

Development Advocacy and the Dilemmas of Co-Financing

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Abstract: Observers of the EU's development cooperation policy have noted that the EU has increasingly focused attention on wealthier developing nations and the near-abroad, promoted neoliberal approaches to development, and subordinated development objectives to foreign and security policy considerations. These trends in development policy have drawn attention away from the world's poorest countries and have limited the poverty eradication orientation of EU policy. This paper examines how the way the European development advocacy network has been integrated into the EU's political system has shaped the ability of development NGOs to influence the direction that EU development policy has recently taken. The analysis suggests that the development network's role as an intermediary between the European Commission and NGOs seeking funding for project implementation has led the network to concentrate on its administrative functions at the expense of its advocacy work.

Development Advocacy and the Dilemmas of Co-Financing

Although the European Community (EC) itself lags behind other multilateral donors in the volume of development assistance it distributes, when the contributions of European Union (EU) member states to international development cooperation are taken into account the EU constitutes the world's leading aid donor. In 2002, the Community's own development program distributed €6 billion in aid to developing countries while member states helped to push the aid figure for the EU as a whole closer to €30 billion (EuropeAid 2005). This commitment to global solidarity represents an important part of the EU's external relations and serves to prop up the image of the organization as a 'civilian' or 'normative' superpower ready to take on increasing leadership responsibilities in the world community (Freres 2000; Manners 2002). The EU's development cooperation policy has a long heritage. Though the Treaty of Rome referenced the role of the EC in promoting economic and social development in Overseas Countries and Territories maintaining special ties to France, Belgium, and the Netherlands and identified means of pursuing these objectives, negotiated agreements between the EC and developing countries represented the core of European development cooperation policy from the early 1960s onward (McMahon 1998). For much of the past thirty years, the centerpiece of the EC's international development strategy was the Lomé Convention, which provided a framework for political and economic cooperation between Europe and former European colonies in Africa, the Caribbean, and the Pacific (ACP) and promoted development through a combination of preferential market access, commodity price stabilization schemes, and development aid.

Over the past decade, the trade preferences that had been a hallmark of European development cooperation policy have lost favor and free trade agreements between the EU and its partners in the developing world have gained prominence (McQueen 2002). One clear expression of the EU's interest in promoting liberalization as a development strategy came in 2000 with the conclusion of the Cotonou Agreement, the Lomé Convention's successor. Although the Cotonou agreement has maintained non-reciprocal trade preferences with the less-developed countries in the ACP group, a key element of the new development regime has been the creation of Economic Partnership Agreements with higher-income

states that promote free trade at a regional level in the developing world and between developing states and the EU. In addition, Cotonou advocates an increased reliance on political conditionality in its development assistance provisions (Hurt 2003). The EU's growing interest in wealthier developing countries such as the emerging market economies of Latin America and East Asia and the desire to link development cooperation policy with the EU's foreign and security policy agenda have further contributed to the EU's drift in attention away from many of the world's poorest countries and sub-Saharan Africa in particular.

This paper represents one attempt to explain why EU development cooperation policy has moved in this direction over the last decade. The literature on European development policy already offers numerous explanations for the policy shifts described above. Babarinde (1995) indicates that the reconsideration of the preferential arrangements between Europe and the ACP states was shaped by the political and economic changes that the end of the Cold War ushered in on the European continent. For Babarinde, the democratic and free market transitions of the Eastern European states and unfavorable macroeconomic conditions in EU member states combined to produce a discouraging climate for the prioritization of the EU's North-South dialogue. A more recent survey of European development cooperation edited by Arts and Dickson (2004) similarly emphasizes structural sources of change in development policy including the changing political balance among EU member states resulting from recent enlargements and the influence of global trade liberalization. Drawing on neo-Gramscian insights, Hurt's (2003) analysis of the Cotonou Agreement also stresses that the neoliberal doctrine espoused by the IMF and World Bank has had a profound influence on the EU's approach to international development.

Although Hurt's study suggests that the EU's development cooperation agreements reflect the interests of transnational capitalists, the question of how these interests came to trump rival interests in the EU policy process remains unanswered. By emphasizing how a changed international context has encouraged the EU to adopt an ever more neoliberal orientation with respect to development, the scholars mentioned above overlook the role that non-state actors can play in promoting a given

development strategy. If interest group politics are an important determinant of policy outcomes, encouraging trade liberalization and directing EU development resources to promising emerging markets instead of poverty-stricken countries could reflect the success of business pressure groups in promoting their agenda at the EU-level. At the same time, the easy neoliberal victory could owe to the weakness of interest groups which oppose this agenda or promote a poverty-centered approach to development instead. While ideally an analysis of the politics of development cooperation would take both sides into account, this paper focuses on the non-governmental development advocacy organizations that fall into the second group. Why have these groups been unable to slow the EU's drift toward the adoption of neoliberal development strategies?

