the SMEs, which do not have sufficient resources to act on their own.

The cooperative movement points to its long involvement in and experience of development cooperation in countries like Brazil, India and Tanzania. Producer and consumer cooperatives offer democratic alternatives to private enterprises and contribute to the development of democratic culture in developing countries.

Major transnational corporations point to their contributions to employment creation and exports that benefit the countries’ economies. It is also pointed out that socially responsible corporate behaviour has become very important, especially for transnational companies. This is manifested in the Global Reporting Initiative where major corporations report on their environmental, social and governance performance.

The private sector plays a crucial role in the emerging sustainable economies of the developing countries providing employment, investments and governance in accordance with local legal requirements. Future European development policy should provide the leverage for partner countries to achieve sustainable economic development. It should be based on economic criteria, sustainability, good governance and equitable competitiveness, be consistent with European commercial polices and permit European companies to take advantage of new market opportunities.

The EU fisheries sector has over 30 years experience of investing in almost all continents of the world, creating thousands of jobs and contributing to GDP growth in these countries. Their experience is therefore very important when programming aid and priorities that contribute to the MDGs.

In the next 25 years, most of the new energy demand will originate in the developing countries. Given that many among them rely on coal or intend to use it for their electricity generation, it is important that the European Union promotes clean ways of using coal in developing countries. Carbon capture and storage (CCS) technology is currently the only technology which reduces by around 90% CO2
emissions from burning coal but modern coal-fired power plants also represent a potential for reducing CO2 emissions. Even without CCS, replacing older, less efficient coal power plants with larger, more efficient plant can have a positive impact on climate mitigation at least as high as all the measures currently included under the Kyoto Protocol on Climate Change.

The international cooperative movement wants to draw attention to the fact that cooperatives and their development agencies are implementers and donors at the same time. This approach to development is also reflected in the seven cooperative principles, providing a globally consistent framework for Cooperative enterprises. There is increasing evidence that the development of many emerging countries can be linked directly to the impact of the cooperative movement, as for example in South Korea or Brazil.

Fair trade companies believe strongly in the role of the private sector. One particular issue is to increase the benefits to developing country producers of involvement in global value chains. Their rise has brought new jobs and has stimulated investment and growth in new specialist sectors (such as horticulture). However within global value chains the bulk of the benefits tend to accrue at the point of most corporate concentration.

4.12 GENERAL COMMENTS BY ACADEMIC INSTITUTIONS, “THINK-TANKS” AND RESEARCH INSTITUTIONS

Sixteen contributions have been received from academic institutions/research centres and other “think-tanks” in the field of development cooperation. A list is included in Annex I. Only one contribution originates in a partner country, Guinea. Most of the responses deal with only some aspects of the Green Paper. Below are extracts from those institutions, which have provided more general comments.

While many institutions welcome the opportunity to review EU development policy, it is pointed out that while security, trade and climate change are part of EU Common Foreign and Security Policy, development is not. Hence, different mechanisms and institutional arrangements may have to be developed in the framework of the discussions on policy coherence for development between EU and Member States.

While coordination of development interventions has advanced significantly through the Code of Conduct and Division of Labour agreements, further analysis and discussions on how to define the EU role in a new South-South cooperation environment are needed.

It is stated that EU needs to take the intellectual leadership in development cooperation and go beyond the ‘best endeavour’ language that characterises its joint policy papers, such as the European Consensus and the Code of Conduct. This requires that member states clarify, agree on and trust the EC’s role within the Union on development policy. In addition, at the country level, the preparation of EU-wide development assistance exit strategies developed in consultation with partner countries could also be a stimulus for achieving a more efficient deployment of EU and member states’ aid resources.

It is also stated that growth and infrastructure do not in themselves drive a new development policy or a ‘modernised’ European consensus on development. The issues are much wider – indeed touching on all the other topics mentioned in the Green Paper, as well as many others. But the Green Paper is not a good starting point for that discussion, and is ambivalent about whether it is really a growth paper, or the launch of a wider review. For example, the Green Paper does not say enough about future challenges, or about differentiation among developing countries. It does not provide enough information about how aid is spent. And it certainly does not contain discussion of trade, finance, migration and other policies, which all need to play a part in a modernised EU consensus.

The potentially powerful role of media in political and social change is also highlighted. As an instrument that creates transparency, the media could close the information gap between those in power and citizens and civil society. A more developed media landscape, including the new Internet based social networks, would enable all citizens to more effectively monitor the governments’ activities. Freedom of information and access to the Internet social networking has, as just
demonstrated very vividly in the Middle East, become one of the most powerful forces for political and social change and transformation. The EU may want to elaborate an information/media policy as an important part of its new policy on inclusive development.

4.13 GENERAL COMMENTS BY INTERNATIONAL ORGANISATIONS

Five international (the World Bank, the UN Team in Brussels, the International Federation of Red Cross and Red Crescent Societies, the International Labour Office (ILO Secretariat) and the International Finance Corporation) and one regional organisation (the African Union) have provided comments on the Green Paper. In addition, one comment from the UN Secretary-General’s Advisory Board on Water and sanitation was received.

The IFRC suggests, inter alia, that the EU should focus on improving country alignment and division of labour at country level to reduce the fragmentation of aid. It further recommend EEAS to ensure that each delegation is provided with adequate expertise, including resources of other partners, to more effectively contribute to define sector aid policies in partner countries.

The World Bank supports the EU focus on ‘high impact’ policies as fully appropriate given current circumstances. Equally it shares the objectives of inclusive growth and sustainable development. It provides specific responses to a selection of the questions posed. IFC (as part of the World Bank Group) believes that blending different sources of aid and private sector flows will enable greater leverage and development impact. Such leverage, however, should not be used to replace ODA but rather to harness and capitalise on flows of private investments that are already going to emerging markets. Much research has shown that to sustainably reduce poverty and improve people’s lives, economic growth is essential, and to bring about growth, private investment is essential. Thus the EU, through public financing, can amplify the impact of various interventions and help develop an environment attractive to private investment.

The UN Team supports the objectives of sustainable and inclusive growth, but seeks clarity on how these objectives are to be achieved. It further states that in practice, economic and social development goes hand in hand and countries, including fragile states, need support to address the multiple dimensions of sustainable development – economic, social, environmental and cultural – in an integrated way. The EU has real scope to promote multi-sectoral approaches including from its own experience.

The International Labour Office fully supports the consolidated response to the green paper provided by the UN team in Brussels. The ILO also notes with interest that the EU institutions and the EU Member states have strongly and explicitly supported the integrated approach of the decent work agenda, combing economic efficiency and social justice, and the use of decent work country programmes or equivalent national and regional roadmaps as the main delivery mechanisms for decent work at national level.

The African Union (Education Department) highlights the importance for the EU development policy to be based on mutual interest and mutual benefits of the concerned parties. It further emphasises the importance of access to modern ICT as a catalyst for growth and sustainable development.

4.14 GENERAL COMMENTS BY PARTNER COUNTRIES

Several ACP countries have contributed to the consultation, either by sending written contributions directly or through the numerous debates that were organised by the EU delegations in various countries.

Issues raised by ACP countries include:

- The importance of the promotion of governance in developing countries: the involvement of civil society is crucial to increase the level of governance in every context and should be supported in a more effective way within development policies in developing countries.

11 Angola, Burkina Faso, Ethiopia, Gambia, Ghana, Kenya, Madagascar, Mali, Mauritania, Mauritius, Papua New Guinea, Rwanda, Seychelles, Sierra Leone, Solomon Islands, Tanzania, Timor Leste, Vanuatu and Zimbabwe
• The importance of **joint programming** and **division of labour** issue, which need more **coordination** at local as well as headquarters levels.

• **Climate change** should be better integrated in development policies: in the elaboration of its projects, the EU should always include an analysis of the risks for the environment.

• The need to strengthen **regional integration**, by producing specific documentation on the areas which could be of interest for different regions and thus increasing investment and trade opportunities.

• The need to put more emphasis on **gender related issues**.

• **Partnership with private sector** should be improved. Supporting private sector development and building capacity in the public administration are essential to spread the impact of economic growth across the population.

• More emphasis should be given on the **monitoring and evaluation** of the EU programmes and projects. EU with developing countries will identify performance indicators that are smart and which will bring cumulative progress/reforms as regards political, economic, social dimensions.
5. SPECIFIC RESPONSES TO THE FOUR CLUSTERS OF ISSUES

It should be noted that very few respondents have chosen to make use of the questionnaire provided on the Commission website, where responses would have been automatically linked to the questions put forward in the Green Paper. Instead, they have chosen to provide statements, which have not always been linkable to the questions. Similar views from several respondents may have been phrased differently and may therefore appear repetitive in the presentation below. It does, however, represent an attempt to identify expressed views related to the cluster of questions raised in the Green Paper itself and in the website Questionnaire.

As a common feature, most respondents have welcomed the Green Paper as a timely starting point for a broader debate on the future EU development policy beyond the MDG target year of 2015. Another, contradictory comment, repeated by many NGOs and others, is that the Green Paper needs to be reformulated and rethought, away from the focus on the benefits of economic growth. Instead, the primary objective should remain poverty eradication as formulated in the European Consensus and the Treaty on European Union.

5.1 HIGH IMPACT DEVELOPMENT POLICY

The Green paper points out that the financing needs to meet the MDGs go far beyond public funds available today, especially in the current economic climate. The EU therefore has to demonstrate that its aid programmes will provide the greatest long term impact and remain the key instrument to reach the MDGs and beyond.

First, several respondents have pointed out that development impact from aid interventions is difficult to define. Development and change are measurable only after a longer period and are mostly the result of a complex array of factors, not necessarily attributable to specific aid programmes. It is pointed out that the rapid growth and development that have taken place in the developing world during the last decade have largely been funded through growth in trade, foreign direct investments and remittances from migrant workers. However, in the least developed countries, LDCs, and in fragile and conflict-prone countries, aid has remained dominant.

Second, it has therefore been suggested by many respondents that the scarce aid resources, ODA, should primarily be concentrated for the benefit of the poorest countries, the LDCs. However, the current designation of ODA eligibility is seen as not up to date and should be reviewed and redefined in the OECD/DAC Working Group.

Several respondents have pointed out that two thirds of the world’s poor are to be found in what is now labelled as middle-income countries and that a poverty eradication oriented development policy must address the plight of the poor globally. This is linked to the view that EU’s external relations are universal and are discussed and agreed by country or by regional grouping, with a mix of instruments selected, appropriate for each particular situation, from LDC to G20 partner. Where trade, commercial, cultural and similar issues dominate, aid will play a minor role, while as in other countries aid may be a dominant factor.

