

*Kamil Zajączkowski**

Development Policy as an Instrument of the EU's External Policy

Abstract: *The purpose of this paper is to analyse the essence of the European Union's development policy in the interdisciplinary perspective. To this end, it examines the legal and factual circumstances and determinants of this policy. It scrutinizes the principles and functioning of the EU development policy as well as its challenges and obstacles. In the context of changes taking place at the dawn of the new century, the paper addresses the following questions: what is the extent of the EU development policy institutionalisation; what is the attitude of political elites in Europe to the idea of international aid. The article aims to verify the assumption that the 1990s and early 21st century marked a significant reevaluation of the European Union's development policy. On the one hand, development policy is becoming more crucial and comprehensive in character for the EU and its Member States. On the other hand, the current premises of EU development policy do not fully match the real needs of developing countries as it often lacks both sufficient coherence and effective co-ordination. EU development policy is divergent and multi-dimensional in nature. Hence an interdisciplinary approach seems to offer the most appropriate set of research tools. Full explanatory success can be achieved solely by reference to several theories/models. The complexity of the subject matter has made it necessary to employ a broad and wide-ranging research approach to attain an overall understanding of the problems reviewed.*

Introduction

It is evident how disproportions between the underdeveloped South and economically developed countries have been increasing over time, especially seen in the context of the process of globalisation and internationalisation of

* **Kamil Zajączkowski**, Ph.D. – Centre for Europe, University of Warsaw.

contemporary international relations. At present it is impossible to give a reasonable, informed answer to the question whether those countries have a chance to overcome their development barriers. Still, the task of solving the problems is also a challenge faced by the entire international community and it undoubtedly influences the EU's external policy.

1. Development aid – definitions and subject matter

Official Development Assistance (ODA) aims at supporting underdeveloped countries in their efforts to increase their rate of economic development, ensuring economic growth and reducing the scale of poverty in all its aspects. ODA includes transfers of financial resources allocated for development-related objectives, in forms such as donations and loans provided on appropriately favourable conditions (in terms of interest rates and repayment timelines), as well as technological assistance. It should be observed that development aid is much more than just financial support, as it also includes scientific and technological cooperation, as well as sharing knowledge and experience. This is an important component of many national development strategies, which are directed at making use of experience gathered by developed countries during periods of their past economic and political transformation.

Development aid may be provided either directly (i.e. bilateral assistance) or indirectly, through international organisations (i.e. multilateral assistance). It may either be aimed at implementation of specific investment projects (e.g. in areas such as road and water supply infrastructure, education, health care or environment protection) or at comprehensive and general support for economic reforms. Humanitarian aid, on the other hand, is provided by several types of entities: states, international organisations and individuals provide relief to people suffering from disasters and armed conflicts, often with no intermediary role played by the governments of beneficiary countries. This is direct, short-term aid, provided on an *ad hoc* basis in reply to emergency situations, unlike development aid which is meant as a long-term measure. Its objectives include avoiding depopulation of areas struck by wars and disasters and preventing a further worsening of the situation in a given region and, in consequence, in broader international relations.¹

Development aid may be divided, in terms of whether resources provided are to be returned (and how) or not, to the following types:

¹ G. Michałowska, *Pomoc humanitarna dla państw Afryki (Humanitarian Aid for Countries of Africa)*, "Stosunki Międzynarodowe" No. 1–2/2003, p. 83; *Poverty and Development in the 21st Century*, ed. T. Allen, A. Thomas, Oxford 2000.

- a) non-refundable aid, i.e. a sort of a donation, given mainly for humanitarian reasons, e.g. in conditions of natural disasters, famine and other situations that threaten human life;
- b) refundable aid, provided for a definite period on preferential terms, often for many years or even on a so-called inter-generation basis;
- c) conditionally refundable aid, which stirs considerable controversy due to the way repayment terms are formulated. For example, repayment is to begin as the investment for which the funds were delivered starts bringing ‘*good economic effects*’ – which is obviously quite hard to verify objectively.²

2. Development aid as a foreign policy instrument

The aspirations, objectives and interests of actors of international relations are diversified. Their satisfaction usually takes place over different time scales and in different areas of the international environment. They may have an immediate, short-term or long-term nature, they may be followed in neighbourhood, sub-regional, regional or global perspective. Nations, states and other actors of international relations never seem to achieve their aims or interests in isolation – they do it through skilfully influencing the international environment. They calculate and attribute specific measures, opportunities and risks, costs and benefits to their objectives. It is quite rare for them to behave according to any common scheme; usually they take on different paths and change between them, depending on how they perceive the international situation.

Measures selected to achieve aims are meant to influence in a desired manner the will and attitudes of other countries and actors of the global scene. Understood this way, measures of foreign policy include all resources and instruments through which any given entity strives to shape favourable attitudes and actions of other foreign entities, as well as desired conditions of international phenomena and processes. There may well be several instruments making up a single category of such measures.³

² R.C. Riddell, *Does Foreign Aid Really Work?*, Oxford 2007, p. 17–24.

³ The term ‘*instrument*’ is usually used in foreign policy analysis in Western literature synonymously with ‘*measure*’. In Polish ‘*instrument*’ is defined by the *Dictionary of Polish language* as ‘*a tool, a device used in particular for actions requiring precision*’ which makes it a narrower category than ‘*measure*’. See: J. Zająć, *Środki i metody polityki zagranicznej państwa (Measures and Methods of a State Foreign Policy)* in: *Wstęp do teorii polityki zagranicznej państwa (Introduction do the Theory of a State Foreign Policy)*, ed. R. Zięba, Toruń 2004, p. 79; See also: *Understanding Foreign Policy. The Foreign Policy Systems Approach*, eds. M. Clarke, B. White, Aldershot 1989 and W. Wallace, *Foreign Policy and Political Process*, London 1971.

Measures and methods have always undergone significant evolution as societies and international relations change. At present it is evident how the significance of military measures and of applying direct force decreases. This also reflects evolution which consists of the relative loss of importance of security in traditional meaning of the word in international politics, in favour of objectives related with development, welfare and living standard.

The science of international relations cannot content itself with a single typology of foreign policy measures. Indeed, one may apply several criteria to distinguish means of achieving international impact, with the criterion of subject being the one most frequently mentioned in literature. It enables one to indicate the following instruments of foreign policy: political, military, economic, cultural and ideological.

