

Europe in the World: CFSP & its relation to development

Address by Chris Patten, European Commissioner for External Relations

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I am pleased to be here today at the Overseas Development Institute and grateful for your invitation to participate in one of your meetings on issues surrounding European Development Cooperation to 2010. I gather that I am the 6th (or 7th) speaker in this series and I should congratulate the Institute and its Chair Baroness Margaret Jay, for organising these important seminars.

The topic I have been asked to deal with is the relationship between the CFSP (the Common Foreign and Security Policy of the European Union) and Development policy. That task is made harder by the fact that I am shooting at a moving target. It is in fact quite difficult to predict the future direction of CFSP. Ambitions to go further faster are clear, as we have seen in the debates that took place in the Convention and that are now continuing in the Intergovernmental Conference. The setbacks in this process are also clear, as is demonstrated by the division of Europe on the issue of Iraq! Be that as it may, one of the main issues under discussion is how to improve the effectiveness of the external policy of the EU as a whole. The Convention made some specific proposals to this end such as the creation of a “double hatted” European Foreign Minister, which are embodied in the draft Constitutional Treaty. It is however far from clear to what extent the IGC will endorse all of these proposals.

Before going into the topic for today’s discussion, I should therefore first set the overall context within which the EU is conducting its external relations and development policies today.

First, CFSP is not the same as what we British would refer to as foreign policy. Nor is it the same as external relations. I am the European Commissioner for external relations. Javier Solana is the Union’s High Representative for the CFSP. This is not just a silly game of words, but one of the intricacies of the system that was somewhat haphazardly created by the Member States through successive Treaty revisions. It is important to bear these distinctions in mind when discussing the future of the EU’s development policy and its relationship with the CFSP.

In Brussels jargon, external relations, or “external action” as it is called in Part III of the Draft Constitutional Treaty of the Convention, is a much wider concept than CFSP. It encompasses the so called “first pillar” policies such as development co-operation and technical assistance, trade, environmental, visa and asylum policy and other areas, plus “classical” foreign policy or CFSP. The rules for decision making and the role of the Commission and of the Council are different for first pillar and CFSP. Whereas in the first pillar most decisions can be taken in the Council by QMV on the basis of a Commission initiative and under the control of the European Parliament, all CFSP decisions require the unanimous consent of 15, and very soon, 25 Member States, but no EP involvement. Also, first pillar policies are underpinned by a substantial budget of some 100 billion euros annually. The second pillar only disposes of an annual budget of 40 million euros most of which is currently spent on

crisis management operations in the Balkans. These different set of Treaty rules are ultimately nothing but the reflection of the Member States' lacking willingness to pool their sovereignty in the field of external relations completely. As a result of these differences, the Union tends to be able to get its act together quicker and more effectively when it acts under the first pillar than under the second. Whilst the Convention has agreed to do away with the pillar structure in the future Treaty and to grant full legal personality to the European Union, it has decided to maintain the different modes of decision making.

The challenge Europe is facing is, therefore, not only, and maybe not even primarily, to devise better mechanisms for CFSP – which is in fact only one of the instruments we have. It is to ensure that the Union uses all resources at its disposal in its external relations in the most effective way – commonly referred to as coherence. This implies a seamless and coordinated use of the CFSP and of all other external relations instruments. Most of these are managed by the Commission: Together with Pascal Lamy, Poul Nielson and Günter Verheugen, we manage an annual EC budget for external assistance of approximately 6 billion euros, and are in charge of 130 delegations in third countries. We also negotiate agreements on behalf of the Union, represent it in international organisations and manage trade and other relations with nearly all the countries on this planet.

Second, the Union's external action to date by and large deserves a better press than it usually gets. The present institutional framework is complicated, but it has nevertheless produced some good results. Why was there progress? Well, because whenever there was the political will, we managed to take important decisions and because the end of the cold war and the fall of the Berlin wall changed the geopolitical situation. The dreadful humiliation Europe suffered in the Balkans in the early nineties also made us realise that Europe had to finally get its act together.