In those partnerships where aid dominates, respondents have put forward a large number of suggestions for how impact can be increased. In many cases they make reference to already existing EU instruments, resolutions, communications etc., where there is still an implementation gap to be addressed. Among these are

1. The principles agreed in the Paris Declaration on Aid Effectiveness and its follow up Accra Agenda for Action, are relevant and should be implemented as soon as possible: ownership, harmonisation, alignment, results and mutual accountability. Development cooperation is a reciprocal/mutual undertaking and funding commitments by EU donors need to be matched by reform commitments by partner countries, including a commitment to transparency and media freedom;

2. The Communication on an EU Code of Conduct on Division of labour in development policy outlines a process of achieving complementarity between EU donors both cross-country and in-country. It has progressed significantly to reduce fragmentation, overlapping and duplication in country and sector coverage between EU donors. It now needs to be taken one step further and move in the direction of joint country strategies and programming;
3. The European Pre-Accession and the European Neighbourhood Programme Instruments have clear objectives and strategies. They should stand as models for EU in defining EU strategies for the Development Cooperation Instrument. The EU Transition Compendium can provide a model, based on EU experiences, of how to achieve accelerated development and transition. The EU needs a clear strategic focus, themes, aims and interests for its development cooperation. The EU is no longer the development ‘partner of choice’, instead facing increasing South-South cooperation covering a whole spectrum of, mostly economic, instruments.

Moreover, the establishment of EEAS creates an unprecedented opportunity for ensuring external policy coherence, linking development, diplomacy and security. However, many respondents strongly advocate that other policy areas should be adapted to the requirements of development, not the other way around. Others argue that diplomacy, security and development must be dealt with in an integrated way, based on the new geographical distribution of responsibilities.

Similarly, it is generally argued that the geographical perspective should be the dominating one where all instruments come together, so that each country will benefit from an assistance package tailored to its specific needs. EDF should therefore be integrated into DCI following the end of the current financial framework and funded under the EU budget. This is, however, opposed by several member states.

The EU must, it is put forward by the development research organisations, given the size and importance of its economy, trade and ODA, take a leadership role in world development cooperation, but needs to focus on results, value for money and transparency. It should, before determining aid allocations, engage EU member states and other donors in joint, thorough assessments of the pre-conditions for development success, including conflict analysis, governance, environment, social and economic situations, business conditions, domestic resource/tax base development, etc. Extensive use of joint public expenditure framework assessments, PEFA, should be made, with predictability and reliability in aid allocations confirmed in multiannual programming and financial frameworks.

Democratic governance is an essential pre-condition for development and EU priority should be given to strengthening the capacity and resources of national parliaments and local authorities to play an effective role in the policy dialogue (North-South) on development cooperation. Similarly, civil society organisations, private sector and media are important partners in the programming of aid and should be incentivised to upgrade their performance and ability to participate in the development dialogue.

Similarly, it is argued by member states and private sector organisations that the role of public-private partnerships, including cooperatives, is essential for the creation of inclusive growth, especially for funding and implementing investments in energy, infrastructure and agriculture. Combinations of loans, guarantees and grants should be encouraged. A mechanism for scaling up successful approaches should be included in any joint programming system.

Most respondents are opposed to the creation of new systems for collecting data on aid flows. Instead, it is suggested that the current OECD/DAC creditor reporting system should be built upon, further expanded and standardised to include also information on non-ODA aid flows from non-state sources and information on other development funding sources, e.g. foreign direct investments and remittances.

5.1.1 Putting “High Impact” cooperation into practice

Ninety-two respondents have commented on and made suggestions relating to how to put “high impact” cooperation into practice.
It is stated by some member states that the development assistance partnership is a reciprocal undertaking and that therefore donor commitments need to be matched by partner country commitments in allocating its resources and sequencing its reform programmes. This will call for a more extensive dialogue, involving also parliaments and civil society actors before commitments are made.

It is equally stated that effectiveness and impact start at country level. The EU should build on and strengthen country level coordination, information sharing and division of labour, maximally utilising existing mechanisms. Long-term approaches to development, predictability and reliability of EU and MS as development partners could be emphasised also here.

Many respondents advocate a more extensive involvement in the dialogue and programming process of both parliaments (North and South), local/regional authorities and of civil society organisations. The EU (HQ and Delegation) could be the convening platform for such consultations.

While most respondents, especially EU member states, have expressed themselves in favour of better cross-country and in-country division of labour and improved synchronisation of planning cycles, there are few expressions of support for a formal Joint European Country Strategy document at this stage. Instead, existing EU framework is considered a sufficient foundation for better coordination-consolidation of programming and higher impact. The Code of Conduct/division of labour
exercise should be intensified and strengthened, possibly with a view towards a common strategy during the next financing framework period.

Furthermore, many member states are strongly in favour of more extensive joint assessment mechanisms of, inter alia, conflict analysis, partner countries’ commitments to reforms and their capabilities, especially in the areas of public financial management (PFM), and ability to create an enabling environment for social and economic development. It is suggested that EU Delegations should have access to sufficient staff and resources to undertake/facilitate such joint assessments, keeping in mind the differentiation of partner countries and their circumstances. Thematic aid, sector-wide approaches, joint and predictable/reliable funding are key words. Equally, results, value for money and transparency are crosscutting criteria against which capacity and impact assessments are to be measured. Others argue that a rights-based approach would include assessments focused on progress towards fundamental human rights and freedoms, gender equality, women’s, children’s, minorities’ and disabled rights.

It is widely recognised that political, social and economic conditions vary from country to country and that there can be no “one size fits all” model for programming assistance to a country’s development path. The EU should therefore assess more stringently in which developing countries a traditional development programme should still be rolled out. Reference is made to the European Neighbourhood Programme, which is based on a clear strategic objective of creating an area of freedom, security and economic prosperity around the EU, and the Instrument for Pre-Accession assistance with its clear objective of preparing a country for possible accession. A more strategic approach for DCI is needed to create measurable development impact and to avoid fragmentation of aid projects and programmes.

Similarly, it is stated that all development programmes can have an impact on conflict and governance, and thus they should be screened to be conflict-sensitive, as well as for potential corruption and misuse, conflicts of interest, cronyism and nepotism. Transparency and accountability should be obligatory features of all aid programmes and involve civil society organisations.

Some NGOs are noting that most development aid projects are not sustained for sufficiently long terms to put new systems into place and become institutionalised. Equally, reporting requirements from aid donors are still very onerous, especially for the limited number of senior officials familiar with donor systems and with the authority to approve such reports.

Several member states make reference to the successful accelerated transition and development process of their own countries before joining the European Union. Their experiences as summarised in the Compendium on Transition could provide models for reforming political, legal, social and economic systems to conform with fundamental European values.

Member states have put forward that the existing OECD/DAC reporting system should be used as the basis for an expanded system and any duplicate system avoided. The clarity and transparency of ODA definitions, especially the delineation of funding for development versus security, need to be taken up for discussion in the Development Assistance Committee, DAC. It is important to separate private flows from ODA not to render the ODA targets meaningless.

The point is also made that most developing countries lack accurate and current data collection systems necessary to undertake needs assessments for human development. The EU should give priority to support the development of the capacity of the national statistical agencies responsible for collecting, analysing and publishing relevant demographic, social and economic statistics.
5.1.2 Growth for human development – how to increase impact of aid for education and healthcare

The most frequent comment suggests that long term assistance to education and health reforms and enhancements should be in the form of predictable and reliable sector-wide support programmes (SWAp) with identifiable and measurable benchmarks to report on progress.

The EU should, on the basis of the specific human development needs assessments of and jointly with the partner country, put together financing packages for investment in social protection infrastructure, including blending grant aid with loans and credits from EIB, EBRD and other IFIs.

Education
Several respondents have commented on the need for support to education to focus on the strengthening of the public-private dialogue on how to ensure education appropriate for jobs and employment, in particular on qualifying and professional education. While the MDGs’ focus on primary education may have led to significant increases in enrolment, it has sometimes been at the expense of vocational and qualifications training, urgently needed by SMEs and other businesses.
It is stated that support for the development of education and health care should not be viewed exclusively as issues of human rights and social protection, but equally as the most important investments in building a nation’s human capital for long term sustainable growth. As such they gain additional importance and priority.

It is also stressed that circular migration can provide not only development funding through remittances, but also its importance for work training that migrants receive from working inside the EU. It is called for the EU to ratify ILO Standards 97 and 143 of the UN Convention on the protection of migrant workers and their families.

*Health*

The support to health care needs to be seen and addressed in the broader context of two relevant Commission’s Communications from last spring: “The EU’s role in Global Health” and “A Twelve-point EU Action Plan in Support of the Millennium Development Goals” and the resulting Council conclusions.

A point has been made regarding the insufficient linkage between the importance of safe water and sanitation quality and health outcomes.

It is further suggested that European aid to health should continue to be channelled through mixed funding policies, ensuring that there is a balance between the three main aid modalities – general budget support, sector budget support and bilateral project funding. In consideration of civil society’s important role both as a watchdog of government policies, and with regard to service delivery and reaching the most vulnerable, European donors are urged to increase their direct support channelled to CSO activities in the health sector. Moreover, EU donors should advocate for an increase of domestic resources allocated to the health sector in order to meet the Abuja Declaration target of 15% of the annual budget allocated to the health sector.

*Skills development and Decent Work standards*

While some MS suggest that the EU should increase its funding for skills development both through bilateral projects and in cooperation with international organisations, others suggest that the EU should support skills development primarily through comprehensive sector-wide interventions in education sector programmes. Strengthened policy coherence, including promotion of circular migration could be particularly important.

Despite an almost unanimous agreement that productive and free employment under decent work conditions – as defined by ILO - is vitally important for development, there is an equal understanding that universal access to education and health care are important preconditions for the creation of decent work employment.

It is also important to support the creation and strengthening of national qualification and certification frameworks for Technical Vocational and Educational Training, TVET. The importance in this respect of developing compatible certification standards is also mentioned in the context of circular migration. Close cooperation between the state and the business sector is underscored.

Similarly, the cooperative movement has pointed to the important job training programmes undertaken and supported over half a century by cooperative movements in partner countries.

There is a clear convergence of opinion that when ODA is used as incentives for private sector (including SMEs) development, decent work requirements must be observed. This applies to an even larger extent when ODA is used to leverage foreign investments, which should also be subjected to development impact assessments before such support.