I argue that the way that the European development advocacy network has been integrated into the EU's political system has shaped the ability of European development advocacy organizations to influence EU development cooperation over the past decade. Since 1976, the European Commission has provided financial support to an umbrella organization for development NGOs in Brussels and involved this organization in the management of Community development funds. The relationship between the Commission and the NGO network has hindered development advocacy because it has led the umbrella organization to concentrate on its role in securing access to EU funds for its members over advocacy, has invited scrutiny of the network from EU actors, and has restricted the channels available to the network to address development issues.

NGO Networks and International Development

The advocacy network that is at the center of this analysis is currently known as the Confederation for Cooperation of Relief and Development NGOs, or CONCORD, an EU-level platform for development NGOs that in 2003 took the place of the Liaison Committee of Development NGOs (known by its French acronym CLONG) that had been created in 1976 on the initiative of the European Commission (Lefèvre 2003). At present, the umbrella organization includes 19 national platforms and 18 transnational networks, and represents more than 1500 European development NGOs in total. CONCORD aims to coordinate the activities of these NGOs to influence development policy, hopes to

raise the visibility of NGOs as partners of the EU and its member states, seeks to secure funding for its members from the EU, promotes cooperation with NGOs in the Global South, and works to strengthen the ability of development NGOs to accomplish their goals by facilitating information-sharing among NGOs (CONCORD 2005).

The multiple objectives listed here suggest that the European development network departs somewhat from the standard definition of a transnational advocacy network. Distinguishing advocacy networks from transnational business groups and epistemic communities, Keck and Sikkink (1998) emphasize that transnational advocacy networks form around a set of values shared by members of a network rather than on the basis of shared instrumental goals. Advocacy networks take up the cause of disadvantaged populations whose lack of resources or political power may limit their ability to influence policies that directly affect them. Jordan and van Tuijl underline the role of advocacy in serving the interests of less powerful actors by defining NGO advocacy as “an act of organizing the strategic use of information to democratize unequal power relations” (2000: 2052). Providing information strategically is one of several means available to advocacy networks to promote their agendas; Keck and Sikkink (1998) argue that NGO networks can also influence the behavior of states, multinational corporations, and international organizations by creating international awareness through the symbolic interpretation of events, by gaining powerful allies that encourage other actors to adopt the norms the advocacy network promotes, and by holding actors to account to principles they have already formally accepted. The primarily symbolic or normative instruments that NGO networks employ to achieve their aims may compensate for the lack of material resources at their disposal that could place them at a natural disadvantage compared to self-interested business associations. As Ruzza (2004) argues in a study of public interest advocacy in the EU, however, advocacy organizations can compete with powerful industry groups because their normative orientation bolsters their credibility and invites support from the media and public opinion.

If the development network fits the description of an advocacy network because it attempts to influence the EU by serving as an information provider and by working on behalf of the world’s poorest

citizens, other features of the development umbrella organization fit more uneasily with the advocacy network definition. Identifying transnational advocacy networks as an instance of the broader phenomenon of transnational civil society, Price indicates that transnational networks might be defined as “self-organized advocacy groups that undertake voluntary collective action across state borders in pursuit of what they deem the wider public interest” (2000: 580). This definition emphasizes the independence of advocacy networks. Yet advocacy networks may be dependent on international institutions because institutions create a political space where networking can occur and function as potential allies in promoting the advocacy network’s cause. International institutions may also have a more active role to play in the formation of networks, as the EU’s support for umbrella organizations illustrates (Tarrow 2001). In establishing such organizations, the EU reduces the challenge of self-organization for public interest organizations with a common cause. In funding them, the EU assures that they will have some representation in the political process in spite of their limited resource base. The European development network does not qualify as a wholly independent advocacy network since it has been dependent on the EU for both spearheading its organization and providing it with funding to continue its work.

Although the EU-level development network does not directly oversee the implementation of any EU development projects itself, its membership comprises development NGOs that are involved in implementing projects funded by the EU.¹ In addition to performing an advocacy role, the organization works to assist European development NGOs in obtaining financial grants from the EU. In short, the development advocacy network balances two main objectives: influencing the nature of EU development policy and helping to increase the resources available to its members to carry out their development work. By acting as an intermediary between the EU and NGOs involved in implementation, the network also assists the Commission in the management of European development assistance.

A number of scholars have suggested that development NGOs have been influential in shaping the development policy agendas of states and international institutions. Applying a sociological

¹ The literature on the role of NGOs in international development is extensive. For a good overview, see Fisher (1997).

institutionalist approach, Chabbott (1999) charts the rise of an NGO community addressing international development issues, indicating that missionary organizations, relief organizations, and private philanthropies helped to lay the foundation for the increased engagement of Northern NGOs on Southern economic development issues in the post-WWII period. Chabbott's study indicates that development NGOs have had a significant impact on the evolution of international development discourse, particularly since their work has underlined the need to think of development as a global responsibility. In a similar vein, Lumsdaine (1993) asserts that the strength of private voluntary organizations concerned with economic development correlates with increased foreign aid spending. Although the viability of such organizations in donor states may itself be reflective of more deeply ingrained moral values that encourage greater generosity, these groups nevertheless serve as advocates for increasing commitments to international redistribution and for improving the quality of aid distributed (Lumsdaine 1993). Examining the place of ethical concern among motivations for providing aid among European governments, Olsen (1996) argues that pressure from NGOs will be crucial in maintaining support for aid to the world's poorest countries.