Development aid also belongs to foreign policy instruments – it is an example of an economic instrument. There are various forms of economic assistance. In most cases we can distinguish between development, technological and humanitarian aid.⁴

As actors of international relations provide economic assistance, including, in particular, humanitarian and development aid, they are not only driven by purely human motives, but also seek to achieve certain political and economic goals. These include the strengthening of the providing party's prestige in international relations, attempts to influence the internal affairs of a beneficiary country by the donor (which sometimes goes beyond the mere improvement of the former economic condition and includes changing its political system – for example by promoting democratic standards or transforming a socialist economy into a free-market economy); the donor's belief in some sort of 'gratitude' on the part of beneficiary (in order to encourage it to either maintain or change its attitude towards the donor in a way the latter expects) or an intent to support the government of beneficiary country by the donor.⁵

⁴ Military assistance, which includes supplies of resources, both tangible and non-tangible, for military needs, are not regarded as a form of economic aid. This type of assistance is classified as military means within foreign policy, since its aim is to increase the strength and military influence of beneficiary countries.

⁵ See also: K. Zajączkowski, *Współpraca naukowo-techniczna i rozwojowa (Scientific, Technological and Development Cooperation)* in: *Kuba i Afryka. Sojusz dla rewolucji (Cuba and Africa. The Alliance for Revolution)*, eds. M.F. Gawrycki, W. Lizak, Warszawa 2006, p. 389–390, 393–405; K. Zajączkowski, *Polityka rozwojowa i humanitarna jako instrument realizacji celów Unii Europejskiej w Ameryce Łacińskiej (Development and Humanitarian Policy as a Instrument of Achievement of the European Union's Objectives in Latin America)* in: *Ameryka Łacińska wobec wyzwań globalizacji (Latin America and Challenges of Globalisation)*, ed. M.F. Gawrycki, Toruń 2006, p. 237–258.

The European Union's involvement in international development aid stems from specific political and economic interests of its member states. In many instances its aid activities are related to the colonial past of the developing countries and are designed to assert the identity of integrated Europe as a global player in international relations. In their relations with the European Union, the developing countries, on their part, seek to develop a model of cooperation along the North-South axis that would help them to become more actively involved in the globalising economy and world politics.

Pursuing its active development and humanitarian policy, the European Union aims at:

- minimising the scale of poverty and development disproportions in international relations and thus laying the grounds for developing countries becoming more stable and more predictable partners in international relations;
- promoting democracy and protecting human rights (in the European Union's policy towards developing countries, economic dialogue and development cooperation has been accompanied by an increasing emphasis on promoting West European standards and values);
- resolving regional conflicts and improving security in developing countries;
- enhancing the capability to solve problems that might negatively affect future social and economic development, as well as the political stability of the European Union, mainly with respect to migration, diseases and organised crime;
- strengthening its political position in international relations; the EU seeks to play an appropriate (i.e. important) role on the international arena and enhance its recognition and prestige (gain a distinguished status);
- winning over allied states to develop a uniform stand on issues of international politics;
- expanding its economic influence in developing countries.

3. Legal and institutional framework of the EU development policy

The negative consequences of implementation, by international financial institutions (International Monetary Fund, the World Bank) of structural adjustment programmes and stabilisation packages in Africa in 1980s and 90s prompted the United Nations and OECD to start a critical review of the approach to issues of social and economic development and international

development cooperation. The new approach mainly resulted in a series of international conferences held under UN leadership.⁶ In addition, in 1996 the OECD came up with the so-called new strategy for development cooperation, known as the partnership strategy. This led to the adoption, in 2000, of the Millennium Declaration and the formulation of the Millennium Development Goals – MDG.⁷ These documents favoured redefinition of the very concept of development (described as human development), according to which economic growth as such was insufficient and it was equally important to take other aspects of human development into account as well, such as health care, provision of food, education and the natural environment. Accordingly, it was regarded necessary to adjust the means of economic development within any given development strategy so as to supplement it with social and societal objectives.

The evolution of approach to the issue of international development cooperation also had its influence upon the early Community development policy.⁸ Until the adoption of the Maastricht Treaty, Community (now the EU) activity in the area of development aid had no real basis in the Treaty provisions, mainly due to the lack of agreement between member states regarding full inclusion of that area into the scope of Community competence. The effect of the Treaty on the European Union entering into force was that development cooperation formally became an integral part of the EU's policy, as stipulated in Title XVII, Development Cooperation, of the former EC-Treaty as modified by the Maastricht Treaty (which became title XX TEC after the renumbering in the Amsterdam Treaty).

In Article 130u TEC (later Article 177 TEC), as introduced by the Maastricht Treaty, the following objectives of cooperation in the area of development were defined:

⁶ During the United Nations Conference on Environment and Development (known as the Earth Summit) in 1992 in Rio de Janeiro, the so-called Rio Declaration was adopted, concerning efforts to be undertaken for sustainable development. In 1994 the UN Secretary-General B. Boutros-Ghali presented a document entitled *An Agenda for Development* (supplementing the *Agenda for Peace* published in that same year) which included a concept of development based upon five pillars: peace, economy, environment, social justice and democracy. B. Boutros-Ghali, *An Agenda for Development 1995*, New York 1995.

⁷ The Millennium Summit committed UN members to achieve the following eight Millennium Development Goals: (1) to eliminate extreme poverty and hunger, (2) to ensure universal education at elementary level, (3) to promote gender equality and social advancement of women, (4) to control children mortality, (5) to improve health care for mothers, (6) to control dissemination of HIV/AIDS, malaria and other diseases, (7) to use sustainable methods of natural resources management and (8) to create global partnership for development.

⁸ K. Zajączkowski, *Unia Europejska-Afryka Subsaharyjska: stosunki u progu XXI wieku (The European Union – Sub-Saharan Africa: Relations at the Turn of the 21st Century)*, “*Studia Europejskie*” No. 4/2006, p. 46–57.

- the sustainable social and economic development of the developing countries, and more particularly the most disadvantaged among them;
- the smooth and gradual integration of the developing countries into the world economy;
- the campaign against poverty in the developing countries.⁹

It is also pointed out that in the European Union's understanding, development concerns an entire set of issues regarding the standing and condition of a given state in economic, social and political spheres. The goal of smooth development required such collaboration as it related to all those areas, as well as participation in the world economy.

The problems of EU development policy have also been addressed in respective documents by the European Security Strategy of 2003¹⁰, the EU Strategy for Africa of 2005¹¹ and the European Consensus on Development of 2005.

A programme of implementation of development policy as part of the EU foreign and external policy was in particular incorporated in the European Consensus on Development.¹² The document defines common goals for the EU development policy which *inter alia* include the following:

- reduction of the level of poverty,
- respect for and protection of human rights,
- good governance practices.