Several respondents refer to the importance of improving the efficiency of the labour market, especially to the importance of not forgetting vocational and skills training in the effort to reach the MDG targets of universal primary education. It is also being mentioned that while unemployment may be very high there are still shortages of professionally skilled staff (accountants, managers, engineers
etc.), which is a major obstacle for SMEs to expand and grow. It is assumed that it will be up to the private sector to come up with innovative solutions as to how to ensure an adequate supply of skilled professionals.

Some respondents also make reference to modern European learning and education systems that emphasise education and learning as a lifelong process. The type of emphasis that is currently put on primary education in developing countries will make the knowledge gap between North and South permanent and increasing.

Reference is also made to the role that can be played by the country’s Diaspora in providing expertise in key areas, especially in the health and education sectors, with costs paid by donor programmes.

5.1.3 Promoting Good Governance

The EU approach to democratic governance is outlined in the communication\textsuperscript{12} on Governance in the European Consensus on Development and the EU support for democratic governance, including the joint Governance Initiative in the Commission Staff Working Paper Supporting Democratic Governance through the Governance Initiative: a Review and the Way Forward\textsuperscript{13}. Several member

\textsuperscript{12} COM(2006) 421 final

\textsuperscript{13} SEC(2009) 58 final
states have made reference to the Governance Initiative and supported its further development, but urged caution against using negative incentives for not meeting agreed reform targets.

The World Bank Group cautions that governance reforms are lengthy undertakings, often spanning over election periods and changes in governments and priorities. It is therefore wise to adopt a demand driven approach to governance reforms, taking advantage of the opportunity when it presents itself. Therefore one should have moderate expectations and measure results over the medium to long term only. Aid allocations are unlikely to serve as a significant factor in driving reforms.

However, other respondents urge that the EU should be willing to take more forceful steps in cases where it is clear that agreed goals are not being met in strengthening democratic institutions, respect for human rights, the rule of law and support for civil society, in accountability and transparency. Other member states emphasise the importance of limiting such steps to elimination of incentives for future programmes, not affecting on-going ones.

The point is being made that the EU should review and consolidate existing Governance Initiatives, including the African Peer Review Mechanism, and Governance Profiles as a diagnostic tool before launching new ones. In particular the transition experiences now being operationalised in the European Transition Compendium should be very useful to partner countries in their capacity building for modern, democratic, transparent, effective and accountable governance. Several previous communications have highlighted the critical importance of the integrity of the public sector, e.g. the 2006 European Transparency Initiative and the 2007 Communication on follow-up, addressing a balanced framework of transparency, democratic and legal control.

Several respondents have pointed to the importance of involving the national and local parliament/assemblies in the programming process, which would promote policy coherence – and in the evaluation – accountability of aid programmes, especially in sector budget support. This would not only strengthen the role of the national parliament in the policy process, but could also bring it into direct contact with donor parliaments. It is, however, recognised that parliaments in developing countries tend to be weak and often severely under-resourced for their important functions. Where this could be pursued, it is suggested that the EU, possibly jointly with relevant UN bodies and/or regional or local EU governments, should engage in supporting capacity building programmes to strengthen national and local parliaments.

Incentives for reforms in the aid allocation process

Several respondents strongly advise against using annual aid allocations as (negative) incentives for governance reforms. Reforms are always long term and need to be adequately financed over a longer period. Short term volatility in financing can significantly increase the costs and jeopardise the results of agreed reform programmes.

Some respondents argue that strengthening democratic institutions, the rule of law, public administration capacity, support for civil society, transparency and accountability should be priority criteria for aid allocations. However, other member states consider that aid allocations should primarily be done according to country-specific needs and circumstances, including absorptive capacity and emphasise the importance of predictability in aid allocations.

It is also stressed that one of the major points that ought to be taken into consideration is the need to delink aid for development purposes and foreign policy objectives of the EU. This is a major concern of civil society groups in light of the establishment of the European External Action Service.

One member state argues that the result of the Governance Initiative/Profile exercise could include a 20-30 per cent additional allocation for countries that include a governance reform action plan. Such commitments could be inscribed into a contractual relationship between the EU and the partner government.

How to assess and monitor development results
Another member state argues that it should be a primary objective for the EU to **support capacity and institutions for assessment and monitoring of policy results, not only the results of aid**. It is stated that such accountability is normally demanded in EU countries by parliamentary opposition, press, media and other civil society organisations.

Several respondents consider that the EU already has in place **sufficient monitoring and evaluation systems**, e.g. under the Cotonou agreement. Monitoring and Evaluation (M&E) frameworks, however, need to be owned and established by partner countries. The **partner country’s own social accountability mechanisms and stakeholders**, including civil society and national parliaments, as well as national audit institutions and social or community auditing mechanisms, should be strengthened in order to measure results in a more participatory manner.

Over time, it is argued, the development community has moved from rather simplistically equating increased GDP to development, to an array of indicators for ranking how countries and people are faring. The **Human Development Index is one of these measurement tools**.

One respondent argues that the EU should insist on open internet access to public finance systems and promote and protect CSOs as watchdogs to monitor government activities.

### 5.1.4 Security and fragility

![2.4 Security and Fragility - total 43 responses](image-url)
Several member states highlight the need for a truly comprehensive approach in EU external action as regards development, humanitarian aid and security. An integrated approach should be adopted to ensure more coherent use of different instruments, including broad, sector-wide approaches to promote rule of law. There are Council Conclusions adopted in 2007, which provide a good policy framework and the creation of EEAS and DEVCO provides the institutional framework for preparing the plan of action to implement the conclusions. Cooperation with other international institutions like the UN, World Bank, NATO and non-EU countries is deemed important.

Furthermore, development and peace-building are intrinsically linked. At the heart of both development and peace-building processes is the need to strengthen resilience and the capacity within society to manage change and resolve differences. Some NGOs believes that the EU can significantly increase the impact of its development policy by including peace-building and the prevention of violent conflict in all of its co-operation with developing countries. The EU should be encouraged the use of OECD/DAC Principles for Good Engagement in Fragile States and Situations.

However, it is also reminded by one respondent that fragile states are not all alike. They are of different types and must be dealt with accordingly. Expectations about the depth of change that can be effected by international interventions in fragile countries need to be kept modest.

Private sector actors argue that in the humanitarian context, market led responses including local procurement and other forms of market support can increase impact and reduce dependency, whilst supporting the transition to economic recovery. Emergencies often cause damage to market functions and trade networks and this can be made worse by inappropriate humanitarian responses – whether that is prolonged in-kind relief, which undermines local jobs or cash-transfers are implemented without proper analysis, which may intensify local inflation. The EU should therefore give greater support for market based recovery interventions to better link humanitarian aid to sustainable development.

Other respondents maintain that the EU, through its budgeting exercise, should maintain separation between development aid on one hand and funds for peace keeping, security and military operations and missions on the other. The EU should call for and support clear lines of operation and mandates between development, humanitarian assistance and the military and security agenda.

On the other side, the argument goes, the main focus should be on coherent policy approaches to long-term conflict prevention and post-conflict reconstruction. The prevention of conflict should include a contextual analysis of the root causes of conflict, which are often difficult issues that cannot be solved by military intervention. The EU should therefore, in conflict prone countries, pay particular attention to supporting initiatives to re-establishing the rule of law, justice and security sector reform through a strong focus on women’s rights and the protection of women from sexual and gender based violence.

There are expressions of concern that countries and regions of strategic importance to the EU benefit most from efforts and financial support to the detriment of countries and regions where needs are greater, but which may be of less strategic interest to the EU. The current tendency to use development resources to finance “military” purposes (e.g., undercover capacity building for military forces) and the involvement of military forces in aid delivery are worrying trends.

Non-governmental organisations argue that they can add complementary value in fragile situations by virtue of their basic values (commitment to a life with dignity for all people, for global social equity and sustainability), their neutrality and their foundation in civil society.

Coordinating development and security

It is suggested by several respondents that the proposed Peace-building and Crisis Response Directorate within the European External Action Services should provide leadership to ensure that conflict prevention and peace-building are integrated across the work of the EEAS and other EU institutions, including the new EuropeAid Development and Co-operation Directorate General. In this context, the EEAS should bring together relevant decision-makers to agree common, coherent
objectives for country and regional strategies. The EU should publish the proposed EU Action Plan for Situations of Fragility and Conflict, which calls for a “whole-of-EU approach”, including peace-building and conflict prevention, to the EU’s co-operation with fragile, conflict-affected countries and regions.

Linking relief, rehabilitation and development in transition and recovery

It is mentioned by several respondents that it is important that the draft EU Action Plans on Conflict and Fragility as well as on Disaster Risk Reduction, DRR are finalised. Financing in fragile states should be faster, more flexible and tolerate more risk taking. Creation of an effective coordination mechanism between existing financial instruments is most important.

One NGO argues that as an organisation with twenty years of experience in the fields of conflict prevention, security and justice, they have gathered considerable evidence to suggest that it is extremely difficult to achieve inclusive growth and sustainable development – and thus achieve long-term impact – without addressing conflict, insecurity and weak rule of law in the communities, states and regions to which development support is provided. Developing countries are generally more vulnerable to internal and external violent conflicts. Prevention is of key importance. It is therefore essential that all development policies, programmes and activities are conflict-sensitive. Furthermore capacity for conflict-sensitive monitoring and evaluation needs to be developed, mostly with external funding.

Several respondents make the point that peace enforcement missions by regional or international security forces, while crucial to resolve conflicts or dealing with short term situations of violence and instability, should not be financed from long term development resources.

The EU-UN-WB Post Disaster Needs Assessments are seen as very important to coordinate the rehabilitation phase. It also provides a vehicle for organising income opportunities for former troops to reduce the risks of renewed outbreaks of fighting and instability. Public Private Partnerships have been used to organise post-conflict rehabilitation and restoration of businesses and employment, e.g. the Southern Corridor and the Business Alliance Against Chronic Hunger, which target the victims of conflicts and disasters.

Long established, convention based humanitarian organisations like the IFRC – Red Crescent insist on complete separation between their humanitarian interventions and any attempts at providing military security in conflict stricken areas. Once the organisation’s neutrality is jeopardised it can no longer operate effectively and would put its staff at risk. Where military interventions are deemed absolutely essential to stop killings, also humanitarian relief becomes a responsibility of the military command, working together with local NGOs and or CSOs if any.
Four years after the publication of the EU Code of Conduct on Division of Labour in Development Policy, it is felt that too little progress has been made in clarifying and strengthening the EC’s areas of comparative advantage. Nevertheless, many member states point out that there has been significant progress within the Fast Track Initiative on Division of Labour and the Operational Framework on Aid Effectiveness on cross-country division of labour.