Let me mention of few of the successes:

- We have helped prevent conflict arising again in the Balkans. I am convinced that the joint efforts of the Commission and of the High Representative Javier Solana have been crucial – our presence in the region, the political and financial pressure we have brought to bear, and the perspectives that the EU Stabilisation and Association process brings have all contributed to the maintenance of peace. The EU continues to provide 85% of the peacekeepers in the Balkans.
- In Afghanistan the EU has been very closely involved in the Bonn Agreement, EU Member States have a leading role within the ISAF (International Security Assistance Force) and – despite the still very difficult situation on the ground, we are making a substantial, timely and effective contribution to Afghan reconstruction.
- The EU response to September 11th is another example: a combination of instruments from all “pillars” – from Community trade measures (Pakistan

textiles) to new legislation in the justice & home affairs field – were put together to serve a joint effort.

- Reform of external assistance – the overhaul of the system is not complete, but improvements are beginning to show through, and be recognised by our developing country partners and Member State critics alike. One important further step still to be achieved in this respect is EDF budgetisation. Why do we want to do this? Because it is much more cost-efficient to manage all our assistance according to the same budgetary rules and procedures. Too long have we been accused of being too slow in our assistance to Africa. Budgetising the EDF – while fully preserving the development objectives underlying our assistance and enshrined in the Cotonou agreement – is the most straightforward answer.
- Finally and whilst opaque to outsiders, the holding of meetings between the Member States in the Council and the network of contacts between European foreign ministries, which simply didn't exist 20 years ago, allows us to reach agreement on a whole range of issues, from the position to take in debates in the UN on human rights to our approach to election results in Zimbabwe and the support for the International Criminal Court in the face of US opposition through to strategies to address the issue of Weapons of Mass Destruction. The truth is that we manage to wield more influence now than we did in the past because we act more collectively than ever before.

Third, the respective roles of the Brussels Institutions such as the Commission, the Council and the High Representative are important elements in the debate, but by no means the only ones. In the external relations domain perhaps more than in any other, the role of the Member States is at least as important as that of the Union. In development assistance, less than 20% of total EU aid comes from the Community budget, the remaining 80% being provided and managed by the Member States. The total Community budget for external assistance amounts to approximately 0.06% of the EU GDP. Member States' diplomatic services and overseas Embassies are far bigger than the network of delegations run from Brussels. Unless Member States are fully with us and are prepared to join up forces with "Brussels", the EU will never achieve a 'sea change' in its external relations.

I should finally make the point that the credibility of the EU abroad also depends on its military capacity. We cannot and need not compete with the US effort, but we should still do more than we do today. It is not enough to argue that Europe is picking up its share of the bill by paying most of the world's development aid, as true as this may be, or by increasing even further our humanitarian aid. We also need to invest more in airlift capacity, in special forces, in battlefield communication equipment and other areas. If not, our allies, who are of the opinion that Europe cashed in too easily its peace dividend after the fall of the Berlin Wall, will consider European Security and Defence Policy (ESDP) as something which Thomas Aquino referred to as "an idea in the mind of God". There are times when diplomacy must be backed by a credible threat of force to carry weight. And unless we are prepared in Europe to spend more on defence, our foreign and security policy will be all strong nouns and adjectives and weak verbs.

The CFSP-Development Nexus

So much for current and future external relations and CFSP. How does the EU's development policy fit into this scheme and how will the CFSP Development nexus evolve in the coming years? This is where I come to the key question which I wish to address today – how do we reconcile the objectives of the common foreign and security policy whilst preserving the integrity of development assistance with its prime goal of poverty reduction? The Draft Constitutional Treaty that was agreed by the Convention lists the objectives for the EU Development policy and for humanitarian aid. It also states in Article III-218 that the “Union policy in the sphere of development cooperation shall be conducted within the framework of the principles and objectives of the Union’s external action”. I should at this stage remind you of the difference between “external action” and CFSP. Article III-218 doesn’t require development policy to be conducted in the framework of the CFSP! The principles and objectives for the “external action” are enumerated in Article III-193 and they go well beyond classical foreign policy considerations.