One fact that attests the significance of the European Consensus is that this was the first document to define at the EU level the values, principles, objectives and methods aiming at elimination of poverty in developing coun-

⁹ *Traktat ustanawiający Wspólnotę Europejską (The Treaty Establishing the European Community)* in: *Polska w Unii Europejskiej. Wybór dokumentów (Poland in the European Union. Selected Documents)*, ed. J. Barcz, A. Michoński, Warszawa 2003, p. 468–469.

¹⁰ Available at: <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

¹¹ B. Wojna, *Polityka Unii Europejskiej wobec Afryki – nowy dokument programowy (The European Union's Policy Towards Africa – a New Programme Document)*, "Biuletyn PISM" No. 4/2006.

¹² Until 2005 the most important document defining the EU's strategy concerning development cooperation was the Statement by the Council and the Commission on the European Community's development policy, of November 2000. In 2004 Commissioner L. Michel announced that review of that document was going to be one of the priorities during his term of office. As he observed: 'Europe and the world radically changed since 2000 (...). Many political and development-related events have already influenced the paradigm of development and will shape international development agenda in near future'. Moreover, another significant argument to update the statement was the fact that it had lacked any reference to the Millennium Development Goals adopted two months earlier. See: Council of the European Union, *The European Community's Development Policy – Statement by the Council and the Commission*, 10.11.2000, Brussels; *Assessment of the EC Development Policy. DPS Study Report. Final Report*, ECDPM, ODI, 18.02.2005; Joint Statement by the Council, the European Parliament and the Commission on the European Union Development Policy. The European Consensus, OJ 2006 C 46/1.

tries. Indeed, it is a kind of ‘*message*’ to the world, confirming the EU’s determination in pursuance of the Millennium Development Goals.

The entry into force of the Treaty of Lisbon (1 December 2009) strengthened the importance of development issues at EU level as it clearly situated development cooperation within the external scope of activities of the EU (Articles 21–22 of the Treaty on European Union (TEU) and Articles 208–211 of the Treaty on the Functioning of the European Union (TFEU)). Currently, Article 208 TFEU deals directly with the objectives of development cooperation, which includes the reduction and, ultimately, the elimination of poverty. Recommendation to coordinate efforts in the area of development cooperation stems from the Article 210 TFEU, subject to which the EU and its Member States coordinate their policies in the area of cooperation for development and consult each other as regards their aid programmes. Moreover, the establishment of the European External Action Service, which is likely to deal with development cooperation, should contribute to strengthening the role of the European Commission in managing aid, both at local level and in the entire EU aid system.¹³

It should be observed, however, that the authors of the Treaty of Lisbon have not taken advantage of all the opportunities they had in order to introduce the fundamental elements, crucial for contemporary development policy, both at global and European level. One weakness thereof is an obvious lack of any reference to the issue of effectiveness of development aid. The Treaty also lacks a number of most basic principles, such as defining the ownership of development concepts, partnership with developing countries or adjustment of aid to their needs and development priorities. Furthermore, provisions regarding the coordination of development policy have not been consolidated.

4. The EU’s development policy – scale and size

It should be observed in the above context that the European Union has been the world’s largest donor of development aid. According to OECD data from November 2008, official development assistance (ODA) in 2007 amounted to 103.5 billion US dollars¹⁴ (see: Graph 1), out of which 15 Mem-

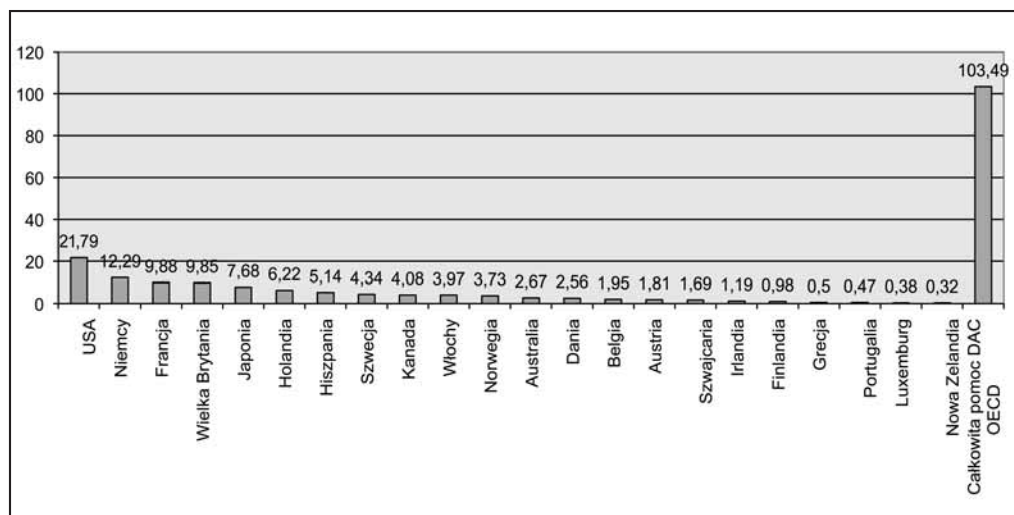
¹³ *Wejście w życie Traktatu z Lizbony: konsekwencje dla europejskiej i polskiej polityki rozwojowej (Entry into force of the Lisbon Treaty: consequences for European and Polish development policy)*, “Global Development Research Group Policy Paper” No. 4/2009, p. 7–8.

¹⁴ In 2008 that value already amounted to 119.8 billion US dollars. *AID Target Slipping Out of Reach*, OECD, Paris 2008, p. 2, Source: http://www.oecd.org/document/17/0,3343,en_2649_34447_38341265_1_1_1_1,00.html (last visited 15 November 2010).

ber States of the ‘old’ EU and the European Commission (i.e. members of the OECD’s Development Assistance Committee OECD) provided the aid amounting to 73.3 billion US dollars – i.e. 61.5 billion and 11.8 billion US dollars, respectively. The new EU Member States contributed approximately 800 million US dollars to that end. These amounts include sums designated by EU Member States via individual programmes, aid from the EU’s regular budget, as well as funds from the European Development Fund (EDF) and the European Investment Bank (EIB).

