



European Economic and Social Committee

REX/296
Development Cooperation
Instrument (DCI) of the
European Union

Brussels, 15 July 2010

OPINION

of the
European Economic and Social Committee
on the
**Development Cooperation Instrument (DCI) of the European Union: the role of organised civil
society and the social partners**

Rapporteur: **Mr Iuliano**

At its plenary session of 16 July 2009 the European Economic and Social Committee decided, under Rule 29(2) of its Rules of Procedure, to draw up an own-initiative opinion on the

Development Cooperation Instrument (DCI) of the European Union: the role of organised civil society and the social partners.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 17 June 2010. The rapporteur was Mr Iuliano.

At its 464th plenary session, held on 14 and 15 July 2010 (meeting of 15 July), the European Economic and Social Committee adopted the following opinion by 123 votes in favour with no votes against and no abstentions.

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1. Recommendations and conclusions

Decent work in EU cooperation policies and stronger support for the social partners

- 1.1 The EESC takes an overall positive view of the new DCI, which is of unarguable importance in supporting EU development cooperation policy around the world. That said, the EESC recommends that cooperation policies be given more solid institutional underpinning under the new Lisbon Treaty, upholding the central role and primary responsibility of the Commission for programming development cooperation policies/strategies, and renewing its support for the role of the European Parliament by beefing up the democratic scrutiny and budgetary control procedure.
- 1.2 The EESC points to the need for ever-greater encouragement for the practical application of the objectives enshrined in the decent work concept. The EESC therefore urges the EU institutions, especially the Commission and the Council, to give concrete support to the implementation of decent work within development cooperation policies and, more specifically, to mainstream decent work into the action plan to achieve the Millennium Development Goals.
- 1.3 The social partners (workers' and employers' organisations) are actively engaged in social dialogue, a key element of decent work, and must therefore be seen as crucial players and EU partners in this context. The social partners must be fully involved in the political dialogue, and must be entitled to direct support.

- 1.4 The EESC emphasises the importance of the private sector's role in development. In this regard, the EESC points to the concept of corporate social responsibility which, based on compliance with basic labour and environmental protection standards, gives greater transparency to the social and environmental commitments of companies to ensure fairer development in the countries where they operate.
- 1.5 The EESC recommends programming that is more closely geared to including the social partners, an approach that should extend to service procurement procedures in areas that are an inherent part of upholding economic and social rights.

The role and representation of civil society and the social partners in the development cooperation instrument (DCI)

- 1.6 The EESC would emphasise in general the crucial role of civil society organisations in promoting the democratic development of the peoples and states in receipt of aid, in complete independence of governments' political approaches. In consequence, the EESC calls for more resources to be allocated to supporting civil society and the social partners through thematic DCI programmes, and also advocates enhancing the complementarity of the latter with the geographic programmes under the same instrument, especially in the case of budgetary support.
- 1.7 These DCI civil society support mechanisms should be strengthened if civil society is to play its role at all levels: in framing and monitoring policy priorities, and in implementing development initiatives. Consequently, the EESC suggests assessing and preparing consultation and operating arrangements for Commission programmes. These arrangements must reflect the characteristics and needs of the relevant actors (actor-based approach).
- 1.8 In this regard, the EESC accepts the need to recognise the international dimension of civil society to be recognised at both political and operational level. This is most effectively expressed through membership-based organisations in the global north and south: for example, the social partners, the cooperative movement, etc. Because these organisations represent global bodies, it should be possible for them to be consulted officially as part of the process of programming the EU's cooperation policy priorities on a permanent basis. In this context, the EESC could propose to serve as an institution facilitating the involvement of civil society organisations in the EU's decision-making process concerning development cooperation.
- 1.9 The EESC emphasises the importance of strengthening third country civil society actors, not least through direct support for regional civil society networks in the south. The EESC proposes that for this purpose, resources be included to back network coordination and capacity development activities in the south, in conjunction with those already operating in

the north, under Objective 3 of the DCI's Non-State Actors programme, making it possible to ensure the overall consistency of policies and initiatives.

