



**Partnership 2000 - A *Eurostep* Approach  
Executive Summary  
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A crucial debate has begun on the future of European Union (EU) development co-operation which will culminate in a new generation of international agreements in the year 2000. The conclusions to this debate will have far-reaching consequences for people living in poverty and conflict across the globe.

This paper sets out the principles which *Eurostep* believes should act as the foundations of the debate. They derive from a vision that the EU must provide international leadership in promoting growth with equity for human development. Trade, aid and investment instruments available to the EU must be directed at poverty reduction, sustainable development and reducing conflict which markets alone will not achieve.

**1. Geographical Focus**

The nature of the next generation of co-operation for development should be defined within a single framework agreement setting out its principles, aims and concrete objectives defined by a limited number of social and economic indicators of success in terms of transforming poor peoples' lives.

Within this framework there should be a special agreement with an evolving ACP group which rapidly changes its nature to a group of nations with lower human development indicators combined with a proven commitment to reaching clear development goals. These will be achieved through strategies which include collaboration with the EU in development co-operation and action in concert at multilateral fora in the negotiation of global agreements on trade, investment and structural adjustment.

Within this evolving ACP group, grants should be restricted to low income countries and programmes in middle income countries aimed directly at assisting the poorest in education, health, and sustainable livelihoods. Non-reciprocal trade agreements should be expanded to a broader set of low income countries with special emphasis given to trade in sectors where there is strong potential for poverty reduction and the promotion of equity.

## **2. Aid With Impact - Investing in Social Development**

Given the real cuts in ODA across Europe in the last five years, member states and the European Community should seek to reverse this trend in total EU aid. Any increase in aid controlled by the Community should be contingent on proof of high quality through investing in social development; promoting participation; insisting on coherence of wider trade and investment policies with development co-operation objectives; concrete human development targets; and improved impact assessment.

There is an urgent need for rebalancing the geographic distribution of EU aid and trade agreements in favour of LDCs if it is to remain coherent with the EU's expressed development goals in Chapter 17 of the Maastricht Treaty.

Public support for EU development co-operation rests on the belief that it reduces poverty, increases human security, and is sustainable. For this support to be sustained, *Eurostep* believes the next generation of EU aid must invest at least 50 per cent of funds in social development as agreed at the World Summit on Social Development. This will include:

- The basic social services identified in the 20:20 compact: basic education, primary health care, nutrition, safe drinking water and sanitation.
- Support to income generating projects for poor people in rural areas and the urban informal sector. This should aim to improve the competitiveness of small and medium-sized businesses in labour intensive industries through credit, training, marketing information, technology transfer, infrastructure.
- A commitment to implement the gender policy of the European Community and direct development co-

operation to promote the equal participation of women in society and women's right to equality, including in land, property, and credit.

- Strengthening social organisations (farmers, women, trade unions, human rights) to increase their influence and promote growth with equity.

### **3. Debt Reduction**

The Commission should use its development tools to support debt relief to the evolving ACP group. It should also informally co-ordinate EU member states at the World Bank and IMF to guarantee coherence with the EU's stated goals of poverty eradication and gradual integration of developing countries into the global economy.

### **4. Conflict Prevention and Resolution**

Human security must be central to future EU development co-operation. This will demand:

- A future approach to development which is mindful of how co-operation can ease or foment conflict. All programmes should be assessed according to criteria which indicate their contribution to promoting equity while managing the inevitable tensions of social change.
- An approach which addresses the structural roots of conflict and contribute to actors having a greater stake in peace than war.
- Adequate resources to guarantee the right to protection from violence of civilians, particularly women and children.
- Support to women's role in reducing social tension, and their often central role in prevention, reconstruction and rehabilitation.
- Coherence of the Common Foreign and Security Policy with the EU's development co-operation objectives.
- Humanitarian aid must be rebalanced to make its distribution between regions of conflict proportionate to the threat which emergencies pose to the rights of victims. Currently 45 per cent of the budget is skewed to central and eastern Europe and the former Soviet Union.
- Humanitarian aid should demonstrate cost-effectiveness and high quality. The latter would be reinforced by joining with NGOs in developing standards in the provision of water, food, shelter, and health.