Several member states argue that, in order for European donors to gain more impact and become more effective, there needs to be more stimulation to improve the in-country and cross-country division of labour. A new consensus that identifies and reinforces the added value of different comparative advantages of European donors seems needed. Synchronisation of procedures would be a first way of promoting coordination. France, for example, states that it will from 2013 use EU programming documents, depending on the circumstances of the country in question. It is argued that some partner countries oppose, guarding their sovereignty, all aid coordination by donors. However, it can be viewed that, if they themselves assume the responsibility for coordination, it would be considered a desirable move towards a second level of coordination.

Joint EU programming of assistance is seen by many respondents to be difficult at this stage, but should be gradually introduced under the new financial framework, initially as a synchronisation of
programming cycles, joint assessments and information sharing. A **Joint European Country Strategy** should, though, be pursued only in countries where it would have a demonstrated added value.

Many respondents propose that the **EU should also seek cooperation with new donors**, especially those involved in South-South cooperation, supporting their adherence to DAC and the Paris Declaration principles for development cooperation.

One view by a partner country is that EU institutions and the EU member states should commit to joint programming cycles at country level and European Country Strategies through a legally binding EU regulation, after consulting all concerned stakeholders and partners in Europe and in developing countries.

### 5.1.6. Policy Coherence for Development

Policy coherence for development (**PCD**) should be pursued more proactively and be the responsibility of the High Representative supported by a separate unit for PCD, responsible for inter-service consultations and working groups and with designated focal points for PCD in EU delegations. The (joint) country strategy process should provide a comprehensive operative framework for PCD at the country level.

It is argued by many NGOs that the reduction from twelve to five policy areas included under policy coherence was unjustified. The EU defined **PCD is seen as in favour of EU's own interests**, much less so in that of development.
It is also argued by NGOs that, currently the EU PCD work is seen by the EU development community as **essentially a technical exercise**, whereas the issues involved are highly political as they involve other policy domains. Secondly, it is argued that the EU should push for policy coherence indicators/markers to be developed in OECD DAC in order to allow comparisons of donor policies and their development-friendliness towards developing countries.

It is noted that **EU policies are ultimately tested for coherence only at the highest level - the Council** – but, to be effective, coherence aspects need to be introduced when a policy action is initiated in the Commission. Increasingly, however, a new level of coherence review is coming into play as the European Parliament will review proposals before they are passed on to the Council.

It is suggested that a **whole-of-system approach would be needed**, requiring an increased intra and inter institutional cooperation among Council Secretariat, European Commission Services, EEAS and Member States, for increased coherence both at policy decision-making and technical levels. In addition, it is suggested, that more analytical capacity and work on impact assessment methodologies as well as access to quantifiable information on the effects of “incoherence” could facilitate PCD advisory work. It is noted that the 2010 OECD Council recommendation on PCD and on Good Institutional Practices in promoting PCD are still to be implemented in the EU and MS.

It is argued that policy coherence necessitates genuine political commitment, coordination, and dialogue at member state and EU level, as well as with partner countries. Achieving coherence therefore necessitates a cross-sectoral dialogue at policy making levels.

**5.2 DEVELOPMENT POLICY AS A CATALYST FOR INCLUSIVE AND SUSTAINABLE GROWTH**

**5.2.1 Partnership for inclusive growth**

One of the most contentious issues relates to the inclusion of promotion of private sector investments as a catalyst for inclusive and sustainable growth as part of EU development policy. Some seventy-eight respondents have provided their views and comments on the subject of public-private partnership. While almost all respondents recognise the importance of economic growth for creating the resources for growth and employment to tackle poverty, many react against the emphasis on economic growth as “a failed trickle down theory” and insist that ODA funds should be used for interventions directly aimed at the poor.
Most of the respondents recognise the importance of the creation of economic and employment growth as the cornerstone of sustainable development, a *sine qua non* for sustainably tackling the roots of poverty. Moreover, job creation in developing countries also must follow the standards for ‘Decent Work’ and that any support for private sector investments should be along ethical standards as agreed by OECD. The cooperative movement makes a strong argument for the positive role that can be played by producer cooperatives, especially in the agricultural field.

To be beneficial for development, the NGO platform CONCORD argues that growth has to be sustainable and inclusive, taking into account inequalities and with special emphasis on reaching the poor. Pro-poor growth is based on decent job creation, functioning health services, universal access to education, a productive agriculture, and good governance. They are convinced that these areas, because of their outstanding significance, should form the core of EU development cooperation and spending. Focusing on these areas plays to Europe’s strengths and expertise: industrialised countries and especially EU Member States have long used social protection to help ensure that the benefits of economic growth reach the poorest and most marginalised.

Several respondents emphasise that it is not the task of development cooperation to decide on what industrial policy should be followed. Instead, EU support should be focused on creating the enabling predictable legal, financial and regulatory environment for establishing private sector enterprises and their investments. Member states are divided, however, as to supporting infrastructural investments, which some consider should be subjected to the criteria of and financed through concessionary credits from EIB and IFIs, where normal investment funding is not available.
Increased economic activity also has a positive effect on the development of SMEs that are the main source of jobs for the poor. Improving access to financing for SMEs could serve as an incentive for development and the creation of new jobs. However, in order to ensure sustainable economic development there is a need for clear rules and a transparent business environment. Thus, facilitated access to financing should be accompanied by structural measures aimed at improving business environment, fair treatment of investors, combating corruption and capital flight.

It is underscored by many respondents that great emphasis should be put on supporting partner countries’ own reform efforts, when presented, with a focus on their capacity to engage their own natural, human and fiscal resources. By combining EU aid flows, private sector flows, remittances and the resources of the partner countries themselves, it should be possible to mobilise the necessary funds in order to substantially accelerate progress towards the MDGs.

It is argued that support to economic development goes beyond the traditional areas of EU (EC) assistance like good governance and policy and institutional assistance following social and human rights concerns. However, the EU has long experience through EDFIs (for example the EIB) on supporting investment projects with economic development impact.

Attempts to broaden the OECD definition of ODA or introducing new concepts to measure contributions to development, such as ‘Whole of Union / ODA+ approach’, whereby a variety of ODA and non-ODA financial flows – such as private investment, technology transfer, or export credits – NGOs argue, should continue to be rebutted. ODA is seen as the only form of development assistance purely focused on poverty eradication, and therefore able to fully deliver inclusive growth.

Several trade union associations are very critical regarding the proposed solutions of the Green paper when it comes to facing the challenge of poverty and the MDGs. This document, it is argued, transpires with a neoliberal political vision, centred on the improvement of growth in Southern countries and their increased integration in the world trade, which is presented as solutions to the problems of poverty and as remedies for the slow progress towards the MDGs.

Business associations on the other hand, share the vision that private actors – and especially SMEs - may provide a major contribution to job creation and to poverty eradication. Hence they have identified development of SMEs as a crucial area for cooperation.

The cooperative movement organisations welcome the Green Paper’s proposals, which strongly underline the aspect of economic growth, combined with sustainable employment creation and social protection, in order to reach the MDGs by 2015. They agree that the generation of long term and sustainable employment is a central tool for development, but emphasise that sustainability needs to engage with social and environmental as well as economic aspects.

The ILO has noted with interest that the EU institutions and the EU Member states have strongly and explicitly supported the integrated approach of the decent work agenda, combining economic efficiency and social justice, and the use of decent work country programmes or equivalent national and regional roadmaps as the main delivery mechanisms for decent work at national level. The EU has consistently highlighted that social, economic, trade and financial policies should go hand in hand. However recent studies, commissioned by the EC and the EP, have revealed that employment and decent work are not yet part of mainstream EU development programming although many developing countries have strongly increased their activities on employment and decent work.

A partner government points out that ensuring social inclusion of benefits of development is one of the key responsibilities of any given government. Hence, the EU needs to focus at the level of project proposal to ensure that the project intends to address major problems of target beneficiaries and check whether the result can be achieved or not. Moreover, it can check the achievement with the plan ex-post but leaving the day-to-day monitoring of social inclusion of benefits to the partner countries themselves.
Regional integration initiatives and processes, e.g. in Latin America, it is argued by think-tanks, are varied and some go back a long way. The political support and cooperation that the EU has provided to these processes has been important and has generally made it possible to build and maintain the institutional bases of integration and to make progress in certain areas, particularly in the economic field. However, it is crucial for the EU to understand that its own model and experience cannot be "exported" or replicated. It is vital to take into account the particular circumstances - both current and historical - and the current global context, to develop integration processes and mechanisms that are well adapted to these circumstances and oriented towards attaining the objectives defined by the countries themselves.

It is also noted that a large number of regional arrangements already exist in Africa, most of which are in urgent need of being strengthened institutionally. The EU should prioritise such capacity building and, in doing so put special emphasis also on cultural cooperation.

EU trade policy should work for development, it is argued by many respondents, focusing on creating an enabling trade policy environment, not the other way round. An enabling policy environment for development should look further than traditional government-to-government trade policy. It should ensure a coordinated EU policy environment to encourage individuals, producers and consumers to make trade work for development. Encouraging South-South trade will aid development. Therefore, South-South trade should not be obstructed by EU trade
agreements especially insisting on Most Favoured Nation (MFN) clauses.

With regards to policy coherence between trade and development, it is pointed out that trade is primarily a matter between two or more enterprises, and therefore the most important element is the creation of viable enterprises that can engage in producing products and services that are suited for the European market. Nevertheless, it is important to introduce a whole-of-system approach to policy coordination between development and trade. It is also suggested that that the EPAs currently under negotiation should be urgently completed or otherwise stopped in preference to an early completion of the Doha round.

It is noted by some business associations, that the EU is facing increasing trade competition from emerging economies, especially in the areas of raw materials and agriculture. However, it is also competing with consumer products which are increasingly produced in the new special economic zones set up in African countries, benefitting from tax- and duty-free status, low-cost labour and with its own management and infrastructure.

Several NGOs argue for the right of developing countries to impose tariffs and legislation to protect their infant industries and agricultural production. Many private sector actors argue for trade preferences for Fair Trade arrangements.

Arguments are also put forward for the establishment of trade corridors in Africa, whereby enhanced communications, transport, financing and simplified customs procedures would apply, e.g. similar to the Abidjan-Lagos corridor.

