

Brussels, 24 October 2003

Development Policy – Commission suggests pragmatic steps to improve governance in developing countries

The European Commission has adopted a communication on governance and development, offering a new and more pragmatic approach to what is a critical determinant in states' ability to eradicate poverty and foster sustainable development. Much experience has been gained in this field over the past 10 years, and the Commission believes that the time has now come to take stock and refocus a concept that has come to gain many shapes. With the communication, the Commission offers a more pragmatic approach to supporting governance in developing countries, building on dialogue and capacity building. It insists that there is no "one size fits all" solution. Governance should be analysed and promoted on a country specific basis. However a number of measures are identified which should be applied to promote governance under three different scenarios: (i) effective partnerships; (ii) difficult partnerships; and (iii) post-conflict situations. The road to good governance is not straightforward. Offering pragmatic support to developing countries will require resilience and stamina.

Mr Poul Nielson, Commissioner for Development assistance and Humanitarian Aid, said: "We need to reinvent the notion of governance in its original meaning through a more pragmatic and less formal way of looking at a political system's ability to deliver the basic elements and services that make a society function. Our approach to governance must be characterised by dialogue and capacity building and not by preaching, prescribing or dictating".

Mr Chris Patten, Commissioner responsible for External Relations, said: "The concept of governance is crucial as it goes beyond the notions of human rights, rule of law and democracy, and encompasses efficient administration and the fight against corruption. Ultimately it defines the amount of responsibility that each country has over its own resources and development".

A vast array of instruments are available to promote governance, including humanitarian assistance, support to institutional development, administrative reforms, improvements in public finance management, security systems, promotion of human rights, fostering involvement of civil society and encouraging participatory approaches to public policies. There is however no "one-size-fits" all formula leading to good governance. The analysis of governance - and the mix of instruments chosen to promote it – must be made on a country-specific basis. This will involve a process that requires pragmatism and that relies on dialogue and capacity building.

Policy prescriptions should however be approached from different perspectives in different scenarios: The communication makes specific recommendations for three different scenarios:

Effective partnerships

The Commission, like most other donors, targets its support to « good performers » as a means to increase aid effectiveness. In effective partnerships, governments are committed to development objectives, good governance and to the internationally agreed targets. Sometimes capacity is weak but the political will is there. Priorities for action should include continuous and effective dialogue with these countries, strengthening democratic governance, citizens' participation and access to justice, promotion of human rights, strengthening of transparency, accountability and effectiveness of state institutions and improving civil society's capacity to participate in policy-making processes and debates.

Difficult partnerships

While it is understandable that donors concentrate support on the « good performers », it is argued in the communication that donors should not shy away from the more difficult partnerships where there is no commitment to good governance from partner countries. Populations in these particularly vulnerable countries should not be made to pay the price for bad leaders. Isolating the "bad performers" risks leaving them as magnets for extremism and terrorism, with regional spillover effects as a possible consequence. Leaving a country to collapse will inevitably make it more difficult and costly to reengage in the long run. All these elements speak against total withdrawal from these countries. Donors cannot afford to disengage. Instead they must display stamina and explore alternative entry points and approaches to co-operation that are addressing the root cause of the problems. Humanitarian aid, food aid, civil society implemented activities and political initiatives at regional or international level are avenues to be pursued.

Post conflict

Many of the countries characterised as difficult partnerships have recently been involved in armed conflicts. These are often countries where state institutions are either non-existent or non-functioning. These so-called « post-conflict » countries are often prone to a return to conflict. It is estimated that 50 pct of post-conflict countries emerge as « pre-conflict » countries. This is a situation that leaves no room for hesitation among donors. A swift engagement by donors is required to assist the countries in remaining on the right track. Identification and willingness to address root causes of conflict, initiation of reconciliation processes and linking relief, rehabilitation and development are some of the priorities outlined in the communication. Donors must accept that involvement with these post conflict countries involves a risk. But a necessary risk if the cost of re-emerging conflicts is to be avoided.

Support to governance has become a key element in the development assistance tool-box over the past ten years. It is an integrated element of the Commission's co-operation programmes. It is a concept that comes in many shapes. While there is no clear definition of "governance", the term generally relates to the glue that holds society together: Rules, processes and behaviour by which interests are articulated, resources are managed and power exercised. The quality of governance will therefore often be a measure of a state's ability to deliver the basic services to its citizens necessary to alleviate poverty and foster development.

http://europa.eu.int/comm/development/index_en.htm