The largest beneficiary of development aid is Sub-Saharan Africa. Aid for that part of the world under the ODA amounted, in 2007, to 34.2 billion US dollars (for the entire African continent it was 38.7 billion US dollars), about 65% of those funds being donated by the European Union¹⁵. Five out of the ten largest ODA donors for Africa are EU Member States (see: Graph 2).¹⁶ Moreover, the European Commission has been the largest provider of development aid among international institutions, including regional banks, UN agencies, etc. (see: Graph 3).¹⁷

Graph 1. The level of ODA in 2007 (in USD billion)



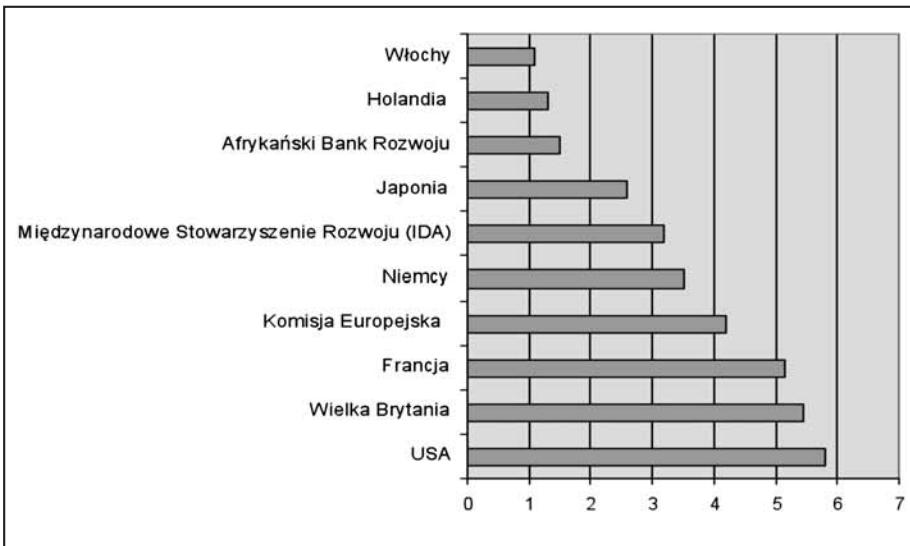
Source: *AID Target Slipping Out of Reach*, OECD, Paris 2008, p. 8.

¹⁵ Ibidem, p. 3.

¹⁶ *Development Aid at Glance. Statistics by Region. Africa 2008*, OECD, Paris 2008, p. 2.

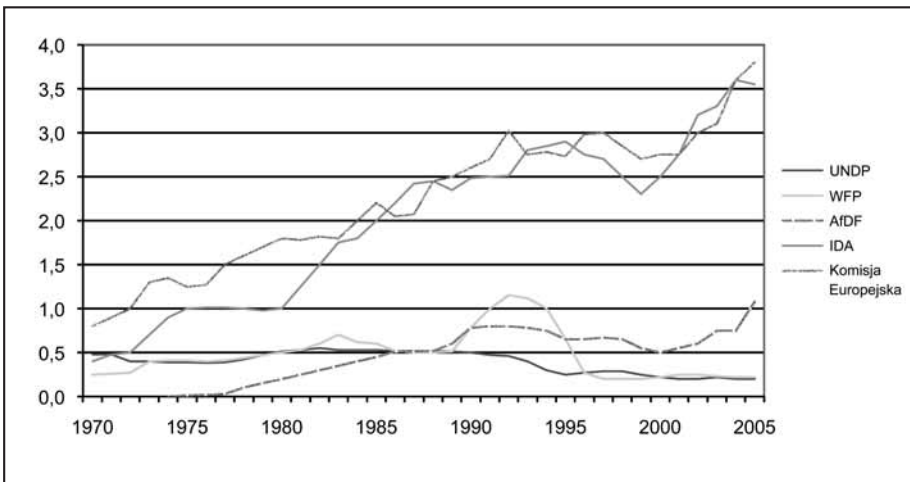
¹⁷ Ibidem, p. 6.

Graph 2. The largest donors to Africa (in USD billion)



Source: *Development Aid at Glance. Statistics by Region. Africa 2008*, OECD, Paris 2008, p. 2

Graph 3. The largest donors to Africa among international institutions



Source: *Development Aid at Glance. Statistics by Region. Africa 2008*, OECD, Paris 2008, p. 6.

The European Union – in support of implementation of the Millennium Development Goals – undertook to perform the commitment made during the European Council summit in Gothenburg on June 15–16 2001, concerning the achievement of the UN objective in the area of Official Development Assistance at the level of 0.7% of GDP by 2015.

On 24 May 2005, according to guidelines recommended by the Commission, the EU Council specified new transitional levels of the size of development assistance to be adopted by the European Union for 2010. In the new levels, differences between old and new Member States are taken into account. They amount to at least 0.51% of GDP for each old Member State and 0.56% of GDP for the entire EU in 2010 as well as 0.7% of GDP in 2015 for old Member States. For the new members the thresholds were fixed at lower levels so that they reflect their lower level of economic development. They are as follows: 0.17% of GDP until 2010 and 0.33% of GDP until 2015. Meeting the obligations the EU undertook will mean that an additional 20 billion euro will have been allocated to development objectives by the year 2010. At the same time a decision was made to address at least 50% of these funds to African countries.

According to the OECD, in 2007 the 15 Member States of the ‘old’ EU combined allocated 0.39% of their GDP to development assistance in the world (respective numbers for Japan being 0.17% and for the USA 0.16%).¹⁸ The target level of 0.7% of GDP has been so far achieved by Sweden (0.93%), Luxembourg (0.91%), the Netherlands (0.81%) and Denmark (0.81%). Among the ‘old 15’ EU Member States, the least (in the GDP terms) is paid to development assistance by Portugal, Italy and Greece: 0.22%; 0.19% and 0.16%, respectively (see: Graph 4).¹⁹

Among the new Member States, on the other hand, Malta provided, in 2007, aid worth 0.18% of its GDP, thus becoming the only country in that group to achieve (and even exceed) the assumed transitional target set for the newly-adopted EU Member States to be met by 2010. In 2007 Hungary, Poland, the Czech Republic and Slovakia allocated, 103 million US dollars (0.08% of GDP); 363 million US dollars (0.09% of GDP); 03 million US dollars (0.08% of GDP) and 67 million US dollars (0.09% of GDP), respectively.²⁰ However, Estonia,

¹⁸ *Aid Target...*, op.cit., p. 2.

¹⁹ *Ibidem*, p. 8.