The European Development Network

Since its founding in 1976, the European development network has been an advocate for making the EU's development policy more responsive to humanitarian needs rather than economic or strategic considerations. Although the size of the network has expanded dramatically even over the course of the past decade—in 1993 the NGO Liaison Committee represented around 700 European NGOs while the current incarnation of the network comprises approximately 1500 NGOs—it has consistently focused on promoting a development agenda favoring poverty reduction as a central aim. The goals of its component organizations illustrate the overarching interest in serving disadvantaged populations in the developing world. The constituent members of the development network are a diverse group.² CONCORD currently represents 19 national development platforms and 18 transnational networks. The national platforms serve as umbrella organizations for smaller NGOs and act as pressure groups to

² A list of the main members of the development network appears in the appendix.

encourage national governments to increase development assistance and to intensify their commitment to poverty reduction in addition to acting as intermediaries in the EU NGO funding process. Although their aims are similar, the national platforms vary widely in size and in available resources; the largest platforms (Germany's VENRO, the United Kingdom's BOND, and France's Coordination Sud) shelter hundreds of NGOs and are able to engage in significant lobbying campaigns on their own, while smaller platforms rely more heavily on the information produced by other organizations within the network to carry out their missions. Equally diverse is the set of transnational networks represented in CONCORD. Some of these networks are affiliated with a religious denomination: Adra International, Aprodev, Caritas Europe, Cidse, and EU-Cord fall into this category, and others have a specific issue focus. Christian Blind Mission International (CBMI) works on behalf of disabled people in the South and emphasizes preventing and curing blindness, Eurodad works mainly to influence changes in international finance policies, Euronaid promotes food security, and Plan Europe, Save the Children, the International Federation Terre des Hommes, and World Vision are all advocates of children's rights. Underlying these varied areas of concentration is a shared commitment to reducing poverty in the developing world that forms the common interest holding the development network together.

One possible sign that the development network's poverty eradication message had influenced EU policy in the 1990s was the identification of poverty reduction as a central objective of EU development policy in the Maastricht Treaty. Article 130u of the Treaty indicated that EU development policy should aim to encourage "the sustainable economic and social development of the developing countries and more particularly the most disadvantaged of them; the smooth and gradual integration of the developing countries into the world economy; [and] the campaign against poverty in the developing countries" (Kokott and Hoffmeister 1998). While the Liaison Committee of Development NGOs recognized the inclusion of these development cooperation provisions in the Treaty as "a positive statement of principles," its analysis of development policy reform in the lead up to the intergovernmental conference convened to revise the Maastricht Treaty indicated that much remained to be done in order for the EU to live up to these principles, noting that the incorporation of the provisions

had “not yet led to any decisive improvement in the impact of the Union’s development programmes on the intended beneficiaries. Nor has it brought about any appreciable reduction in the negative impact of certain other Union policies on people in the South” (NGO Liaison Committee 1995). The Liaison Committee voiced particular concern about the EU’s waning emphasis on equality in its partnerships with ACP countries, the failure of the EU to address the inconsistency of its trade and agricultural policies with development cooperation objectives, and the subordination of European development policy to the objectives of the budding Common Foreign and Security Policy (CFSP) evidenced by the use of development funds to finance security programs, the shift in resources from ACP states to Eastern Europe, the Mediterranean, and the former Soviet Union, and the limited integration of development concerns into the objectives of the CFSP. EU policy declarations in the 1990s did not lead to an explicit prioritization of the poverty reduction goal (Cox and Healey 2000); however in 2000, the Commission and Council outlined new guidelines for development cooperation policy that appeared to put poverty reduction at the heart of its development strategy. The new statement on policy goals declared that “the main objective of Community development policy must be to reduce and, eventually, to eradicate poverty,” and suggested that Community resources should be directed toward the least-developed countries or at least toward the most disadvantaged citizens of middle-income countries in order to accomplish this goal (European Commission 2001). Implementation of these prescriptions did not proceed at a rapid pace. A report charting Community efforts to meet its poverty reduction targets prepared for the British NGO network BOND in 2001 sharply criticized the lack of a poverty focus in the EU’s aid program, noting that aid to low-income countries continued its decline and that EU aid projects focused insufficiently on the provision of social services that might serve as a marker of a more needs-oriented international development strategy (Van Reisen 2001). While NGO concerns about targeting disadvantaged populations may have been incorporated into policy pronouncements, the record of development policy implementation indicated that the Community had made little progress in the decade since Maastricht in addressing persistent concerns of the NGO community relating to the lack of complementarity between development, trade, and agricultural policies, the shift in attention toward

middle and high-income countries at the expense of aiding poorer states, and the increasing influence of the CFSP on the EU's development cooperation strategy.