The importance of involving EU regional and local governments in promoting formulas for South-South cooperation is suggested by regional and local governments. They have been using a more horizontal, partner-based approach, which can contribute to regional integration of development processes, using institutions already created for that purpose, such as the Euro-Mediterranean Assembly of Local and Regional Authorities (ARLEM).

It is also put forward that international cooperative movement networks can help cooperative enterprises in partner countries to rapidly gain scale and gain access to deals negotiated at national or international levels, which lead to greater profitability for the local community. Consumer cooperatives have been pioneers in promoting and mainstreaming Fair Trade products in the EU retail market.

The general point is made that aid for trade interventions designed by donors have so far not been very effective. Instead it should be left to partner countries to design their own measures, which could then be supported.

5.3 SUSTAINABLE DEVELOPMENT, A NEW DRIVER

5.3.1 Climate change, biodiversity and development

Given the importance and visibility of the issue of climate change and its consequences, there are surprisingly few responses (forty-six only) to the question on how to mainstream the climate change issue into the development programmes. One response suggests the enhancement of the positive and sustainable aspects of mitigation and adaptation measures, and in general the aspects of the “green growth” path of developing countries. This should be achieved in EU programmes by a more intensive directing of financial resources (bilateral, multilateral assistance, fast-start financing, etc.) to projects with a significant horizontal, environmental focus that could over time replace the present unsustainable conduct of partner economies. Suitable projects include, for example, the forestation of formerly extracted forest areas.
The main issue that emerges from the responses is the funding of climate change mitigation and/or adaptation. Most respondents, especially from the NGO community, have argued that financing climate adaptation measures should not be at the expense of the development funding for the low-income countries.

Other comments point to the OECD/DAC work in this area, in particular the development of guidelines and accounting rules for assistance to climate change is of particular relevance to promote coherence and to leverage financing. The design of comprehensive Country Strategy Papers should follow an approach that facilitates mainstreaming climate change, biodiversity and development and includes appropriate financing sources to support developing countries’ capacity to mainstream these issues into their Poverty Reduction Strategy Papers. It is very important to support capacity development, in particular for the integration of adaptation and mitigation in development strategies.

It is further stated that mainstreaming climate change (CC) adaptation and disaster risk reduction (DRR) into development policy requires assessments of many activities, including legislation, policies or programmes, in all areas and at all levels, to integrate them into the design, implementation, monitoring and evaluation of policies and programmes in all sectors. The mainstreaming of climate adaptation into development policies is seen as a complex issue, due in particular to the difficulty of establishing a boundary between development activities and actions designed to strengthen the capacity of economies and societies to adapt to climate change. In practice there is an overlap. An agricultural irrigation project, for example, contributes to both objectives at the same time.
The World Wildlife Fund, however, estimates that the new and additional public resources required by developing countries to adopt low-carbon pathways and to adapt to the impacts of climate change will amount to at least USD160 billion annually over a five year period 2013-2017 and rise to around USD 200 billion annually by 2020. Only with this amount of public finance will it be possible to leverage the much greater level of private investments required – in the order of USD500 billion to USD1 trillion annually. Innovative financial sources such as financial transaction taxes would be needed to fund the commitments to global public goods such as biodiversity.

It is also suggested that the EU should take further action to ensure sufficient levels of climate change education in developing countries. Such education takes time and resources, but will be crucial for achieving the set goals in the field of climate change in the long run.

Several NGOs stress that the EU should conform to the principles of the Natural Resource Charter when providing development assistance to developing nations. As included in the CBD Nagoya Strategic Plan, global deforestation needs to be stopped by 2020.

Private sector organisations urge that climate measures and financing should above all focus on measures, which are economically efficient and environmentally effective. For example, energy efficiency measures, including better insulation for buildings and low cost housing, are seen as one of the most cost-efficient measures to reduce energy consumption and costs. Also, new technologies and programmes, including drought-resistant crop programs for developing countries, should be fully supported since these could offer clear solutions to climate adaptation and food security, while spurring development and yields for millions of African farmers.

The IFRC is concerned about the emphasis the EU puts on a combined approach for climate change adaptation and mitigation. In many situations adaptation measures will not have a mitigation benefit, for example malaria/dengue prevention programmes, agriculture diversification, etc. Adaptation programmes may even need additional energy sources to be efficient, for example early warning systems and cooling systems. The IFRC therefore proposes that the EU reviews its vision to link climate change dominantly with biodiversity and the environment. This creates a risk of an unbalanced approach in particular regarding climate change adaptation. The IFRC would therefore recommend a special hearing by the EC on its climate change and development policy.

Regarding disaster risk reduction, it is noted that countries’ exposures to natural hazards are inadequately highlighted in donor Country Strategy Papers (CSPs). The Country Environment Profile is often only an annex to the CSP, and these documents vary in quality and are used inconsistently. It is suggested that implementation of the EU Strategy on Disaster Risk Reduction presents a good occasion to highlight countries’ exposure to natural hazards to protect development gains, throughout the design and implementation of the EU Country Strategy Papers (CSP) as an entry point and to foster dialogue with developing countries on DRR issues.

5.3.2 Energy and development
Relatively few respondents (thirty-one) have ventured to comment on the issues of energy and development, mostly member states, NGOs and some individuals. Few have been specific.

Several NGOs have, however, suggested that the EU priority should be to support accessible sources of energy at the local level, with emphasis on obtaining sustainable energy from local renewable sources with the involvement of the private sector and non-profit organisations. The guide should be the EU “Council conclusions on access to sustainable energy sources at local level in developing countries”, of 19 May 2009.
The private sector respondents suggest that the EU should work with developing countries to **rationalise and depoliticise energy pricing** in the downstream sector (with focus on transport fuels) focusing on three dimensions of fuel pricing (price levels, regulation of prices, transparency). A combination of approaches to the provision of sustainable energy will therefore be required. For example, evaluations have shown that off-grid renewable energy systems are more economically competitive than conventional energy alternatives. Local capacity for maintenance and operation is essential for the medium to long term benefits to be realised and for the creation of local markets and economic opportunities.

One respondent points out that the investment required to deliver the objective of universal access to electricity, which is suggested in the Green Paper, is far greater than what is currently available. The IEA estimate is that an additional $700 billion will be needed before 2030. If universal access to all essential energy services is included, an additional $56 billion will be required. The Green Paper is therefore seen to be right to emphasise the financing challenges involved. The lessons from previous attempts to reform the power sector in developing countries should be noted. These did not result in significant increases in access, in part because costs were not reduced enough for electricity to be affordable to the poor. Indeed, for many households the **principal barrier to access remains the cost of the service** and EU-supported efforts to reform regulations will need to include subsidy policies if universal access is to be achieved.

One partner government suggests that promotion of biofuels is one of the most promising areas for triangular cooperation involving the European Union and Brazil, the country with the world’s largest and best consolidated biofuel programme. A striking example of the potential of such triangular cooperation is the Brazil-EU initiative for Bioenergy for Sustainable Development in Africa, which envisages feasibility studies on biofuel production.
Another private sector respondent makes the following suggestions: 1. Eliminate bottlenecks in EU energy programmes. 2. Distinguish between energy policy for poverty reduction and energy for climate change. 3. People do not want "energy" per se, but they want Modern Energy Services (MES). The latter are a necessary but not sufficient condition for poverty reducing growth. 4. Harmonise (SWAp) energy-related activities of MS. 5. Focus on improving the policy and regulatory environment, leveraging local private capital and creation of regional solutions. 6. Take seriously the task of Capacity Building to regulate and manage power utilities. Furthermore, energy for transport (to markets) and agriculture is critically important for poverty reduction in rural areas. Grid based electricity is the lowest cost option, but decentralised energy supply will be cheapest for small amounts in remote areas.

5.4 AGRICULTURE AND FOOD SECURITY

Some fifty-three respondents have provided their views and comments on issues related to food security, sustainable agriculture and fighting malnutrition, with more than half coming from member states and NGOs.

Member states are strongly in favour of including agriculture and food security among the priority areas of the EU development policy, as in low-income countries, growth in the agricultural sector is often the primary means of achieving sustainable poverty reduction. To that end it is vital for the partner country to foster growth in the agricultural sector by following the value-chain. Not only government, but also private parties can play a major role, through public-private partnerships,
especially with cooperative models (e.g. fisheries). In the new South-South cooperation, trade in food and agricultural products to meet growing demand is one of the fastest growing areas with value added along the production and processing chain. This also serves the objective of strengthening regional integration.

They further posit, that the EU with its broad experience of designing and implementing systemic and economic transformation in agriculture and food related sectors, is particularly well situated to work with partner countries on sustainable agricultural development. Under the CAP, solutions have been tested which lead to raising the human and social capital of rural inhabitants (measures in support of increasing farmers’ qualifications and promoting cooperative behaviour).

It is further argued that strategic areas where the EU should get engaged in the agriculture and food security sectors in Africa are regional integration, land tenure rights and agriculture sector's adaptation and mitigation capacity to climate change. Rural-urban relationship and good governance needs also to be considered in food security issues. The main thrust in low-income African countries’ agriculture should, according to both member states, private sector organisations and NGOs, be on small-holder farming, “the engine of rural growth”, especially the empowerment of women, where poverty reduction would be most urgent and have the largest impact. The EU may want to create a specific fund to disseminate the best, competition-based ideas for sustainable SME financing, and may encourage private investors and donors to support a large-scale implementation of these projects (e.g. Ashoka Changemakers, G-20 SME Finance Challenge).

Regarding food security, one member state argues that to achieve food and nutrition security it is necessary to focus on small producers, particularly women farmers who perform the majority of field activities and are the most affected in times of crisis. Women’s greater involvement in decision-making processes would promote sustainable economic development and protect large segments of those more vulnerable populations that are normally excluded from social welfare systems. Small-scale farms are the “engine of rural growth” in the developing countries. In this context, producers’ organisations and micro-enterprises associations should have a fundamental role in order to strengthen productivity and improve market access, to increase the rural income by promoting diversified livelihoods, to reduce risk and vulnerability and to reinforce the social capital.

It is recommended by some NGOs that the EU should focus its support on creating an enabling environment for sustainable agriculture, fishing and aquaculture that are critical for food security in Africa. Priority areas are capacity development activities, research and innovation, smallholder training and skills development, policy and legislation concerning land ownership, support to mechanisms for agriculture related sectors, coordination on information management systems for policy decision-making on food security and nutrition and disaster risk reduction. Countries facing situations of fragility should be a priority.