Boosting DCI efficiency

- 1.10 The EESC welcomes the comments by the EU Court of Auditors and recommends supporting longer-term programmes, known as framework agreements, which are mostly geared to strategic objectives, and aimed at civil society organisations.
- 1.11 The EESC also suggests the possibility of broadening the criteria for the use of sub-granting that is functional and complements programmes that are based on framework agreements and aimed at more efficient management of available resources.
- 1.12 The EESC underlines the need to boost the sustainability of development projects, and suggests:
- including organisational capacity building/capacity development for organisations in the south as a cross-sectoral component of all development projects;
 - the possibility of supporting prior feasibility studies on the projects concerned.
- 1.13 The EESC considers that the selection, monitoring and evaluation phases of cooperation actions need to be reinforced, in order to enhance their efficiency. It points in particular to the need to:
- establish a more direct relationship and a strategic dialogue between the European Commission and the applicant organisations, at both central and peripheral level;
 - encourage (strategically and financially) greater direct participation of Commission programme stakeholders in implementing actions, at both central and peripheral level;
 - to appoint an officer within EU delegations, in charge of relations with civil society.

2. EU external assistance instruments and programmes

- 2.1 A lengthy process of reorganising EU external assistance financial programmes has commenced in the light of the 2007-2013 financial perspective. The resulting framework comprises geographic instruments: **IPA** (instrument for pre-accession assistance, covering both candidate and potential candidate countries), **ENPI** (neighbourhood instrument for the countries of the Caucasus, eastern Europe and the Mediterranean), **DCI** (development cooperation instrument), **ICI** (cooperation with industrialised countries) – and thematic instruments: **EIDHR** (democracy and human rights)¹, **IFS** (instrument for stability) and **INSC** (instrument for nuclear safety cooperation, to improve nuclear reactor safety worldwide). The

¹ See EESC opinion on the *European Instrument for Democracy and Human Rights*, REX/263, 2009.

thematic instruments do not require the agreement of third country authorities in order to be implemented.

- 2.2 Within this division of tasks, the DCI is the specific instrument for development cooperation². It is in turn subdivided into geographic and thematic programmes³ whose funds are distributed in various ways ranging, from example, from budget support, grants and contracts to support for international organisations.
- 2.3 It is important to note that the categories of actors, the potential beneficiaries of DCI resources, have been broadened significantly, particularly where grants are concerned. There has been a shift away from the traditional idea of development NGOs as the main civil society actors in development cooperation, to a more nuanced view that has come to see the social partners, and especially trade unions, as new actors who are eligible to work with this instrument⁴.
- 2.4 The EESC has taken the initiative of presenting the present opinion in response to the current mid-term review of the DCI, in conjunction with the present Structured Dialogue process⁵, with the aim of making recommendations backing the fundamental role of civil society organisations in cooperation⁶, with a particular focus on the contribution to development made by the social partners.

3. General comments

- 3.1 Mention should be made of recent developments concerning the general EU framework and development cooperation contained in the Lisbon Treaty that came into force on 1 December 2009. Innovative elements from the institutional Treaty point of view include the appointment of the High Representative for Foreign Affairs and Security Policy of the

² The DCI budget for the 2007-13 period amounts to EUR 16.897 billion: www.developmentportal.eu/wcm/subsite/snv1v2/content/view/58/31/ The European Development Fund (EDF) for African, Caribbean and Pacific Countries also figures among the cooperation instruments, although it does not come under the EU budget. The tenth EDF has a budget of EUR 22 682 million covering the 2008-13 period: http://europa.eu/legislation_summaries/development/overseas_countries_territories/r12102_en.htm.

³ Geographic programmes: Latin America, Asia, Central Asia, Middle East and South Africa; Thematic programmes: food security, investing in people, migration and asylum, non-state actors and local authorities, and environment and natural resources. See: http://ec.europa.eu/europeaid/infopoint/publications/europeaid/153a_en.htm. For the same 2007-13 period, were allocated as follows: EUR 10.057 billion for the geographic programmes (60%) and EUR 5.596 billion for the thematic programmes (33%).

⁴ See Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing financing instrument for development cooperation, OJ L 379, 27.12.2006.

⁵ The Structured Dialogue for the inclusion of civil society and local authorities in development cooperation is an initiative launched by the European Commission in 2009 in order to discuss the role of civil society and local authorities in cooperation. Although it is not a negotiating process, the Dialogue seeks to identify common ideas on the relevant issues, bringing together the EU Member States and the European Parliament as well as civil society representatives. See: http://ec.europa.eu/europeaid/who/partners/civil-society/structured-dialogue_en.htm.