### **5. Trade and Investment**

To be effective in promoting human development, the EU must integrate its trade policy and development assistance strategy, in dialogue with southern governments. Eurostep proposes a negotiation to draw up a new trade agreement with the evolving ACP group which would:

- Establish explicit development objectives, including the promotion of growth with equity, poverty reduction, food security, worker's rights and environmental improvement. These social and environmental goals in trade should be assisted through technology transfer, debt relief and concessional finance.
- Extend the preferences currently given to ACP countries to other developing countries with low human

development indicators and strong commitment to improvement.

- A new approach to trade preferences, particularly those which are non-reciprocal, which will allow them to be targeted effectively at products which are particularly helpful to poor producers and sectors where minimum standards of worker's rights are guaranteed.

## 5.1 Regional Trade Agreements

At this time, regional and inter-regional trade agreements are being used to pursue rapid and indiscriminate liberalisation of trade and investment. To ensure potential benefits promote growth with equity, the EU should seek agreements designed to maximise the opportunities of the poor majorities in developing countries while not undermining their livelihoods and food security.

Regional agreements should also receive strong technical assistance from the EU to support the establishment of regional competition policies and business regulation, to guard against unfair competition which stymies indigenous companies and domestic investment.

## 5.2 A New EU and LDC Agreement and the WTO

If the EU and LDCs build an integrated trade and development policy for the next era they should seek to lead global debates on international trade and investment. Acting in concert at the WTO for common goals, these two groups would form a substantial bloc in an organisation of one country one vote. The coming debates on social and environmental clauses, and reviews of TRIMs and TRIPs provide an opportunity for collaboration with enormous influence and mutual long term benefits.

## 6. Partnership and Participation

Partnership, as a fundamental principle of the Lome agreements, has shown itself to be a powerful development tool involving equality between partners, respect for sovereignty, solidarity and mutual interdependence. *Eurostep* believes these principles must be preserved in future framework agreements. While this paper proposes social conditionality on aid, we believe this is not in contradiction with partnership if the following conditions are met:

- Conditionality based on universal human rights enshrined in international law.
- The design of transparent criteria and objective mechanisms, universally applied.

The concept of partnership must also be extended to foster greater participation of social organisations, including NGOs in the design, implementation and evaluation of policies and programmes.

## 7. Harmonising EU Policy

One of the principle indicators of the EU's commitment to human development will be whether coherence is established between its development co-operation objectives and its trade, agricultural, fisheries, and common foreign and security policies. The paper makes particular recommendations for each of these areas.

*Eurostep* has produced this paper as a contribution to the debates that are now taking place on the future shape and form of the European Union development co-operation agreements. The perspectives set out in the paper are drawn from the experiences gain in development of *Eurostep's* member organisations through their involvement in development programmes in Africa, Asia and Latin America. The paper was prepared by the Oxfam-UKI Policy Department in consultation with other member organisations of *Eurostep*.

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The membership of *Eurostep* includes: ACTIONAID, UK; CNCD, Belgium; CONCERN Worldwide, Ireland; Deutsche Welthungerhilfe, Germany; Forum Syd, Sweden; Frères des Hommes, France; Helinas, Greece; Hivos, Netherlands; Ibis, Denmark; Intermon, Spain; Kepa, Finland; Manitese, Italy; Mellempfolkeligt Samvirke, Denmark; MOVIMONDO, Italy; NCOS, Belgium; Norwegian People's Aid, Norway; Novib, Netherlands; OIKOS, Portugal; Oxfam, United Kingdom and Ireland; Rädda Barnen, Sweden; Swiss Coalition of Development Organisations, Switzerland; terre des hommes, Germany.

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