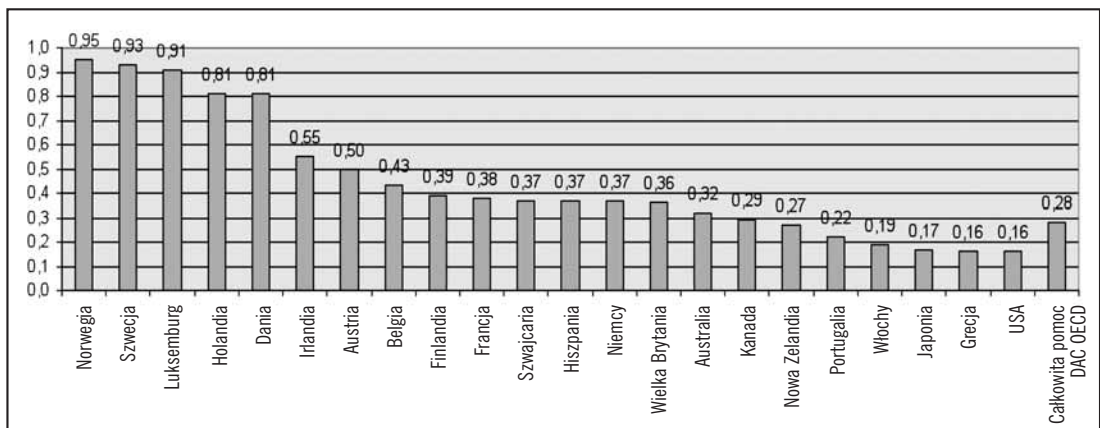
²⁰ *Ibidem*, p. 10; See also: K. Zajączkowski, *Polityka zagraniczna Polski wobec pozaeuropejskich krajów rozwijających się na początku XXI w. (Poland's Foreign Policy Towards Non-European Developing Countries at the Beginning of the 21st Century)* in: *Polska i świat wobec wyzwań współczesności. Aspekty polityczne, ekonomiczne, formalno-prawne (Poland and the World Facing Challenges of Modernity. Political, Economic, Formal and Legal Aspects)*, eds. W. Gizicki, D. Gizicka, Toruń 2008, p. 85–99; K. Zajączkowski, *The Policy of the European Union towards the Countries of Africa, Caribbean and Pacific (ACP). Implications for Poland*, “Yearbook of Polish European Studies” No. 10/2006, Warsaw 2007, p. 110–124.

Latvia and Cyprus will likely find it difficult to meet the target levels of development assistance, as in 2007 they only managed to allocate to ODA 0.06%, 0.06% and 0.04% of their GDP, respectively.²¹

The principal sources of European development aid are the EU budget²² and the European Development Fund (EDF),²³ providing, at the beginning of the 21st century, approximately 75% and 20% of total funds, respectively. The remaining part is delivered by the European Investment Bank. The largest beneficiaries under the 10th EDF are the African, Caribbean and Pacific Group of States (ACP). The EU specified the total amount of aid to be provided to the ACP countries for the period 2008–2013 at 22.8 billion euro. This will be additionally increased by the amount of aid dedicated by the EIB out of its own resources (around 2 billion euro over a five year period).

It should be observed, however, that EU development policy is only meant as a supplement to activities of particular Member States in that respect (amounts earmarked for that purpose in the EU and EDF budgets account to only 25% of total aid). In fact, money coming directly from individual Member States of the EU has accounted for a majority of the aid.

Graph 4. ODA in 2007 (as % of GDP)



Source: *AID Target Slipping Out of Reach*, OECD, Paris 2008, p. 8.

²¹ *Development Aid...*, op.cit., p. 1.

²² As a result of the reform before the adoption of the new financial perspective for the years 2007–2013 there were only 9 instruments concerning development aid left, instead of 35.

²³ The European Development Fund (EDF) was established in 1958 on the basis of a special convention annexed to the Treaty of Rome of 1957. The EDF has been funded from membership contributions on the basis of mutual agreements. Specific shares of payments of the EU Member States to the EDF have reflected their share in the GDP as well as historical links.

5. Evidence of implementation of the EU development policy in Sub-Saharan Africa

Sub-Saharan Africa is the largest beneficiary of EU development aid. Development projects and programmes implemented by the EU in this part of the world have focused upon such areas as:

- education and training programmes,
- support in building infrastructure and services sector,
- the creation of civil society,
- development of the rural sector and food security to protect against hunger,
- cooperation for protection of the natural environment,
- supporting integration processes in Africa,
- cooperation in the energy sector,
- support in development of small and medium-sized enterprises,
- scientific and technological cooperation,
- equal rights between genders and the role of women in African societies.

A subject that is becoming increasingly important in EU development policy is the broad dialogue on economic and social issues on the level of non-governmental entities, such as research institutes, employer associations, etc. The establishment of this type of contacts is meant to stimulate growth of the private sector and entrepreneurship in Africa (in economies where statism is omnipresent), as well as encourage to activity at grassroots level as one of the foundations of healthy growth²⁴).

In the wake of the Johannesburg summit in 2002 the EU undertook efforts in the area of sustained development in the field of environmental protection. Among other initiatives, the EU Water Fund for ACP countries was established. In the years 2003–2007 the sum of 500 million euro was allocated for that purpose. Out of these funds the EU co-finances, among other things, initiatives and actions undertaken by the African Ministerial Council for Water under the African Water Vision programme, one of the aims of which

²⁴ Under the EDF the European Union has been co-financing such initiatives as the Euro-African Citizen Forum and Euro-African Business Forum. Representatives of the European Union also participate in annual Euro-African conference held by a private consortium made up by Deloitte, Afrika-Verein, HypoVereinsbank, UBS and others. See: http://za.mti.gov.bw/index2.php?option=com_content&do_pdf=1&id=368 (last visited 15 November 2010); Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee of 12 October 2005, *EU Strategy for Europe: Towards a Euro-African pact to accelerate Africa's development*, COM(2005) 489 final; S.S. Kingah, *The European Union's New Africa Strategy: Grounds for Cautious Optimism*, "European Foreign Affairs Review" No. 11/2006, p. 527–553.

is to improve access to drinking water by 2025. Since 2003, the Energy Fund for ACP countries has been operated (the EU allocated 220 million euro to that end). Moreover, in pursuance of the FLEGT action plan (Forest Law Enforcement, Governance and Trade) adopted in 2003, the Commission has been developing a legal framework in order to combat illegal forest cutting. The EU's aid in the area of water resources management in Sub-Saharan Africa includes issues such as the management of coastal zone and coastal areas particularly important for the maritime environment, as well as scientific research.²⁵

In June 2005 the EU programme to confront HIV/AIDS, tuberculosis and malaria was adopted for the years 2007–2011. The programme provides for cooperation at international level and financial assistance for countries most seriously affected by the epidemics, specifying such actions as the free distribution of mosquito nets, contraceptives, as well as free access to AIDS consultancy and detection services.

