

CONDITIONALITY IN EU'S DEVELOPMENT COOPERATION POLICY

|| Davor Ivo Stier

In times of complex global challenges and an unprecedented number of humanitarian crises, the demands for development and humanitarian aid are increasing. At the same time, the EU's budget is experiencing serious constraints in all fields. In these circumstances, development aid effectiveness needs to be substantially increased. Official Development Assistance alone cannot meet increasing needs of developing countries, and consequently should act as a catalyst for mobilization of additional resources. Increased domestic resource mobilization will be crucial for ensuring the success of the new global development framework, and can only be achieved through better tax collection in developing countries as well as fight against corruption and illicit financial flows. It is the EU's obligation, as the global leader in development cooperation, to insist on principles of good governance, rule of law and respect of human rights, through the use of a conditionality approach.

Domestic pressure

Scarce budgetary resources build pressure from the EU's citizens, who although demonstrating great solidarity and support for development aid, are becoming more and more critical towards how it is actually spent. Taxpayers rightfully want to ensure that budget support is not in any case provided to autocracies and corrupt

leaders, since this tends to stabilize authoritarian structure and delay democratic transition. Domestic pressure obliges EU policy makers to focus development funds on promoting common values of respect for human rights, democracy and justice for all people. Furthermore, the Lisbon Treaty itself demands support for human rights and democracy in all external action. Increasing policy coherence in foreign affairs, development cooperation and trade becomes not only an option, but rather an obligation.

Democracy and good governance are directly related to economic development

There is a clear link between levels of democracy, good governance and sustainable development. Without democratic and judicial reforms and fight against corruption, poverty in recipient countries will not be eradicated, and inequalities will continue to grow. The examples of several middle income countries, where despite the high GDP increase, large pockets of poverty still persist, prove that. For example, Nigeria, one of the richest countries in the world in terms of natural resources, has 2/3 of its population living in extreme poverty. Angola, a country incredibly rich in oil and diamonds, has one of the highest rates of child mortality in the world, which is tied to extreme poverty. The paradox in these countries, which are at the same time extremely rich and extremely poor, is in

most cases caused, directly and indirectly, by endemic corruption. Often it is not the lack of resources, but rather the lack of justice and corrupted elites that prevent further socioeconomic development.

Structural reforms, especially in the field of judiciary, remain an absolute prerequisite for poverty eradication. In order to push for these reforms, external pressure through political conditionality in development cooperation may be necessary. This approach has achieved progress in offsetting reforms in the European neighbourhood when the "more for more" principle was introduced. It incentivized recipient countries to implement serious structural reforms in exchange for more assistance from the EU side. An even more explicit example of the success of political conditionality is the EU enlargement process that culminated in 2013 with the accession of Croatia. Croatia's accession negotiations were historical in many ways, and have proved that external pressure can push some very difficult, but necessary reforms in candidate countries.

Post-2015 global development agenda

The importance of good governance and the rule of law for sustainable development was recognized by the UN Open Working Group, which has proposed a new set of Sustainable Development Goals (SDGs), including SDG 16 on promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels. This conceptual change was embraced by all actors in the international community, but only after lengthy discussions. As the EU leaders are meeting their global counterparts in September at the UN summit which will set the global development aims for the next fifteen years, it is imperative that the EU ensures effective implementation of SDG 16 by fully reflecting its principles into all future development cooperation agreements.

|| Davor Ivo Stier, MdEP

Mitglied des Europäischen Parlaments (Kroatien, Hrvatska demokratska zajednica), Koordinator der EVP-Fraktion im Entwicklungsausschuss, Berichterstatter des Europäischen Parlaments für den „Globalen Entwicklungsrahmen für die Zeit nach 2015“