It is pointed out that marine and freshwater fisheries make an important contribution to health and food security and therefore support to these sectors, policy coherence for development (see fisheries section) and integrated water resource management are essential.

Private sector organisations call on the EU, in partnership with the private sector and local governments, to formulate, implement and monitor guidelines, laws and regulations and incentives in order to better achieve sustainable agricultural and rural development. Furthermore, steps should be taken to improve food security and to improve and transfer of farm technologies. A check and balance system can be developed by means of initiating and maintaining farm inspections, on-farm analysis of appropriate technologies and discussions with rural communities to ascertain restrictions and blockages and determine solutions. The EU can play a vital role in sponsoring educational and vocational training for farmers and rural communities through formal and non-formal education.

Private investors also encourage the EU to look into the possibility of developing agricultural corridors. This is an innovative concept intended to motivate agricultural development and contribute to economic growth in Africa, while encouraging investments in regional value chains. The ultimate aim is that these agricultural corridors will simplify farmers’ access to regional and international markets. Access to these markets is a crucial point in making farming a sustainable business, a
catalyst for rural development, and an instrument for economic growth in Africa. The **value chain approach is fundamental in overcoming one of the foremost limitations in African agriculture, which is poor infrastructure.**

The cooperative movement argues that agricultural producer and consumer cooperatives are recognised for their crucial role in contributing to assure food security and food safety, first of all increasing food availability, improving the physical access to food and enabling members’ households to increase their purchasing power.

Africa has, according to some respondents, a lot of potential for irrigated agriculture, but farmers need better access to markets, which is limited by quantity and quality of roads in rural areas. EU programmes should ensure equal access to land titles for male and females, thus empowering, training and supporting women farmers.
6. CROSS-CUTTING ISSUES AND MISSING AREAS

6.1 DEMOCRACY AND HUMAN RIGHTS

Many respondents have underscored the importance of both representative and participative democracy as fundamental requirements for sustainable long term development. Strengthening and capacity building of both national and local/regional elected assemblies, including providing necessary working office, meeting, travel and communications resources, which are taken for granted in the EU, are rarely available to parliamentarians in developing countries. More important, however, is the role in coordination of policy making and legislative quality and coherence normally exercised by elected national assemblies. It has therefore been suggested that parliaments – both North and South – should be given a much more prominent role in the development cooperation dialogue, especially in reviewing Cooperation Strategy Agreements between donors and partner countries.

Similarly, the important role of civil society organisations in the development dialogue has been brought forward by NGOs, trade unions and employers associations and the cooperative movement. It is pointed out that CSOs are generally very weak, especially in the LDCs, and should be specifically targeted for capacity building and strengthening of their resources to enable them to participate effectively in the development dialogue and to demand accountability from their elected governments.

A key element for a functioning democracy is the freedom of information and effective media and communications system. It has been pointed out – not least against the background of current events in the Middle East – that access to and openness of international telecommunications system and the Internet has brought a whole new dimension to the concept of participative democracy. The EU may need to develop a modern information and media policy to update the traditional freedom of the press concept.

Many respondents have also suggested that, based on the Consensus and the Treaty, EU development policy should be value-based, strongly focusing on fundamental human rights as well as the rights of women, children, minorities, disabled etc. The rule of law, effective legislative system, prosecution, judiciary, police and penal systems are seen as critical elements.

Newer EU member states have pointed to their own experience of accelerated transition of their political and economic systems towards democratic rule based on fundamental human rights and values, supported by comprehensive EU programmes and documented in the Transition Compendium, as relevant lessons learned also for EU relations with external partner countries.

Regional and local EU governments have also pointed to their relevant experience and roles in decentralised government and in providing effective and efficient local services as a strong justification for their involvement in EU development policy.

6.2 ENVIRONMENTAL SUSTAINABILITY

The consultation has brought forward surprisingly few comments and suggestions regarding environmental issues, beyond calling for climate change interventions to be funded separately, not from ODA funds. One possible interpretation may be that environmental impact reviews have by now become part of mainstream procedure in the design and appraisal of development programmes.

6.3 GENDER EQUALITY

Many respondents have commented on the absence of the important role of women in the development process in the Green Paper. It is pointed out that the empowerment of women, especially in developing countries, is one of the most important issues for accelerated and sustainable development and should be given highest priority in EU development policy.

6.4 HIV/AIDS

Few respondents have brought up the HIV/AIDS issue, although it remains one of the most severe obstacles to development in Sub-Saharan Africa.
6.5 THE MISSING AREAS

6.5.1 Democracy and the role of parliaments
Several respondents, especially among the regional and local European authorities have brought forward the importance of involving national and local elected assemblies and administrations into development cooperation. The role of the elected parliaments and the regional and local assemblies is seen as the hallmark of European democracy and particularly suited for a role in the building of democracy in developing countries. They also have direct, hands-on experience of how to organise and manage public services, including in the priority areas of health and education.

6.5.2 Rights and freedoms
Many respondents have called for the inclusion in the Green Paper of a development cooperation policy based on fundamental human rights and freedoms as necessary for long term sustainable development. This would include the rights of women, children, minorities, disabled etc.

6.5.3 Gender equality
Many respondents have expressed surprise at the lack of treatment in the Green Paper of the critical role of women in development at every level of society. This is seen as a major shortcoming in the paper.

6.5.4 Aid vs. development/ poverty vs. inclusive growth
Equally, many of the responses have touched upon the issue of expanding the policy to the more coherent question of promoting development and economic, inclusive growth (i.e. including trade, domestic resource mobilisation, remittances etc.) rather than focus on the uses of ODA for the more limited purposes of poverty reduction. This is also linked to the issues relating to potential linkages between development, foreign and security policy, following the creation of the new EU External Action Service. Views are clearly divided on this issue with much urgency added by current geostrategic changes taking place.

6.5.5 What happened to Aid Effectiveness
The EU has played a major role in promoting aid effectiveness through the OECD/DAC led Paris Declaration process. Many respondents have queried why the Green Paper does not more explicitly refer to a process that involved a compact between both North and South countries and that has gained significant momentum.

6.5.6 ODA eligibility and definition
Equally, many respondents have referred to the significant growth and development that has taken place and moved a number of low-income countries into a higher bracket where development has become self-sustaining and their needs for external assistance has changed character. This has led to calls for a major review of which countries should still be eligible for scarce, grant ODA resources and which countries may be seen to “graduate” out of this category.

6.5.7 The role of civil society organisations
All categories of respondents have underscored the importance of building the capacity of and involving local civil society organisations (trade unions, employers, professional organisations, cooperatives, parties etc.) in the partner countries. Their role in building participative government is essential.

6.5.8 The role of cooperatives
A strong plea is being made for including the cooperative enterprise model in the Green Paper, especially in rural and agricultural development. It is seen as not only an efficient business model, but also an essential training model for democratic society.

6.5.9 Media and communications
A strong case is being made for the inclusion of a media and communications policy to be included in a European development policy. Recent developments have dramatically demonstrated the importance of new global communications networks as a powerful source for political and social change.
6.5.10 Migration
Many respondents are underscoring the importance of including EU migration policy in policy coherence deliberations. Not only do remittances from workers abroad form an essential part of the financing of SMEs in partner countries, but if organised properly, it can also serve education and training purposes, especially in partner countries where such institutions are still poorly developed.
7. CONCLUSIONS

All respondents recognise the major geopolitical and institutional changes that have taken place in global development since both the Millennium Declaration in 2000 and the European Consensus on development in 2005. Contributions overall welcomed the Green Paper, however many, especially NGOs and development research institutions, claim that it is not sufficient in its analysis of the issues involved to serve as a basis for a review of the European Consensus on Development. Many fundamental issues, such as the relationship between development and democracy, human rights and freedoms or the role of women are not addressed in the document. A number of terms and concepts such as “high impact”, “added value” and “inclusive development” need clarification and definition.

Certain recurrent general trends stand out among the responses. The first, overriding one is a growing recognition that self-sustainable development, which is needed to address issues such as pervasive poverty, climate change and need to convert towards renewable energies, requires mobilisation of resources far beyond what can be expected to be available through development aid. Instead, the lessons from the emerging countries underscore the importance of mobilising domestic and international resources. Commerce, trade, foreign direct investments, remittances and loans and credits from development banks and international financial institutions play important roles in this context. ODA can have a catalytic function in supporting developing states in the creation of the enabling legal, financial and infrastructural environment.

Second, there is a recurrent theme emphasising the importance of finding the right support mix for each individual country. There is no “one-size-fits-all” development model and each country must define its own path in accordance with its own history, tradition and situation, as also agreed in the Paris Declaration on country ownership of strategies for development. Before there can be an agreed EU - partner country strategy to provide predictable and reliable support there has to be a broadly based assessment of the needs and requirements, involving both the elected national and local assemblies, academic and research institutions, civil society organisations and private sector associations. Where these are not sufficiently developed, the EU should support fast track capacity building programmes, making use of the experiences gained from the support to the transformation of Central and Eastern European states in the Phare, TACIS, TAIEX and IPA programmes.

Third, it is universally acknowledged that peace and security are essential conditions for sustainable development and that therefore a thorough conflict/security analysis should form an essential part of the preparations for each country assistance strategy, especially in fragile states. Many respondents argue that the most essential support takes place in pre-conflict situations, through identifying and mitigating developments that could potentially lead to violent conflicts. Development assistance during active conflicts is seen as questionable at best and should not be funded from scarce ODA resources, but be channelled as humanitarian assistance through organisations that are not seen as taking sides in the conflict. Post-conflict development assistance would depend on a case-by-case assessment.

Fourth, while there is strong support from all categories of respondents for increased aid coordination, some recall that the partner country is responsible for the coordination of its development. Several Member States have also voiced concerns in making legal commitments in formal Joint Country Strategies and suggested a gradual introduction of Joint EU Strategies during the 2014-2020 financial framework period.

Fifth, there is broad support for reserving traditional ODA funding primarily for low-income countries, with some respondents arguing for it to be reserved for the least developed countries (LDCs). However, the classification of eligible countries should be determined in the context of the OECD/DAC working group and the UNCTAD review of LDC classifications.

1. High impact

Most respondents recognise the urgent need to ensure that ODA funds allocated from government budgets are used with the aim of maximising the impact on poverty to secure support for increased development aid from their taxpayers. The need for increased concentration of ODA funding to the lowest income countries and fragile states is underscored by many member states and
private sector organisations. This is paired with the recognition that ODA plays only a minor part in funding development, even among external sources, where trade, foreign direct investments and remittances far outweigh ODA. Only in some of the poorest countries and during the rehabilitation of disaster-struck countries does ODA become a dominant funding source.