Aid aiming at controlling hunger, on the other hand, assumes two forms – both immediate (humanitarian aid) and long-term (development cooperation). With respect to the latter, in May 2006 the Commission adopted the Thematic Strategy for the years 2007–2013 on food security under the Financing Instrument for Development Cooperation. In the context of Sub-Saharan Africa this cooperation includes actions such as the co-financing of the Comprehensive Africa Agriculture Development Programme Framework and initiatives for reducing the number of children under 5 years of age suffering from underweight from 27% to 22% by 2010. These efforts may be seriously hampered by the food crisis which appeared at the turn of 2007/2008.

The development of strong economies in Africa requires the creation of appropriate transport, telecommunications, energy and industrial infrastructure. In the years 2000–2007 Community aid for Africa in this area amounted to 3.75 billion euro, accounting for 25% of the total aid provided under the ninth

²⁵ Community funds for cooperation with ACP countries in the area of research projects concerning coral reefs increased during the 1990s to 136 million euro. Principal beneficiaries included countries of Western and Eastern Africa. The EU programme for countries of Southern Africa (Angola, Mozambique, Namibia, South Africa and Tanzania), on the other hand, focuses upon regional observation of fishery as well as its controlling and maintaining at a relatively constant level (the programme involved 13 million euro in the years 1998–2003 and 15 million euro in the years 2004–2009). See further: L. Łukaszuk, *Akwakultura – jej znaczenie cywilizacyjne i gospodarcze w polityce morskiej państw i społeczności międzynarodowej (Aquaculture – its significance for civilisation and economy in maritime policy of countries and international community)*, “Stosunki Międzynarodowe” No. 3–4/2007, p. 62–66; J. Fogler, *The External Environmental Policy of the European Union*, “Yearbook of International Co-operation on Environment and Development 2003/2004”, p. 65–71.

EDF. Under the tenth EDF (2008–2013) this sum is will increase substantially – to 5.6 billion euro.

A significant part of the above-mentioned amount is to be allocated for financing efforts related to the EU-Africa Partnership on Infrastructure. This instrument, created in 2006, includes trans-border, regional and national infrastructure in its broadest meaning, i.e. transport networks, water and energy transit networks as well as information and communication technologies networks.²⁶

An important component of EU activities for the development of infrastructure are investments in the area of Information Communication and Technology (ICT). In fact, programmes of computerised and IT-skilled societies are one of tools of implementing the MDG commitments. The Community aims at decreasing the digital division in Africa through:

- the provision of adequate access to information and communication technologies at affordable prices,
- support for reforms of legal provisions,
- development of Pan-African broadband infrastructure and non-commercial electronic services related to regional and national networks (Graph 5).

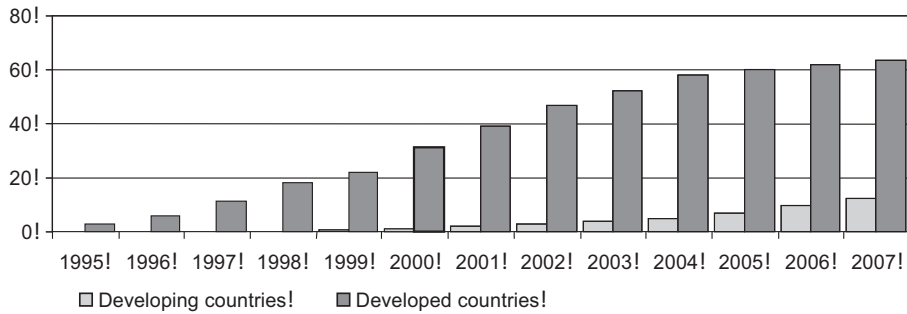
Statistical figures aptly illustrate the scale of the problem. As much as 80% of Internet hosts are based in the G-8 countries. Figures reflecting traffic in the global network are quite similar. The two Sub-Saharan African countries that have the highest percentage of access to the Internet are South Africa and Nigeria, with 11.2% and 5%, respectively. By comparison, in the USA, the United Kingdom and Germany access to the Internet is at levels between 40–50%.

As far as telecommunications in Africa is concerned, only 16% of the continent's inhabitants have access to a telephone. Development inequalities are also visible in electronic trade (e-commerce), in which Africa's share in 2008 accounted of just 0.5% of the global volume. On the other hand, the African market at the beginning of the 21st century and in the face of the global financial crisis is becoming one the more attractive markets around the world in terms of information technologies, as pointed out in the Price Waterhouse Coopers report of January 2009.²⁷

²⁶ Communication from the Commission to the Council and the European Parliament, *Interconnecting Africa: the EU-Africa Partnership on Infrastructure*, COM(2006) 376 final.

²⁷ Available at: <http://www.globalenvision.org/library/7/1406/> (last visited 15 November 2010).

Graph 5. Percentage of Internet users (per 100 inhabitants)



Source: *World Development Indicators 2009*, World Bank, Washington 2009, p.266.

It is important to observe in this context that the European Union has co-financed a project implemented in Africa under the New Partnership for Africa’s Development ICT Broadband Infrastructure Project. The project, whose cost is estimated at 2 billion US dollars²⁸

6. Assessing the effectiveness of the European Union’s development policy

At the turn of the centuries, EU development policy was predominantly pursued under the rule of *complementarity* and the related principles of *coordination*, *coherence* and *consistency*. However, the implementation of these rules and principles in developing countries has not been adequate. A deficit of these four “Cs” (the first letters of the adopted principles above) was clearly evident in the European Union’s development policy.

Four aspects of EU development policy lack coherence, namely:

- a) coherence of aid measures pursued by the EU as donor (*internal coherence*),
- b) coherence of policies conducted by the EU and its Member States (*intergovernmental coherence*),

²⁸ Africa, EU officials coordinate ICT development plans, M.Malakata, “IDG News Service\Lusaka Bureau”, 13.05.2008. , also connects Sub-Saharan Africa with Europe and comprises a cable laid under the Indian Ocean.

- c) coherence of policies pursued by bilateral donors and international institutions (*multilateral coherence*),
- d) coherence between actions taken by the EU and countries of the South (*donor-recipient coherence*).²⁹

Despite appropriate provisions in the Treaties, EU member countries are highly sceptical about fostering closer coordination of their development policies. The deep involvement of France in West Africa, of Spain in Latin America and of the UK in its former colonies reflects this sceptical attitude. Individual Member States clearly intend to take advantage of their involvement in the European Union's development policy not only to enhance their political position within the EU, but also in their bilateral relations with the countries of the South, and primarily to expand their relations and economic ties with these countries.