⁶ In this regard, the EESC recalls that, following the Accra Forum, civil society organisations were fully recognised as "independent development actors in their own right", on an equal footing with governments and international organisations, item 20 of the Accra Agenda for Action: <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>.

European Union, and the establishment of the European External Action Service (EEAS)⁷, operating under the direction of the High Representative. The EU delegations, fully-fledged diplomatic representations, also come under the direction of the High Representative and will be part of the EEAS. Although the Treaty allocates responsibility for development cooperation policies to the Commissioner for development, the High Representative's mandate remains that of ensuring that the Union's external action is consistent and coordinated. According to the recent proposal put forward by the High Representative⁸, the preparation of programming documents for the main cooperation instruments (both thematic and geographic) would be the responsibility of the EEAS (under the supervision of the Commissioner responsible for development policy). This approach could entail a risk of compromising the independence of development policies, as they could in this way be influenced and subordinated to the external policy objectives of the EU and the Member States. The EESC therefore highlights the central role and primary responsibility of the Commission for programming development cooperation policies/strategies, and renews its support for the role of the European Parliament by beefing up the democratic scrutiny and budgetary control procedure.

- 3.2 The EESC takes an overall positive view of the new DCI, which is of unarguable importance in supporting EU development cooperation policy around the world. It also welcomes the fact that the various pre-existing programmes are now gathered together under a single DCI Regulation, lending greater transparency to programming and resource management. Moreover, the EESC takes note of the continuously growing financial resources earmarked for this sector, and which make the European Union one of the world's biggest funders of development cooperation. The EESC also welcomes the inclusion of the social partners as new partners who are eligible for the DCI. Lastly, the EESC considers that the themes covered by the instrument closely match the strategic priorities identified by its Section for External Relations⁹.
- 3.3 The EESC however intends to underline a number of general requirements regarding the effective application of DCI objectives and the role played by organised civil society and the social partners in development cooperation.
- 3.4 The EESC points to the need for ever-greater encouragement for the practical application of the objectives enshrined in the decent work concept. At international level, decent work is explicitly included among the Millennium Development Goals (MDG) laid down as part of the United Nations' anti-poverty efforts and consequently as an instrument for development cooperation. At European level, decent work was formally taken on board among

⁷ EEAS staff will comprise personnel from the relevant departments of the Secretariat-General of the Council and of the European Commission, together with the national diplomatic services of the Member States. The EEAS is a unique service, separate from and independent of both the Commission and the Council: http://eeas.europa.eu/background/index_en.htm.

⁸ Article 8: http://eeas.europa.eu/docs/eeas_draft_decision_250310_en.pdf.

⁹ The EESC's ACP Follow-up Committee is responsible for relations with these countries. Consolidated experiences with the EDF ... cite bibliography of EESC opinions.

development policies in 2006¹⁰ and included among the DCI objectives. Difficulties persist, however, in putting decent work into practical application in cooperation programming/negotiations between the EU and third countries. It is therefore surprising that the European Commission makes no mention of decent work in its recent Communication on the Spring Package on Development¹¹. The EESC consequently urges the Commission, the Council and the European Parliament to put decent work back into development policies and give it a more prominent place in practice.

- 3.5 The EESC recalls that freedom of association and of collective bargaining and social dialogue are crucial elements in implementing policies to support decent work, through the social partners. As the European Commission itself points out, "[t]he EU believes respect for social rights and labour standards leads to durable and equitable social and economic development" and consequently that "key players are the social partners (business, trade unions) ... trade unions are often the largest mass membership organisations in partner countries, and are watchdogs for international labour standards"¹². Moreover, in 2005 the Council of the European Union mirrored this concept in its joint statement on the European consensus on development: "economic and social partners such as trade unions (...) play a vital role as promoters of democracy, social justice and human rights"¹³. The EESC therefore emphasises that the social partners must be seen as key EU actors and partners in this context. The social partners must be fully involved in the political dialogue and must be able to receive direct support.
- 3.6 The EESC would stress the importance of the private sector, which is based on the principles of the freedom to conduct a business, to the generation of development dynamics that can facilitate the effective integration of third countries into the global economy. The EESC emphasises that corporate social responsibility (CSR) could subsequently make the private sector responsible for fairer development in the countries where companies operate. Based on compliance with basic labour standards and world environmental protection priorities, CSR strengthens the social and environmental aspects of activities under the DCI banner.
- 3.7 The EESC recommends programming that is more closely geared to including the social partners, among other aspects, in procurement procedures in areas that are an inherent part of upholding economic and social rights. The EESC notes that contracts for services often touch upon themes such as social dialogue, labour rights and social rights. However, the current selection criteria (organisational and financial requirements of the applicant organisations)

10 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – Promoting decent work for all (COM(2006) 249 final).