Many member states therefore advocate that there is a need for differentiation between support for low-income countries and for middle-income countries. Some respondents suggest that scarce ODA development funds should be essentially reserved for the poorest and most vulnerable countries, and that the EU should discontinue traditional grant-based development programmes in middle-income countries, where aid could instead be used as a catalyst for promoting European values and tackling global challenges. However, several NGOs point out that two-thirds of absolute poor live in middle-income countries.

Many member states also endorse the concentration on thematic areas in the Green paper: health, education, good governance, policy coherence between security and development, trade, climate change, energy and agriculture. In particular they support increased infrastructure investments in energy, agriculture and food security. NGOs, on the other hand tend to emphasise investments in social protection systems and in rural/agricultural development.

Many respondents of all categories emphasise that the development situation and needs differ from country to country and that aid does not “one size fits all” solutions. Instead, and as stated in the Paris Declaration on Aid Effectiveness, partner countries are to exercise effective leadership over their development policies, strategies and coordination of development actions.

It is equally pointed out by development research institutions that the fragmentation of aid is a major obstacle to higher impact, which requires a long term perspective with reliable and predictable funding. A renewed dedication to cross-country and in-country coordination and division of labour among donors, combined with sector-wide support programmes, is needed.

While many member states support the development of joint country strategies, it is seen as a gradual process, which has already started with increasing use of joint assessments and profiles as a base for a more coordinated dialogue with the partner country institutions. It is indicated that the preparations for the new EU financial framework, might offer an opportunity to discuss an EU development strategy beyond the MDG target date of 2015.

Parliaments and local/regional governments strongly underscore the importance of involving both North and South elected assemblies and authorities in the development dialogue. Parliaments are the appropriate institutions for ensuring both policy coherence and political accountability. Partner country elected assemblies are frequently understaffed and under-resourced and should be significantly strengthened through capacity building measures to enable them to play their rightful roles in good governance.

2. Aid as a catalyst for inclusive and sustainable growth

The Green Paper calls for a reflection on how to increase the impact of aid on socially inclusive economic growth, not as an end in itself, but as a means for poverty eradication. It outlines a series of partnerships to lead towards joint strategies for inclusive growth, including both state, non-state and private sector actors. This is the area that has elicited the largest number of responses from all categories of respondents.

The responses that emerge from the consultation on this issue, discuss the relationship between development and inclusive and sustainable economic growth. While most respondents agree that the creation of a vibrant and dynamic economy is a necessary precondition for the creation of sustainable employment, thus significantly reducing poverty, it is by no means sufficient in itself. On the contrary, it is highlighted, especially by NGOs and trade unions, that growth without effective redistributive policies and social protection systems, has often led to increased inequality and a rise in absolute and relative poverty. Support for private sector development must therefore be combined with measures to ensure that “decent work” labour standards are observed, and that it does not have a negative environmental and climate change impact.
Many respondents, especially from member states and the private sector, emphasise the importance of rational, stable and predictable legal, financial and fiscal frameworks as pre-requisites for developing both local and international business investments, trade and commerce. It is pointed out that the EU, as the leading dialogue partner and donor, is in a unique position to assist the partner country in developing these frameworks by capitalising on EU experience from the pre-accession, transition support to Eastern and Southern European member states in their transformation to modern, democratic, social market oriented countries.

Furthermore, there is almost universal endorsement of an enhanced focus on support for small and medium-size enterprises (SME), not only for access to capital and credits, but also for leadership training (especially for women) and for building infrastructure needed for transport and communications, especially in rural and food producing areas. Capacity building activities for business organisations, employer, worker and trade associations are highlighted. In this context, the international cooperative movement has pointed out the role played and experience over the past half century by producer cooperatives in the development of rural agriculture in a number of developing countries.

Many of the NGOs have underscored the importance of direct support to social protection systems, especially targeted at the poor.

There has been little interest in providing comments or ideas on the questions relating to choice of policy instruments for blending/twinning international and local financial institutions. Similarly, the comments made on how the EU can promote creativity, innovation and technology transfer are few and of a very general nature.

With regards to the questions of regional economic integration and aid for trade, the (few) comments made indicate that regional commercial integration tends to emerge from local political interest and traditions, where EU experiences tend to be less relevant. Aid for trade comments are divided between those who argue for early conclusion of the Doha round of negotiations and those who favour fair trade arrangements and the rights of developing countries to exemptions from GSP requirements.

3. Sustainable, “green” development

Most of the Member States, supported by some NGOs, welcome the prioritisation/mainstreaming of climate change and renewable energy into the EU development agenda, emphasising the importance of the relevant treaties, conventions and protocols, but also stressing to the need to ensure that EU strategies are coherent with both multilateral and bilateral funds and programmes as well as with OECD/DAC work in this area. While most respondents underscore the importance of keeping funding for climate change interventions outside ODA, others emphasise the difficulties in distinguishing climate change interventions from development efforts.

There are, however, divergent views on striking the right balance on climate change between support for mitigation and adaptation measures. Programmes need to be designed for different circumstances in different countries. However, countries’ exposure to natural hazards is generally not underlined to the extent it should be in Country Strategy Papers, with Disaster Risk Reduction – or prevention - measures rarely included in agreed programmes.

It is pointed out by several respondents that the mainstreaming of climate adaptation into development policies is a complex issue, due in particular to the difficulty of establishing a boundary between development activities and actions designed to strengthen the capacity of economies and societies to adapt. In practice there is an overlap. International funding for adaptation, many respondents underscore, is an obligation defined in the United Nations Framework Convention on Climate Change (UNFCCC), and therefore must be new and additional to existing flows of development aid.

Private sector organisations further point out that reliable, sustainable, and renewable sources of energy are among the necessary conditions for enhancing economic activities and reduction of
poverty. The priority of the EU’s efforts should therefore be support for accessible sources of energy at the local level, energy self-sufficiency, with emphasis on the diversification of energy sources, clean technologies, emission reduction, exchanges of know-how in the sphere of energy efficiency, and the sustainable use of water and soil, including minerals.

4. Agriculture and food security

Most respondents strongly endorse including sustainable agriculture and food security in the priority areas for EU development policy. Strategic areas should encompass support for smallholders, including land tenure rights and provision of knowledge, supplies and equipment.

It is pointed out that the EU possesses extensive expertise relating to sustainable agriculture under changing conditions, which it should use to support initiatives in poor countries with the aim of optimising use of agricultural production means, integrated plant protection, improved land and water resource management and the introduction of resistant species.

The EU countries have broad experience when it comes to carrying out systemic and economic transformations, also in the agricultural sectors. In developing countries, such experience should be used to promote ownership relations and the right to use land for rural populations. These are pre-requisites for greater efficiency: securing ownership relations and the right to use land by rural inhabitants.
ANNEX I

LIST OF ACRONYMS
### Annex I - List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
</tr>
<tr>
<td>CBD</td>
<td>Convention on Biological Diversity</td>
</tr>
<tr>
<td>CC</td>
<td>Climate Change</td>
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<tr>
<td>CCS</td>
<td>Carbon Capture and Storage</td>
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<tr>
<td>CSOs</td>
<td>Civil Society Organisations</td>
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<tr>
<td>CSPs</td>
<td>Country Strategy Papers</td>
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<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
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<tr>
<td>DCI</td>
<td>Development Cooperation Instrument</td>
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<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<tr>
<td>EDF</td>
<td>European Development Fund</td>
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<tr>
<td>EDFIs</td>
<td>European Development Finance Institutions</td>
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<tr>
<td>EEAS</td>
<td>European External Action Service</td>
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<tr>
<td>EESC</td>
<td>European Economic and Social Committee</td>
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<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>ENPI</td>
<td>European Neighbourhood and Partnership Instrument</td>
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<tr>
<td>EPAs</td>
<td>Economic Partnership Agreements</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
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<tr>
<td>GSP</td>
<td>Generalised System of Preferences</td>
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<tr>
<td>IEA</td>
<td>International Energy Agency</td>
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<tr>
<td>IFIs</td>
<td>International Financial Institutions</td>
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<tr>
<td>IFRC</td>
<td>International Federation of Red Cross</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>IPA</td>
<td>Instrument for Pre-Accession Assistance</td>
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<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MS</td>
<td>Member States</td>
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<tr>
<td>NSAs</td>
<td>Non-State Actors</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PCD</td>
<td>Policy Coherence for Development</td>
</tr>
<tr>
<td>PEFA</td>
<td>Public Expenditure and Financial Accountability</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>TACIS</td>
<td>Technical Assistance to the Commonwealth of Independent States</td>
</tr>
<tr>
<td>TAIEX</td>
<td>Technical Assistance and Information Exchange</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
</tr>
</tbody>
</table>
ANNEX II

LIST OF CONTRIBUTORS BY CATEGORY
Annex III - List of Contributors by Category

In order of receipt

Member states
Government of The Netherlands
Government of Finland
Government of the Slovak Republic
Government of Portugal
Government of Poland
Government of Italy
Government of Czech Republic
Government of Estonia
Government of Hungary
Government of Greece
Government of Austria
Government of Slovenia
Government of Latvia
Government of Ireland
Government of Lithuania
Government of Belgium
Government of Sweden
Government of Germany
Government of United Kingdom
Government of France
Government of Malta
Government of Bulgaria

National Agencies
British Council UK
Agence Française de Développement FR
Gesellschaft für Technische Zusammenarbeit DE

Local and Regional Authorities
La plateforme européenne des autorités locales et régionales pour le développement
Conference of Peripheral Maritime Regions of Europe
Association of German Cities
Regional Government of Galicia
Institut Régional de Coopération Développement Alsace
Regional Government of Catalonia
Regional Government Emilia-Romagna Region
Association des Régions de France
Ile-de-France
Conseil Régional de la Martinique
Région Midi-Pyrénées
Conseil Régional des Pays de la Loire
CERCOOP Franche-Comté
Conférence des Présidents des Régions Ultrapériphériques de l’UE
Conseil Régional de Bourgogne
Ville de Namur
Ville de Liège

Parliaments/Parliamentarian associations
Association of European Parliamentarians with Africa
House of Lords, UK
Non-EU States
Government of Australia – AusAid
Government of New Zealand
Government of Switzerland