EU member states differ on matters of aid and its nature (should it be untied or tied), priorities (France allocates considerable sums for science and education, Spain for infrastructure) as well as directions and concepts of development policy. The status of responsibility for development policy in government administrations of various Member States also differs. None of these countries have a central board coordinating the policy. As a rule, this policy is pursued by the foreign ministry and several other ministries, as well as various government agencies (for instance by more than eleven in the Czech Republic!).³⁰ It is, therefore, important that coordination of policies within the respective donor countries be ensured at government administration level, true to the saying that '*policy coherence starts at home*'.³¹

The practice of recent years has shown that EU development aid is based on the principle of 27+1 (earlier 25 +1 and 15 + 1) with the European Commission filling up the gaps or outright overlapping the role and initiatives of individual EU member countries. Differences of opinions are also rife within

²⁹ P. Bagiński, *Spójność polityki na rzecz rozwoju jako element reform światowego systemu pomocowego (Policy coherence for development as an element of the international aid system reform)* in: *Wyzwania międzynarodowej współpracy na rzecz rozwoju (Challenges of international cooperation for development)*, ed. K. Czaplicka, Warszawa 2008, p. 72.

³⁰ *EU Aid: Genuine Leadership or Misleading Figures, NGO Report*, Concord, April 2006; Brussels 2006.

³¹ This is not the only condition. Analysing institutional mechanisms of implementing a coherent development policy, it should be pointed out that their effectiveness has to be assessed in the context of the whole spectrum of political and economic processes in the donor country. For instance, despite the existence of formal coordinating institutions, coherence is often a major challenge. One example is France, which has its Inter-Departmental Committee for International Cooperation and Development (CICID); P. Bagiński, *op.cit.*, p. 82; R.C. Riddell, *op.cit.*, p. 165–174.

EU institutions themselves. This leads to the disintegration of EU development policy strategy and impairs its effectiveness.

It should be pointed out, in this context, that all EU funds allocated for development aid (that is those coming from the EU budget as well as national budgets of EU member countries) should be more extensively managed by the European Commission. Only such a solution can assure a more effective use of aid funds. This, however, seems unrealistic. Such a move would counter the logic of decision-taking processes within the EU and the interests of the respective EU players.

When assessing the effectiveness of the European Union's development policy, note has also been taken of the lack of coherence between EU policies pursued in the particular countries of the South. P. Lowe and P. Farkas have taken note of contradictions between objectives such as combating poverty and integration of developing countries with the global economy.³² However, that observation is not entirely right. For the goals themselves do not exclude each other. The point is that these goals are treated instrumentally. Such treatment bears negatively on EU development policy. In other words, the European Union's declared aspirations to promote the development of the countries of the South and their real policies are incoherent. The functioning of the Common Agricultural Policy is a case in point. The EU subsidises each kilogram of beef sold in Western Africa to the tune of 2 to 4 euros. The economic consequences of doing so are grave for countries such as Niger, Burkina Faso and Mali. At the same time the EU provides these very countries with technical and financial aid to support the local meat market. It should therefore be observed that EU development policy has to be pursued in a wider context. It should not be conducted apart from other EU policies.³³

Note should also be taken of the lack of coordination and links between the various programmes of combating poverty. On average, 350 development missions visit each country of the South each year. Too many aid donors go to the same countries and to the same sectors. Working in Mozambique, for example, are 27 donors helping to combat HIV. Developing countries cannot cope with such numerous missions, with overlapping and duplicating tasks, as well as differing demands, terms and regulations set by the respective donors. It has, therefore, been recommended by the European Commission

³² P. Goodison, *The Future of Africa's Trade with Europe: 'New' EU Trade Policy*, "Review of African Political Economy" No. 111/2007, p. 89,

³³ K. Zajączkowski, *Przestrzeń i granice a regionalizm w Afryce Subsaharyjskiej – afrykańska i europejska percepcja (Space and Borders and Regionalism in Sub-Saharan Africa)* in: *Przestrzeń i granice we współczesnej Afryce (Space and Borders in Contemporary Africa)*, ed. A. Żukowski, Olsztyn 2010, p. 206–216.

that EU donating countries reduce the number of active donors by 2010 down to three per sector.³⁴ Some countries, notably the South Africa and Somalia have felt the ‘*Donor Fatigue Syndrome*’, that is donors leaving them almost entirely to cater for themselves. Clearly, EU development policy has its ‘*darlings*’ and ‘*orphans*’. The particular EU member countries and bodies commit themselves usually in countries where prospects are auspicious and ignore those which are apparently unpromising.

Although the provisions of the Treaties and policy documents have always highlighted the need for closer cooperation on matters of EU development policy, the present situation is still far from perfect in this respect. It is not easy to conduct a common (not only by name) development policy with respect to developing countries. Complementarity still remains a political catch-phrase rather than a fact.

Moreover, EU development aid frequently takes improper forms and is allocated for the wrong purposes. Pro-government organizations and the European Commission itself (in its communication released in March 2006 reminding EU member countries to observe the Consensus of Monterrey) have pointed out that the European Union and its member countries should not draw any funds from the development cooperation aid budget and that they should also refrain from appropriating from that budget the costs of:

- debt redemption,
- education of foreign students from ACP countries at universities in the EU,
- refugees’ settlement in EU countries.

The amount of EU development aid is calculated according to regulations adopted by the OECD. Unlike the Monterrey provisions, OECD regulations allow for the inclusion of the above costs under the Official Development Assistance programme. At present the funds in question account for roughly one third of EU development aid for Africa i.e. approximately 13 billion euro.³⁵ An NGO activist described this situation as follows: ‘*in fact, money never goes all the way from Denmark to Africa, 5000 km or so. It only goes 500 m – from the Ministry of Foreign Affairs in Copenhagen to the Treasury in the very same city*’.³⁶

³⁴ The Dutch, in order to improve coordination between various development programmes, reduced the number of priority countries (from over 70 to 20) through the use of three selection criteria: the level of poverty, macroeconomic figures and efficiency of management. *EU Aid: Genuine...*, op.cit., p. 23.

³⁵ *Polska pomoc zagraniczna. Raport z monitoringu przeprowadzonego przez polskie organizacje pozarządowe. 2007 (Polish Foreign Assistance. Report on Monitoring Carried on by Polish Non-Governmental Organisations. 2007)*, Warszawa–Szczecin 2008, p. 32–35.