The NGO Network and the Community: Dilemmas of Co-financing

One irony in EU development cooperation policy is that the same NGO network that has criticized the gap between poverty reduction rhetoric and implementation of a needs-centered approach has long played a role in implementing community development policy. Although the portion of EU development resources channeled to European development NGOs is relatively small, representing about 3 percent of development aid distributed, the volume of funds available to European development NGOs has increased considerably in the last three decades. Only €2.5 million of community aid was distributed to NGOs in 1976. By the year 2000, EU allocations to development NGOs amounted to €200 million (South Research et al. 2000). Funding for development NGOs comes from the B7-6000 budget line, which co-finances projects designed by the NGOs themselves.

The partnership established between development NGOs and the European Commission through the creation of co-financing schemes offered each side numerous potential benefits. For NGOs, a formal relationship with the Commission brought the promise of increased access to decision making and the possibility to influence the direction that community development policy would go. Moreover, the partnership provided funding to directly support the work that NGOs had undertaken in service of disadvantaged populations in the Global South. For the Commission, NGO partners could serve as helpful intermediaries both between the Community and the European public and between the Community and civil society in the South (Bossuyt 2004). NGOs brought additional value to the partnership because of their knowledge from experience working in developing countries, their capacity to work in places that for political reasons were more difficult for Western donors to reach, and their ability to compensate for the lack of Community personnel devoted to the implementation of development programs (Philippart 2002). By channeling a portion of its funds through NGOs, the Community also created an opening for experimentation within its development cooperation program. Participation from a diversity of non-governmental organizations could promote innovation in the

delivery of services to the world's poor and could encourage flexible responses to changing conditions on the ground (Bossuyt 2004).

The creation of the European development advocacy network coincided with the advent of development NGO co-financing. The Liaison Committee of Development NGOs was designed to serve a consultative function for the Commission on funding and policy issues (Bossuyt 2004) and gave European development NGOs an organizational structure. The Commission's practice of funding European advocacy networks has not been limited to the development field, and social policy networks sharing features of the development umbrella organization are especially noteworthy given the salience of the debate on the evolution of a European social policy. In response to a question submitted by a member of the European Parliament in 2001 that asked whether other civil society groups organized at the European level were equally dependent on Commission resources as the Liaison Committee of Development NGOs had been (at that time, the umbrella organization received approximately 85 percent of its funding from the Commission) Commissioner Michaele Schreyer justified EU funding of such organizations as follows:

A number of European level networks of non-governmental organizations receive funding on the basis of other lines in the Community budget, especially in the social field. This funding is provided on the basis that many such networks have experience and expertise in contributing to the development of European policies in particular by ensuring that the opinions of members of disadvantaged or discriminated groups are properly taken into account in their design, implementation and evaluation. Given the lack of alternative sources of funding for European level networks...a contribution to the running costs of such networks can constitute a valuable asset in promoting effective social policy developments as this allows transnational exchange of information and best practice and thereby also contributes to the development of a truly European civil society (Schreyer 2001).

This statement emphasizes that the relationships between the Commission and civil society organizations that it funds are mutually beneficial, with the Commission profiting from the specific knowledge that non-governmental organizations possess and the civil society groups gaining funds to engage in political activities that their limited resources bases might otherwise prevent them from undertaking.

The co-financing arrangement that guarantees support for a European-level political organization promises influence in the policy process through NGO participation in a 'structured dialogue' with the

Commission. In a discussion paper examining the way ahead for Commission-NGO relations, Romano Prodi and Neil Kinnock explained what structured dialogue has meant in the case of the European development network, noting that “the Liaison Committee of Development NGOs provides a representative European structure and well established working groups and quarterly meetings with the Commission to discuss both policy and procedural issues. This is not a formal consultative structure but a 25 year tradition ensures it has ‘de facto’ gained such a standing with the EU institutions” (2000). The discussion paper was prepared in response to the recognition that existing procedures for regulating EU-NGO relations had not yet been adapted to take the increased scope of NGO participation in the EU policy process into account. Suggesting that continued NGO cooperation with the Commission would be valuable in promoting participatory democracy in the EU, assuring that disadvantaged citizens would have representation at the EU-level, adding expertise to processes of policy formulation and project implementation, and serving to foster support for the European integration process, the Commission’s prescriptions for reforming EU-NGO relations included both the elaboration of guidelines for improving the consultation process and the identification of means of streamlining the management of EU grants to NGOs.