The EU, with its Member States, is responsible for some 55% of overseas development assistance (ODA) globally, and some 66% of grant assistance. Development policy and other co-operation programmes provide, without doubt, the most powerful instruments at the Community’s disposal for treating the root causes of conflict – a fact we recognised long ago, and which is also reflected in Javier Solana’s recent proposal for an EU Security Strategy, to be formally approved at the end of this year at the Brussels European Council. The starting point is that we cannot risk, nor tolerate, the emergence of ‘failed states’. But if we are to be proactive in preventing future violent conflicts, then good governance, poverty eradication, and the fight against what I’ve often called ‘the dark side of globalisation’ - environmental degradation, AIDS, terrorism and international crime - must be placed at the centre of our thinking on both security and development.

The logic behind all this is so simple and straightforward that we sometimes risk forgetting it for its very straightforwardness: We can all identify many causes for the disastrous conditions all too many people in the world are faced with on a daily basis, due to lack of economic and social development. For example life in Afghanistan or Southern Sudan is not made any easier by particularly harsh natural environments, lack of education and infrastructure etc.. But undoubtedly an underlying cause of all this is the conflict which both countries have suffered for the past 2 decades. Of the world’s 40 poorest countries, 24 are either in armed conflict or have only recently emerged from armed conflict. A fifth of the population of Africa live in conflict zones. We cannot have development without peace.

This is why, at the request of our African partners, Poul Nielson and I have recently presented an ambitious proposal for an African Peace Facility, worth 250 Million Euro, which should support the African Union in its efforts to contribute to peace-keeping and conflict prevention measures on the African Continent. Why did they ask for our help – and why are we proposing to grant it? Not because our African partners would want to waste all too limited development resources on ‘military expenditure’ – and certainly not because we would want to contribute to further

militarization in Africa. Quite the contrary! It is as an expression of African solidarity, and of Africans taking responsibility for what is going on in their own continent, that Africans decided to contribute part of what are already their resources under the EDF to the creation of peace. I am firmly convinced that they are right. There just is no development without peace. Conversely, we don't have to travel from Afghanistan, nor from Sudan for that matter, to see that the reverse is true as well. In the Central Asian republics to the north of Afghanistan, dissatisfaction with the glacial pace of development is resulting in an explosive mix of bad governance, intolerance and Islamic extremism. The same type of extremism that destroyed Afghanistan. And look at the countries surrounding Sudan – the Congo, to take just one salient example. Why has there been conflict in Congo? Why is this conflict continuing, eg. in Ituri? Because of the fight for access to natural resources. Because of thousands of former soldiers left without a living. Because of thousands of children who never had access to education, and have thus little choice but to enrol as child soldiers. We can't have development without peace. But we can't have peace without development either.

This idea of an inter-relationship between peace and development is not new. And the moral argument for tackling both conflict and poverty is clear. But the scale of the problem and the appalling repercussions of recent conflicts have made this a matter of self-preservation. Put simply, we have no choice but to make the promotion of sustainable development as much a part of our fight for global security as the investment we make in sound multilateral institutions, fair international trade or even our armed forces.

But, if we can accept that tackling security risks means tackling poverty and the other way around, does this mean that we have to subject decisions on development policy to security imperatives? Are we going to set aside the fundamental values of the Union, human rights, multilateralism, the opening of our markets, poverty reduction and humanitarian concerns, for old-fashioned and supposedly 'enlightened' self-interest?

The fear of the development community here is well-justified. Those of us who have been around long enough can remember the 'bad old days' of the Cold War when external assistance allocations were determined according to whether a given dictator had signed up to 'our' camp or 'their' camp. Luckily we have come a long way since then. But 'political imperatives' haven't gone away. What to do about these 'imperatives'?

I for my part am firmly convinced that we must avoid any tendency to create a hierarchy of policy areas, where development policy, or for that matter trade or other policies, would become subservient to CFSP. The Convention doesn't propose such subservience. What we must do – and what we must get better at doing in day to day practice - is to strive for coherence in our external relations, and hence for an appropriate policy mix which balances the needs of short term responses to long term strategies. Let me take two examples to illustrate what I mean.