³⁶ *EU Aid: Genuine...*, op.cit., p. 7.

As far as technical aid³⁷ for countries of the South is concerned, it is being pointed out that it is too expensive and that it does not meet the real needs of these countries. In 2005 alone, EU member governments allocated 8 billion euro of development aid funds for training & education programmes in countries of the South. In Tanzania, for instance, more than 2400 reports are compiled each quarter and over 1000 seminars are organised each year on proper use of development aid funds. A similar situation exists in many other African countries.³⁸

What is more, the cost of aid for African countries is from 15% to 40% higher because most EU countries offer it as '*tied aid*'. This means that beneficiary countries are obliged to purchase goods and services from donor countries. Of the EU countries, only the UK and Ireland (and only Norway outside the EU) have resigned from applying this form of aid with respect to LDC countries. In other countries, particularly in Greece, Spain, Austria, Italy, Luxembourg and Finland, tied aid constitutes a quite substantial percentage (from 50 to 90%) of ODA.

Ill-conceived aid frequently yields results contrary to those intended. It happens that when the aid target is not clearly defined (as being destined e.g. for education or health care) it is spent to buy arms (as happens in Sudan). Per balance, addressed aid does not always bring the desired effects. Countries (such as Nigeria, Angola) receiving aid for social purposes use it to cut down their own budget allowances for these purposes by the amount received.

EU aid (that is the EU and its Member States) per capita of the population in the South amounts on average to four euros. Some analysts assert that this is a substantial, but still not sufficiently large contribution to change the social and economic situation in developing countries. In this context, the role and substance of the EU development policy has given rise to disputes.³⁹

D. Rosiak observes that for most part, Western aid programmes entrench corrupted authorities, deepen poverty and make people more dependent.⁴⁰ A similar view was voiced in *The Times* by Graham Hancock, author of the now classical book *Lords Of Poverty: The Power, Prestige, and Corruption of the International Aid Business*. Hancock points out that the main, and

³⁷ Technical aid is designed to develop human resources, raise qualifications and the technical and manufacturing capacity of developing countries. It entails transfer of knowledge, knowhow and expertise through training seminars, secondment of experts, launch of research projects.

³⁸ *EU Aid: Genuine...*, op.cit., p. 24.

³⁹ D. Rosiak in: "Rzeczpospolita", 23.05.2008.

⁴⁰ *Ibidem*.

usually only beneficiaries of aid are corrupted local government elites, producers of aid food and aid goods and the ‘aid bureaucracy’. Using a jocular language, the author defines development aid programmes as ‘transactions between bureaucrats and autocrats’, that is ‘between gangsters and psychopaths stealing or squandering public money’. A different view is expressed by economist Jeffrey D. Sachs (former advocate of economic) in his *End of Poverty* published in 2006. Sachs argues that the only way to reduce poverty in Africa is by expanding aid programmes on an even greater scale.

Considering these extremely different views, it appears that development issues of the South will not be solved by ceasing all aid, nor by its expansion. ODA has to become one of a number of mutually supportive elements of a comprehensive development financing strategy which also entails raising own development funds, private investments, international trade and debt reduction.

The effectiveness of development policy is also impaired by the phenomenon of *selling reforms to donors*. Some African governments receive aid in return for promising the carrying out of reforms, but then fail to make any attempt whatsoever at changing anything. Such a state of affairs undermines the international credibility of aid programmes.⁴¹ It also reflects the institutional and political weakness of the European Union and its reluctance to take decisive steps for fear of infringing the interests of political elites in those countries.

Consideration should also be given to the local factor – ‘*it is neither feasible nor desirable to impose the Western development pattern*’.⁴² D. Rosiak gives a very good example from Malawi illustrating the cultural and civilization factor in development policy. Rather than distributing mosquito nets free of charge, it was decided to sell them at 50 cents a piece, which is quite an expense for many families there. As a result, 55% of the mosquito nets were used in 2005 to serve their proper purpose (a rise from 8% in 2000). In countries such as Zambia, where mosquito nets are distributed free of charge, not more than 30% are used properly.⁴³

⁴¹ K. Zajączkowski, *ChRL wobec krajów Południa (na przykładzie Afryki Subsaharyjskiej). Szansa czy zagrożenie dla międzynarodowej pozycji UE (China and the Nations of the South (Based on the Example of Sub-Saharan Africa). An Opportunity or Threat for the International Position of the EU)* in: *Chiny-Indie. Ekonomiczne skutki rozwoju (China-India. The Economic Consequences of Development)*, ed. K. Kłosiński, Lublin 2008, p. 329–346.

⁴² R. Piasecki, *Rozwój gospodarczy a globalizacja (Economic Development and Globalisation)*, Warszawa 2003, p. 63.

⁴³ D. Rosiak in: “Rzeczpospolita”, 23.05.2008.

Conclusions

Development problems are some of the major challenges facing international donors. These challenges emerged as a result of the impact borne by a whole set of factors of internal and external nature.

Factors of internal nature have been generated by economic, political and social dualism, as well structural shortages of capital, foreign currency and qualified labour with the common denominator consisting of insufficient capital accumulation rate.

External factors are due to the outflow of capital from developing countries to highly developed countries in direct form (transfer of financial means arising out of invested foreign capital) as well as in an indirect way (through international trade, foreign currency settlement mechanisms and banking systems, as well as economic aid).⁴⁴

Regardless of the methodology of assessing the effectiveness of EU development aid so far, it remains a fact that donors (that is the EU and its Member States) as well as beneficiaries have been – consciously or not – taking measures which have not necessarily had a positive impact on the effective use of international development aid. This certainly exerts a negative influence upon the position and role of the EU in international arena. These kinds of dubious achievements indeed have such an impact, considering that one of the fundamental characteristics of the European Union is that it plays the role of a so-called civilian power. This means that it influences the international system primarily through economic and political measures, rather than military power.⁴⁵

Therefore, the way the EU makes use of development aid instruments is quite significant for the entire realm of its external activities and is one of the principal factors shaping its global position.

⁴⁴ P. Deszczyński, *Kraje rozwijające się a globalizacja gospodarki światowej (Developing Countries and the Globalisation of World Economy)*, "Przegląd Zachodni" No. 2/2002, p. 119; R.C. Riddell, op.cit., p. 411.

⁴⁵ K. Zajączkowski, *Unia Europejska jako aktor globalny – aspekty polityczno-obronne, (The EU as a Global Player – Political and Defence Aspects)*, "Studia Europejskie" No. 1/2009.