While the Liaison Committee affirmed the Commission’s suggestion that the improvement of Commission-NGO relations is an important component of EU efforts to become more democratic, its response to the outline of the reform process presented in the discussion paper reveals some dissatisfaction on the part of the NGO network regarding its place in the EU policy process. In particular, the Liaison Committee suggested that the dialogue between the Commission and civil society would be enhanced if Commission-NGO relations were formalized by including a reference to this dialogue in future versions of the Treaty on the European Union. In addition, the NGO network highlighted the basic asymmetry in the consultation process and called for a relationship based on mutual respect. The power differential between the Commission and NGO networks poses a problem for NGOs if the Commission exploits its position of strength to encourage a flow of ideas from Commission to the civil society organizations represented and thus to the broader European public without acknowledging the

viewpoints of these organizations. To mitigate this natural asymmetry in the consultation process, the Liaison Committee called for the Commission “to respect the independence of NGOs, their right of initiative, and their right to challenge modes of organization or regulation that are inimical to them” (Liaison Committee 2000). These suggestions for reform indicate that the Liaison Committee has encountered difficulty in successfully opposing the Commission’s development policy agenda.

The ability of the development NGO network to promote a development agenda focused on serving the world’s poor has been hampered not just by the way consultation with the Commission has been regulated, but also by the management role that the network has taken on in development policy implementation. As noted above, the volume of Community development aid distributed through European non-governmental organizations has increased significantly since the advent of co-financing in the mid 1970s. Yet the substantial increases in funding for NGO activities have not been accompanied by institutional developments at the EU-level that provide for efficient management of these resources. A report prepared in 2000 by a consortium of research groups hired by the Commission to undertake a review of the management of the NGO co-financing lines in the Community budget revealed numerous weaknesses in the administration of the co-financing lines (South Research et al. 2000). According to the research consortium, the guidelines identifying which NGOs were eligible to receive EU support in the period under review (1994-1999) indicated that selection would be based on a project’s consistency with several broad aims. Acceptable projects would be those that were aimed at poverty alleviation, the promotion of democracy and human rights, and support for local capacity-building activities. Funds were distributed to three categories of projects: sector-based development projects and development education programs within Europe, projects supporting grassroots organizations in the less-developed countries, and block grants supporting small-scale development programs (South Research et al. 2000).

The relatively open NGO eligibility requirements for co-financing encouraged the proliferation of NGO applications for EU funding. However the administrative process through which winning proposals were selected was not well-adapted to the volume of applications received. The research consortium’s review of the management of the NGO budget line noted that the evaluation of NGO

proposals could often be time-consuming given the constraints faced by individual administrators responsible for assessing the feasibility of projects and the consistency of their objectives with the principles guiding co-financing. The review noted that: “as a whole, the appraisal procedure looks very complex, bureaucratic and involves many different parties, which explains to an important extent the lengthy procedure—on average more than one year during the period of study. Indeed, the process can appear so complicated that we cannot be sure that full and detailed appraisals always take place” (South Research et al. 2000). Administrative shortfalls were not limited to the grant evaluation phase, since the Commission was also short on staff able to effectively monitor grant management once a funding decision had been made. One way the Commission could ease its own administrative burden both in the grant application phase and in overseeing the implementation of NGO projects was by delegating management responsibilities to NGO partners (Prodi and Kinnock 2000).

The Liaison Committee of development NGOs thus served an administrative role by acting as an intermediary between European NGOs seeking funding and the Commission. The consortium’s review of co-financing indicated that in the five-year period covered by its report the Liaison Committee’s main focus was on operational concerns such as reducing the backlog of funding applications and working to elaborate more efficient standards for evaluating project desirability (South Research et al. 2000). The Commission’s reliance on the development network to participate in the administration of a portion of its development funds interfered with the ability of development NGOs to influence Community policy itself, even if these NGOs were still regarded as sources of specialized knowledge that the Commission could benefit from. As Philippart states:

When some administrators of the Commission praised NGDOs for the quality of their information and action, some others considered NGDOs more as suppliers competing to get their projects financed and less as political partners. The procedures to obtain and justify funding increased and kept the NGDOs focussed on the technical and administrative aspects of the development co-operation policies (2002).

The advantage that NGOs had in collecting information from hard to reach locales diminished with the end of the Cold War and served to further erode an advantage that development NGOs might have had

vis-à-vis the Commission. NGOs remained dependent on the Commission for funding, but the Commission's dependence on the role of NGOs as information providers declined.

By 2003, both the Commission and the NGO community recognized that reform in the co-financing process was necessary in order for co-financing to live up to its intended aims. The need for reform of NGO co-financing was symptomatic of more general needs for administrative reform in the Commission and the adaptation of a management system to meet the demands of a transforming EU. Discussions between development NGOs and the Commission culminated in the Palermo Seminar held in October 2003. This seminar brought together representatives of the European Community, EU member states, and European NGOs, and called attention to an impending crisis in the co-financing procedure. Seminar participants concluded that:

The current policy, procedural and management framework for dealing with NGO co-financing is much too rigid. It promotes tension rather than trust among the EC and the European NGO community. It leaves little scope for a structured dialogue between the actors involved nor does it provide much scope for the EC to manage the budget line in a strategic and effective manner. For many NGOs, the current way of doing business also drastically increases transaction costs, perhaps to a point that some refrain from introducing proposals. A participant compared the prevailing process of allocating B7-6000 resources to 'a lottery'. All this, combined with the management problems affecting (understaffed) EC units, in charge of processing the stream of project proposals, leads to a situation whereby the risk of implosion of B7-6000 is real (Bossuyt 2004).