Crisis management first. What does crisis management mean? Crisis management, as I understand it, is the effective linking of political and development instruments to

achieve outcomes in the interest of both the countries concerned and of the EU. This takes place in the context of previously established patterns of co-operation with third countries in which the Community is closely involved. As a development actor, the Community will be present before, during and after a crisis. The challenge is to ensure that all instruments at the EU's disposal, during all this time, contribute to a resolution of the conflict and work towards 'normalisation' of the situation. This presents a substantial challenge, both in terms of the decision making process in Brussels and the necessary discussions with the country concerned to ensure the maximum degree of ownership. But ensuring coherence requires neither centralising control of our instruments, nor subverting poverty reduction goals to short term political ends. It just requires a bit of thought from our side, and realism, and determination.

The fight against terrorism, second. September 11th was a wake up call for us all. It forced us to re-assess our organisational structures. Resolution 1373 of the Security Council, also gave us a clear steer for action to improve our partners' ability to combat and suppress terrorism. This in turn forced us to re-assess our technical assistance with a view to contributing to this goal.

The work that was done within the EU to strengthen our own systems, as well as the help we have given to the candidate and accession countries to bring them up to EU standards, has given us a valuable track record in many of the areas defined as priority areas for assistance in the fight against terrorism.

Against this background, I strongly endorse the position taken by international development actors at the OECD DAC when they discussed the role of development assistance in this context. The DAC report is fully in line with the approach which we have been pursuing within the European Commission, with an emphasis on three broad areas of activity where development assistance plays a role:

- Bolstering long term structural stability
- Dissuading Disaffected Groups from Embracing Terrorism and Other Forms of Violent Conflict
- Denying Groups or Individuals the Means to Carry Out Terrorism - Reinforce Governance

The key objective is to do what we can to ensure that all countries have the institutional capacity to fight terrorism. In some cases, this means that we will have to start with some basic institutional strengthening. And this is a request we regularly receive from partner countries and their advocates, for example from the African Union who asked at a meeting in March how a country could hope to implement legislation to impede terrorist financing without a properly functioning banking system.

What has the Commission done about this? In three pilot countries (Philippines, Pakistan and Indonesia) and the ASEAN region, we have used the Rapid Reaction Mechanism (RRM) to fund specific action against money-laundering or terrorist financing. In Central Asia, we are in the initial phase of a border management

assistance programme which has an important counter-terrorism component. In all these cases we have ensured overall coherence with our longer term assistance programmes. And I am confident that a well designed border control strategy which reduces the risk of another Bali bombing does have a role to play in lifting Indonesia out of poverty.

Conclusions

What can we draw from this for the future of development policy? I wish to underline a couple of key points:

It would be a mistake to confuse the process of political goal setting in EU external action with the CFSP, let alone the CFSP budget. Agreed policy positions should be supported by the full range of financing instruments available for external action, be they CFSP, EDF, EC external assistance, thematic budget lines or whatever, according to their specific objectives.

Using the appropriate tools in order to achieve foreign policy objectives is not the same thing as imposing a security agenda on development assistance. Rather, development actors must be prepared to come to the table confident of their specific mandate but prepared to explain to others in the external relations community precisely what can, and what cannot be achieved through effective development programmes.

We will all be hearing a lot more in the coming days on future institutional arrangements in Brussels as the work on the new EU Treaty reaches a climax. The Convention has retained the core development policy objective of “foster the sustainable economic, social and environmental development of developing countries with the primary aim of eradicating poverty.” But lots of questions remain concerning how the “double hatted” European Foreign Minister and his ‘Joint European External Action Service’ might function, how the next Commission will organise itself in the External Relations area and where development policy and the future Development Commissioner will sit in any future architecture. As for the European Foreign Minister, the Commission is pleased with the outcome of the Convention and his dual role as a Vice President of the Commission who is a full member of the College and who coordinates his fellow Relex Commissioners, and as “*mandataire*” of the Council for the CFSP. The budgetisation of the EDF and the proposals for the next Financial Perspectives for the period after 2007, are other important questions that will need to be addressed.

Amongst all this we are in danger of focusing almost exclusively on the structures. We must not lose sight of the overall objective which is to ensure the overall coherence of our external actions in pursuit of commonly agreed objectives, by whatever name we call them.