Non Governmental Organisations
Humanistisch Instituut voor Ontwikkelingssamenwerking, Hivos NL
Arche noVa DE
Centre National de Cooperation, CNCD BE
Africa Europe Faith and Justice Network, AEFJN BE
HIT Foundation, NL
European Association for the Education of Adults, BE
OXFAM International, UK
World Solidarity – Action Social Alert, BE
CONCORD DARE Development Education and Awareness Raising Forum, BE
Publish What You Fund, UK
Voluntary Services Overseas, VSO, UK
Verbraucherentrale Bundesverbandes DE
Coalition of European Lobbies on Eastern African Pastoralism NL
Swedish Association for Sexuality Education, RFSU SE
Solidarité Socialiste BE
RORG network NO
Comité Français pour la Solidarité Internationale FR
Both ENDS Environment and Development Service NL
Agricord BE
Global Local Forum, Benin-Senegal
Global Alliance for Improved Nutrition SWI
International Working Group for Indigenous Affairs, IWGIA, DK
A Rocha International (Christians in Conservation) UK
SOS Faim Belgique
Tin Hinan association (Mali, Burkina, Niger)
Non-State Actors Coalition (NASC) ETH
Homeless International UK
Save the Children UK
German Foundation for World Population, DE
HelpAge International, UK
Latvian NGDO Platform LAPAS, LV
Coalition of Flemish North-South Movement 11.11.11 BE
Platform 2015 ES
SNV Netherlands Development Organisation, NL
CARE International UK
European Students’ Forum AEGEE
Comité Ética Contra la Tortura, IT
Bill and Melinda Gates Foundation, US
Arab NGO Network for Development, ANND
Global Educational Network Europe, GENE
Plate-forme pour le Commerce Équitable FR
Estonian Roundtable for Development Cooperation AKU
ActionAid International BE
Spanish National Organisation of the Blind ONCE
Concern Worldwide IR
Verband Entwicklungspolitik Deutscher Nichtregierungsorganisationen e.V. VENRO DE
Caritas Europa AISBL
World Wildlife Fund (European Policy Office)
Dansk Blindersamfund/ Danish Association of the Blind DK
Health Action Partnership International UK
COORDINADORA Spanish National NGDO Platform, ES
EuroHealthNet, BE
Counter Balance, BE
EU-CORD TVET
Practical Action, UK
OXFAM International NL
Quaker Council for European Affairs
ONE UK
Interact Worldwide UK
Women in Development Europe WIDE
kehys ry Finnish NGDO Platform FI
The Humanist Institute for Development Cooperation HIVOS NL
CEEweb for Biodiversity
Asociación Latinoamericana de Organizaciones de Promoción al Desarrollo, MEX
International Disability and Development Consortium
Eurodad European Network Debt and Development
European Working Group on Social Protection and Decent Work in development cooperation
Saferworld UK
Réseau Education & Solidarité FR
Equilibre et Population Burkina Faso
Transparency International Deutschland e.V.
ISEP, ISEL et al PT
Slovenian Global Action SLOGA
European Peacebuilding Liaison Office
Conservation International – Birdlife International
Mercy Corps UK
Evert Vermeer Foundation for International Solidarity NL
CONCORD DENMARK
Light for the World
International Centre for Transitional Justice ICTJ
SOS Kinderdorfer DE
Solidar
Fundacao Evangelização e Culturas PT
Coordinator of the Indigenous Organisations of the Amazon Basin
Action for Global Health BE
European Disability Forum BE
11.11.11 BE
Fair Trade Advocacy Office BE
Kindernothilfe DE
APRODEV (World Council of Churches)
Eurostep AISBL
CONCORD - Consolidated
BOND UK
Austrian Platform for Humanitarian Aid, AGGV AT
World Vision
SUD FR
CIDSE

Trade Unions
Fédération Générale du Travail de Belgique
LO/FTF Council DK  
International Trade Union Confederation, ITUC - Development Cooperation and Training  
Confederación Unión Sindical Obrera ES  
The National Federation of Christian Trade Unions in The Netherlands, CNV International  
Trade Union Development Cooperation Network ISCS Italy  
European Trade Union Confederation ETUC  

Private Sector/ Businesses  
Andrew Barnett, UK  
Assafrica & Mediterraneo, Italy  
ZTC CONSULTING GROUP, Energy CZ  
J2 Partners US  
European Business Council for Africa and the Mediterranean, EBCAM BE  
Association Internationale de la Mutualité (coopératives) BE  
Asociación de Empresas Comunitarias en Sociedades Mixtas de Pesca, ES  
European Geothermal Energy Council, EGEC BE  
The Federation of Cocoa Commerce Ltd UK  
European International Contractors DE  
Transport Research Laboratory with Institute for Transportation and Development Policy, TRL-ITDP  
Edenred-Accor BE  
Private Investors for Africa  
Royal DSM N.V. NL  
Traidcraft UK - Fair Trade Advocacy Office FTAO  
Cooperatives Europe - the Europe region of the International Cooperative Alliance  
Confederación Empresarial Española de la Economia Social (CEPES)  
Business Europe  
EUROCHAMBERS  
Mouvement des Entreprises de France MEDEF  
Co-founder PPP Europe  
World Coal Association UK  
World Cocoa Foundation US  

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Africa Progress Panel, Switzerland;  
European Centre for Development Management, ecdpm NL  
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Groupe de Recherche en Appui aux Politiques de Paix GRAPAX  
Institut de Recherche pour le développement, Mission Générale Géostratégie et Partenariat FR  
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Agrinatura - The European Alliance on Agricultural Knowledge for Development  
Fondation Merieux CH  
Deutsche Institut für Entwicklungspolitik, DE  
ISEP, Instituto Superior de Engenharia Lisboa PT  
Overseas Development Institute ODI UK  
Instituto Marques de Valle Flor PT  
Europe External Policy Advisors EEPA  
Centre for Sustainable International Development Aberdeen UK  
Centre de Documentation, de Recherche et d'Information des Peuples Autochtones SWI  

International organisations  
UN Team in Brussels  
International Labour Office ILO Secretariat  
African Union  
World Bank Group  
UN Chair of Water and Sanitation Committee  
International Federation of Red Cross Red Crescent Societies
Partner Countries
NAO Office (Ministry of Finance and Economic Development) Government of Mauritius
Ministry of Finance and Economic Development Government of Ethiopia
Government of Brazil
Government of the Seychelles
Government of Ghana
Government of the Philippines
Government of China
Government of Benin
ACP-LGP (Local Government Platform)
Mairie de Lokossa, Benin
Communauté Urbaine de Nouakchott, MAU

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ANNEX III

REPORTS FROM CONSULATION WITH NON-STATE ACTORS
Annex IIII - Reports from Consultation with Non-state actors 11 January 2011

**Topic No 1: Engaging with the private sector and other NSAs in Development**
- It will be useful to have listed existing mechanisms with an assessment impact to determine what works and what needs to change.
- A definition of private sector is needed e.g. local vs. multinational
- Balance between the economic/social/environmental
- Cooperatives Europe stated that cooperatives are an example of good practice with regards Private Sector in Development. In some countries, cooperatives make up 12% of GDP. Good practice can be seen in India - where small-scale industrialisation in rural areas is through cooperatives, Korea, Taiwan and Brazil where 40% of rural GDP. Cooperatives leverage additional resources.
- Inclusive Growth/Decent Jobs need:
  - Explicit definition of inclusive growth
  - Link growth with long-term sustainable jobs as this is the key to local development strategies

**Assessment of private sector in development**
- EIB hasn’t proven private sector impact on development
- Greater transparency as investment facilities benefit largely EU multinationals

**Private sector condition and values**
- Private public partnership (PPP) could be a debt creation vehicle
- PPP should focus on social infrastructure and energy especially renewable energy
- PPP need criteria and should involve cooperatives and should help cooperatives to develop on a horizontal level

**Topic No 2. Agriculture and Food Security**
**Six important points**
1. Policy coherence is vitally important in agriculture and food security
2. Restore priority for agricultural development
3. Facilitate for smallholders to access EU funds
4. Reiterate the importance of involving civil society
5. Access to land and resources
6. Time for the EU to restart public debate on globalisation and its impact on agriculture and volatility of food prices

**Topic No 3. Climate change, biodiversity and energy**
**The workshop responded to four questions:**
1. How to harness the benefits of improved energy access for growth and investment, while at the same time ensuring sustainable, green growth?
   - Private sector growth can take place in a sustainable, green way; e.g. fisheries cooperatives;
   - Value natural capital;
   - Poverty eradication focus
   - Mainstream aid effectiveness
   - Biodiversity is a global issue which requires all parties’ involvement
   - Support local energy production
2. How can the mainstreaming of climate adaptation as well as disaster risk reduction be strengthened in order to ensure more climate resilient and sustainable economies, as well as forest and biodiversity protection?
   - Continued and sustained attention also after programming
   - Strengthen institutional capacity for environmental management in national and local government
   - Investments in sustainable management of natural resources
   - Search for synergies rather than trade-offs
   - Adaptation to adverse impacts of climate change a necessity for many societies
3. How can the EU best support developing countries’ efforts to secure sustainable energy for all citizens?
   - Funding mechanisms already in place
     - The Energy Facility
     - The Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy (ENRTP)
     - The Global Environment Fund (GEF)
   - Involvement of private sector in developing countries

4. How should an EU-Africa Joint Programme be conceived to progressively provide sustainable electricity to every citizen, combining development and climate change funding and leveraged loans from Development Financial Institutions?
   - EIB Investment Facility
   - Blend loans and grants
   - Local private sector involvement
   - Use existing mechanisms

Topic No 4 – Enabling factors for inclusive growth in developing countries
The following aspects were agreed upon:
   - The ultimate goal of any development policy should be the eradication of extreme poverty in recipient countries;
   - To achieve this goal it is necessary to assess the situation and the needs as well as what local actors may be involved. Also, links should be sought to involve European businesses in these countries.
   - Involve civil society in improving governance;
   - Ensure security from smuggling and terrorism: the EU should bring peace, democracy and security.

Enabling factors for inclusive growth in developing countries identified by the stakeholders:
   - Fiscal administration and tax revenue collection – in order to have the minimum required financial capacity
   - Education and health
   - Law enforcement (with a special focus on social issues and on the implementation of the International Labour Standards of the International Labour Organisations)
   - Innovation
   - promote the Social and Civic Dialog and the idea of a democratic organised civil society
   - The EU has to create a procurement mechanism and procedures which should give priority to the companies which are based in the recipient countries