Not surprisingly, the recommendations for reform that emerged from this seminar included the need to clarify what types of projects would receive Community support and a call for renewed attention to the development of a strategic dialogue between the Commission and the NGO community.

Co-financing arrangements impaired the ability of European NGOs to influence development cooperation policy not only because they created an asymmetrical dependence of NGOs on the Commission for support and because the limited administrative capacity of the Commission increased the administrative burden on the NGOs themselves, but also because financing makes NGOs accountable to the organization that funds them and invites scrutiny of their management practices. Scrutiny of management practices ultimately led to the dissolution of the Liaison Committee in 2001 after an audit conducted under the auspices of the Commission determined that the Committee had misused funds. After outlining the Commission's own shortcomings in the NGO grant application and management

process, Development Commissioner Poul Nielsen provided an indication that the development network would be subject to scrutiny in a speech delivered before the General Assembly of the Liaison Committee in April 2000. Although support could be directed to NGOs either on the basis of a contractual relationship where NGOs would implement policy designed by the Commission or in response to NGO initiatives, Nielsen underlined the necessary place of Commission oversight of NGO financial management in both cases. The commissioner's comments before the General Assembly highlighted the tension between seeking to profit from the autonomy of NGOs and needing to guarantee that all recipients of EU funding are held to account for the resources they use. Nielsen told the NGO representatives present that "when funds are granted to you we have to put in place a number of checks and balances to ensure the proper use of Community funds" while at the same time acknowledging the desirability of a level of NGO autonomy: "the Commission cannot and must not 'control' your activities. You are free, independent organizations that have the right to exercise these activities within the normal bounds of the law" (Nielsen 2000). These statements illustrate an obvious tension between the desire to maintain NGO autonomy and the need to provide oversight of the operations of Community-funded NGOs.

Even though Nielsen's remarks conveyed a sense of hope that improvements in the administration of funding to NGOs were forthcoming, his speech also signaled the Commission's interest in carefully evaluating the activities of the European development platform and its financial management practices in particular. In 2000, the Commission initiated an audit of the Liaison Committee through the External Relations Common Service, focusing attention on the Liaison Committee's management of money destined for the national development platforms represented within the network. The initial evaluation conducted by the Commission led to an independent audit undertaken by Ernst and Young, which affirmed that concern about the distribution of funds to national platforms was indeed warranted. Although the final audit report did not conclude that the Liaison Committee had engaged in fraud, it recommended that the Committee be required to return €1 million in Commission funds that had been mismanaged. In addition, the report proposed that funding of the network should be suspended until

clear guidelines could be established to better regulate the distribution of funding within the advocacy network (European Commission 2000). Given the Commission's decision to suspend funding for the Liaison Committee, the Committee disbanded early in 2001. Although the representatives from development NGOs negotiated a new financial structure for the umbrella body that led to the creation of CONCORD in 2003, the Liaison Committee's disbandment left development NGO network without an EU-level structure for a couple of years. Although the renegotiation of the Lomé agreement had already been underway for several years at this point, it is worth noting that the dissolution of the Liaison Committee coincided roughly with the final stage of preparations for the new guidelines for association between the EU and the ACP states that became the Cotonou Agreement, which represented a departure from its predecessor especially because of its emphasis on trade liberalization and political conditionality (Holland 2002). While the dissolution of the development advocacy network in 2000 represents the clearest example of the difficulties the network encountered in participating in reshaping European development cooperation policy, the foregoing discussion suggests that the network had trouble playing its advocacy role well before its audit. The main barrier to NGO policy influence was participation in the NGO co-financing process, which focused the NGO network's attention on administrative operations at the expense of advocacy and led the Commission to emphasize its own supervisory role vis-à-vis NGOs while limiting the advisory role NGOs were able to perform.

Consequences of Close NGO-Commission Ties

The involvement of development NGOs in the administration of development policy under the supervision of the European Commission presents an obstacle to NGO policy influence not only because of the inherent tension between advocacy and implementation, but also because the close association between the Commission and NGOs isolates the NGO network from other potential points of leverage in the EU policy process. Although the Commission's right of initiative in the policy process indicates that access to the Commission would be beneficial in influencing European agenda-setting, pressure for policy change in the EU can come from numerous sources, including most prominently other EU institutions and the member states themselves (Cini 1996). Social movement theorists emphasize the importance of

changing political opportunity structures, which may include both institutional changes and the presence of influential allies, in explaining the prospects for political actors to promote their agendas (McAdam et al. 1996). In the EU context, the increasing importance of the European Parliament in the European policy-making process represents one potential political opportunity structure for advocates of development policy reform to exploit. Although the Parliament's role in EU policymaking has grown gradually since its founding, the European Parliament received a significant boost with the negotiation of the Amsterdam Treaty (Maurer 2003). Beyond its legislative powers, the Parliament also has the potential to serve as a forum for discussing issues of interest to European citizens and can provide a pathway for interest groups to influence national parliaments (Corbett et al. 2000). Its role as a mouthpiece for European citizens should make the Parliament (or political groups within it) a natural ally of advocacy groups promoting the interests of disadvantaged populations.