11 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – A twelve-point EU action plan in support of the Millennium Development Goals (COM(2010) 159 final).

12 Communication from the Commission to the Council and the European Parliament – The European Union's role in promoting human rights and democratisation in third countries (COM(2001) 252 final).

13 OJ C 46, 24.2.2006, p. 4, paragraph 18.

often stand in the way of fair and balanced participation by the very social partners who in fact should be seen as the main actors in this sector.

- 3.8 The trend for the EU to channel a considerable part of development cooperation resources into budget support is becoming consolidated¹⁴. Although this method may reflect a positive approach aimed at making the beneficiary countries more proactive and, at the same, assume greater responsibility in their own development processes, it also runs the risk of restricting the fundamental contribution made by civil society to the real democratic development of the peoples and governments receiving aid¹⁵. Strengthening the independence of civil society is a guarantee of sustainable development and, as such, should be a priority objective of development cooperation policies. The EESC therefore draws attention to the need to boost the resources earmarked for supporting civil society at local level (thematic programmes)¹⁶ in order to fulfil a dual function: effective monitoring of budget support¹⁷, and implementing complementary actions which would not otherwise be practicable through cooperation at government level only¹⁸. The same applies to the geographic programmes¹⁹, where support for civil society should be included according to criteria of transparency, proper programming and the definition of specific objectives, in keeping with and safeguarding the right of own initiative.
- 3.9 From this point of view, the role of the social partners is essential with regard to thematic programmes (not only "non-state actors") such as "investing in people" (covering areas touching upon social cohesion, human and social development, general equality and health), "migration and asylum" (aimed at consolidating legal pathways for labour migration), or "environment and natural resources" (which also promotes monitoring of environmental sustainability by civil society in developing countries) and "food security". In particular, the "employment, social cohesion and decent work" theme²⁰ (under the "investing in people" programme) should more closely reflect the role of the social partners and social dialogue. By

14 Budget support entails the direct transfer of financial resources by the EU to the beneficiary country via pre-existing financial bodies. Budget support may be general, in support of a national development strategy, or sectoral, being channelled to specific thematic areas such as health, education, etc. http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm.

15 Opinion of the European Economic and Social Committee on *The role of civil society in the new European strategy for the Western Balkans*, OJ C 80, 30.3.2004.

16 The thematic programmes, unlike their geographic counterparts, do not require the agreement of the beneficiary state in order to be implemented.

17 This refers to the key role that civil society organisations can play in monitoring and controlling resources earmarked for development cooperation, in order to eradicate any form of corruption.

18 EuropeAid is currently carrying out studies on this aspect, see: *Engaging Non-state actors in new aid modalities* in: <https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/WG2: T1: New aid modalities and CSOs and LAs challenges and opportunities%3F> and *Complementarity of EC financial instruments in the field of human rights and democracy*, Information note, aidco.e.4 (2009)338553, 29/10/2009.

19 The bulk of financial support under the geographic programmes so far seems to have been granted in the form of "budget support", leaving out support for civil society at local level. It should be borne in mind that the geographic programmes require the agreement of the beneficiary state.

20 It should be noted that the financial resources earmarked for this theme amount to only 21% of overall financial support for the 2007-2013 *Investing in People* programme. See the *Mid-term of Strategy Paper for Thematic Programme (2007-2013)*.

the same token, developing basic agriculture should be explicitly included among the priorities of the "food security" programme²¹.

- 3.10 On the basis of the DCI objectives, there is a clear need to adopt global strategies for carrying out development cooperation. The same applies to civil society organisations, above all where they have an international dimension. The international dimension of civil society is most effectively expressed through membership-based organisations in the global north and south (for example, the social partners, the cooperative movement, etc.²²). These organisations represent global bodies and it should therefore be possible for them to be consulted officially as part of the process of programming the EU's cooperation policy priorities vis-à-vis the beneficiary governments. In this connection, the EESC would point to the consultation and decision-making machinery in place at the OECD and the Council of Europe²³.
- 3.11 The EESC emphasises the importance of strengthening third country civil society actors, in part through direct support for regional civil society networks in the south. The EESC proposes that for this purpose, resources be included to back network coordination and capacity development activities in the south (in order to consolidate their representative capacity), in conjunction with those already operating in the north, under Objective 3 of the DCI's Non-State Actors programme. Support for international and regional networks would help to enhance the overall consistency of development cooperation policies and initiatives.
- 3.12 It would therefore seem necessary for these DCI civil society support mechanisms to be strengthened if civil society is to play its role at all levels: in framing and monitoring policy priorities, and in implementing development initiatives. Consequently, the EESC suggests assessing and preparing consultation and operating arrangements for Commission programmes that reflect the characteristics and needs of the relevant actors (actor based approach). There is evidently at present a notable variety of cooperation actors at international level, characterised by their own areas of action, objective, strategies, and organisational and operational systems.

²¹ EESC opinion, rapporteur: Mr Campli: REX/273 2009, *Trade and Food Security*.

²² The social partners (workers' and employers' organisations) are organised at both European and international level. In Europe: BUSINESSEUROPE for employers, and the European Trade Union Confederation (ETUC) for workers. Internationally: the International Organisation of Employers (IOE) and the International Trade Union Confederation (ICTU). The cooperative movement. To these should be added the constellation of organisations, cooperatives and mutual benefit societies that make up the "social economy" as defined by the Johannesburg ILO conference of 19-21 October 2009 (*The Social Economy: Africa's response to the Global Crisis*).

²³ See the role of the TUAC and of the European Youth Forum respectively.

4. Specific comments

- 4.1 In its recent report on non-state actors' involvement²⁴, the European Court of Auditors focused on the need to introduce longer-term programme financing under framework agreements that are more geared to strategic objectives, for civil society organisations. The EESC shares and advocates this approach.
- 4.2 The EESC would also suggest that the criteria for the use of sub-granting might be extended, in this case complementary in function with framework agreement-based programmes in order to reach grassroots organisations more effectively. This would moreover represent a more effective system for managing available resources on the part of the European Commission, avoiding fragmentation of initiatives.
- 4.3 The EESC emphasises the need to boost the sustainability of development programmes, and suggests:
- including organisational capacity building for organisations in the south (i.e. not limited to their management capacity for project-based activities) as a cross-sectoral element in all development projects;
 - the possibility of carrying out advance feasibility studies on the projects themselves: as pointed out in the Court of Auditors' report, delay in getting projects up and running is usually caused by inadequate analysis of on-the-spot needs²⁵. Forwarding financing of such studies would help to ensure that projects are operational from the outset²⁶.
- 4.4 The EESC considers that the selection, monitoring and evaluation phases of cooperation actions need to be strengthened, in order to enhance their efficiency. It points in particular to the need to:
- review the current project selection procedure, where red tape very often prevents the best proposal from being chosen. There should be a more direct relationship and a strategic dialogue between the European Union and the applicant organisations at both central and peripheral level, adopting a participatory model for the initiatives to be undertaken;
 - encourage (strategically and financially) greater direct participation of Commission programme stakeholders in implementing actions. This would allow effective monitoring of the results, facilitating the funder-beneficiary relationship and, at the final phase, real evaluation of project impact, at both central and peripheral level;

²⁴ *The Commission's management of Non-State Actors' involvement in EC Development Cooperation*, Special Report No 7/2009.

²⁵ Idem, p. 21, paragraph 41.

²⁶ A rotating fund could be set up to finance such studies, with the Commission making forward payments that would subsequently be deducted from the total cost of a project, in the event that it is selected.

- appoint an officer in charge of relations with civil society in every EU delegation. Following the entry into force of the Lisbon Treaty, the delegations have become fully-fledged diplomatic representations of the Union. Moreover, as seen above, the delegations will be part of the EEAS and will have to work increasingly in coordination with the representations of the individual Member States. It therefore seems essential to officially strengthen the civil society reference points within the delegations.

Brussels, 15 July 2010.

The President
of the
European Economic and Social Committee

Mario Sepi