In the case of development cooperation, this line of reasoning would lead to the expectation that Parliament would be supportive of NGO efforts to promote a development strategy with a strong poverty reduction focus. The response of the Parliament to the statement prepared by the Commission on EU development policy in 2000 suggested that it shared many of the main concerns of the NGO community including the need for high prioritization of poverty reduction programs, support for increased attention to health, education, and social service provision in the developing world, and concern about the inconsistencies between European development cooperation goals and the effects of other European policies on developing countries. In its response, the Parliament also explicitly registered support for NGO involvement in development policy making. Indicating that "European NGOs are important partners for the EU and the Member States' governments in the development policy debate and the implementation of programmes in developing countries," the Parliament urged the Commission "to continue to support and involve the European NGOs as equal partners cooperating in the political dialogue and not simply as entrepreneurs implementing EU policy" (European Parliament 2001a).

The European Parliament has long been a defender of NGO participation in EU development cooperation programs. According to the review of NGO co-financing referenced above, "the European

Parliament first approved the budgetline and has been a consistent supporter in its 25 years of existence. The [European] NGOs have been equally zealous guardians and have strategically sought the support of the Parliament to maintain the broad content, approach and principles of B7-6000" (South Research et al. 2000). This statement paints the Parliament and NGOs as alliance partners. One question that it raises is whether the alliance has played a role in influencing development cooperation policy outside of its influence on NGO participation in project implementation. It is important to underline that the portion of Community development funds allocated through European NGOs represents only a small percentage of resources dedicated to development issues. If the European development NGO network has made the expansion of funding opportunities for NGOs its top priority, this could limit the effort expended in attempting to push for broader development policy reforms.

Even though the Parliament has shown support for NGO co-financing, its institutional responsibility for budgetary oversight indicates that it may not always be an ally of Community-funded NGOs, since the Parliament might scrutinize NGO financial management practices. The Parliament was supportive of the Commission's efforts to evaluate the development Liaison Committee's administrative shortcomings. In its review of the budget for the 1999 fiscal year, the Parliament noted that it "encourage[d] the Commission to continue its general audit plan for NGOs based on risk analysis and welcome[d] the action of the Development Commissioner for not hesitating to recover monies lost owing to mismanagement by various NGOs" (European Parliament 2001b). Although European institutions were in agreement on the need to hold the NGO network to account for its use of Community funds, the network's close association with the Commission could make it more difficult for NGOs to find allies among other EU actors, both because the Commission itself might be scrutinized for its management practices and because participation in the aid administration process requires the NGOs invest time and resources in developing a working relationship with the Commission services directly responsible for the distribution of co-financing resources.

The prospect of NGO capture, where development NGOs are constrained in their ability to seek alternative venues to articulate their criticisms of development policy because of their association with a

small arm of the Commission, may be consequential not only in understanding NGO relations with other EU institutions, but also in explaining the limited scope of pressure for development policy reform within the Commission itself. The co-financing budget lines have primarily been administered by a single Directorate-General within the Commission (DGVIII-Development), and while the relationship that has developed between this DG's services and European NGOs carries the potential to give NGOs an opportunity for influence, it also likely hinders the cultivation of relationships with other DGs whose policy mandates are arguably just as significant for developing nations. One of the longstanding criticisms of European policy toward the developing world is that there has been a lack of policy coherence, especially with respect to trade, agricultural, and fisheries policies that directly counteract the aims of development cooperation policy by disadvantaging producers in developing countries (Lister 1998). Recent reforms relating to the distribution of responsibilities for European relations with the developing world within the Commission may only make it more difficult for NGOs to promote a development cooperation agenda in service of the world's most disadvantaged populations. Holland writes that observers of EU development policy:

fear, despite good intentions, that the latest reforms can only serve further to weaken the role of DGVIII and that the policy objective of poverty reduction will be compromised. First, whilst there are expectations that appropriate geographical desks in DGVIII will be consulted when CFSP or external relations issues are involved, clearly [the External Relations Commissioner] may employ development issues to promote his other sectoral responsibilities, particularly the execution of an EU foreign policy. Second, by institutionally isolating the ACP from other developing areas within the Commission structure, the probability of dissimilar policies being pursued can only be enhanced. Third, de-linking trade and development by removing all ACP trade issues from DGVIII control may result in the ACP's particular interests being marginalized within broader concerns. Divorcing development expertise from trade expertise can hardly encourage increased coherence between the two policies (2002: 91).

This discussion suggests that the DG that acts as the main interlocutor for European development NGOs faces challenges of its own in guaranteeing that European relations with developing countries reflect its preferences. Thus NGOs have a access to a weak medium for promoting a progressive development cooperation strategy.

Conclusions

The claims presented here relating to the difficulties that development NGOs face in finding ways to influence European development cooperation policies are admittedly quite tentative, and further clarification of the strategies employed by the development network and the opportunity structures available for exploitation will be necessary in order to evaluate the veracity of these claims. There is nevertheless a solid basis for the assertion that the preoccupation of the development advocacy network with securing EU funding for its members through the co-financing lines available in the Community budget has impaired its ability to serve as an advocate for disadvantaged populations in the Global South. Since the NGO projects are supposed to have a poverty reduction focus, it is possible to argue that the NGO network does reach poverty reduction goals in this way. However NGO co-financed projects account for only a small share of the EU's development assistance, and a broad range of EU policies have the potential to undermine the modest successes that NGOs might achieve with Community assistance. Because it has been tied up with its role as an intermediary between the European Commission and its NGO constituents, the advocacy network has been unable to counter the predominance of neoliberal approaches to development.

One key limitation of this study is that it attempts to explain development policy changes given influences from only a restricted set of actors, European development NGOs. If NGO weakness resulting from the nature of the NGO network's relationship with the Commission offers a partial explanation for why European development cooperation policy has been characterized by diminishing interest in the world's poorest countries, a more complete explanation requires an examination of why competing interests have been more influential in the European policy-making process. The success of advocates of neoliberal policies may be attributable to a number of factors including the size of their resource base, their financial independence vis-à-vis the European institutions, or the availability of different channels of access for influencing EU policy. Existing research on European development policy has tended to overlook the politics of development cooperation, explaining that changes in international context are largely responsible for the neoliberal orientation of the EU's development program and its increasing

preoccupation with the near-abroad. However, different actors may have conflicting interpretations about what type of policy response is appropriate given the same international context. Identifying the actors supporting alternative policy approaches represents one step in determining why development cooperation policy has taken the form it has. Understanding how actors supporting alternative agendas are favored or disadvantaged by the way their access to European decision-making is regulated represents a second step toward explaining policy outcomes.

Although development NGOs have not been able to determine the course that development policy has taken over the last decade, the EU has sought to increase its reliance on both European and Southern NGOs in the implementation of development policy (European Commission 2002). Growing support for NGOs working in developing countries could be seen as a way of strengthening the EU's commitment to poverty reduction and its ability to deliver services to needy populations. However, the expansion of NGO funding could also lead to a concentration of NGO energies on guaranteeing continued access to EU resources and limit the willingness of these organizations to challenge the overall policy orientations of their patron. The tension that co-financing creates by giving consultation partners management responsibilities suggests that efforts by the Commission to promote the participation of civil society in the European policy process to reduce the democratic deficit are not unproblematic. While funding of European-level umbrella organizations may alleviate the collective action problem inherent in organizing a European network, how a network's advocacy role is balanced with other obligations that its position as an EU-funded organization requires is an interesting question to consider not only in the development context but in other cases where the EU has supported networks intended to represent disadvantaged populations.

One final issue that the discussion of the European development advocacy network highlights is the question of NGO accountability. One criticism of constructivist scholarship that has made NGO advocacy a central subject of inquiry has been its tendency to portray NGOs and the goals they pursue in a positive light (see Cowles 2003). Because one of the main goals of development NGOs in the context of EU development policy has been to increase EU funding at their disposal, it is clear in this case that

NGOs and NGO networks can have instrumental as well as normative motivations in their relations with international organizations. In addition, as the problems with management of Community funds that the audit of the development Liaison Committee revealed demonstrate, NGOs are not themselves immune to shortcomings common to other organizations. The Liaison Committee's shortcomings were addressed precisely because the organization was subject to the oversight of an international organization. As Edwards and Hulme have argued (1996), accountability from the donors that distribute development aid through NGOs represents an important check on organizations that are otherwise accountable only to their supporters. Thus NGO association with international organizations potentially serves to promote transparency and democracy in NGO operations. Whether this increase in the accountability of NGOs coincides with an increased ability of NGOs to hold international organizations to account or shape policy is a question that should be explored further.

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Appendix

Current Members of the Confederation for Cooperation of Relief and Development NGOs (CONCORD)

National Platforms	Transnational Networks
Austria	Action Aid International
Belgium	Adra
Czech Republic	Aprodev
Denmark	Caritas Europe
Finland	Christian Blind Mission International
France	Cidse
Germany	EU-Cord
Greece	Eurodad
Hungary	Euronaid
Ireland	Eurostep
Italy	Forum
Luxembourg	International Planned Parenthood Federation
Malta	Oxfam International
Netherlands	Plan Europe
Portugal	Solidar
Slovakia	Save the Children
Spain	IF Terre des Hommes
Sweden	World Vision
United Kingdom	

Source: CONCORD Homepage: <http://www.concordeurope.org>