From uniqueness to uniformity? An assessment of EU development aid policies

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Introduction

European Union development cooperation stretches back as far as the EU itself but for many years its most visible and important component was the relationship with the ACP states institutionalised in the Lomé Convention. Right from its inception, the Lomé Convention was claimed to be unique, either because of the formal terms of the agreement, the context in which it was first negotiated or – the focus of this chapter – because of the particular modalities of the aid which it provided for ACP states. None have been keener to trumpet the unique character of the relationship than the partner countries themselves – the EU in order to emphasise the ‘special character’ of its actions in the international arena and the ACP states in order to try to bolster and protect the more advantageous elements of the relationship. But the Conventions, first signed in 1975, renewed four times and in effect until 2000, existed during a period in which the international arena changed drastically. The relations between North and South at a general level, and the particular policies of the major donors and states towards the developing world, underwent radical and far-reaching changes. Has the claimed unique character of Lomé survived this transformation? And how do we understand the new ACP–EC Partnership Agreement, signed in Cotonou in 2000, in the light of these changes?

This chapter assesses the evolution of EU development policies over this period. It concentrates on the terms on which aid has been delivered to the ACP states as defined by the Lomé Convention and its successor, the Cotonou Agreement. The chapter undertakes a comparative assessment of these changes in the light of wider donor policies towards developing countries. In particular, parallels will be drawn with the policies of the World Bank. The World Bank can rightly claim to be a leading donor institution over this period, both in terms of its role in defining the international development agenda and because of its principal role in forging the changes to donor policies over recent years.

Furthermore, the Bank's policies largely reflect the orientation of the dominant Northern states towards the South, and as such are a good indicator of the wider political and policy environment within which the EU's own development policies have evolved. Throughout, the chapter asks whether the claimed uniqueness of the original relationship with the ACP countries has given way to a more uniform stance among donors. If this is the case, then the *raison d'être* for a separate EU development programme may come into question.

This chapter undertakes this task by assessing three phases in the evolution of EU development cooperation: the development of an EU approach to the support of structural adjustment programmes in the ACP states in Lomé IV; the introduction of 'political conditionality' into Lomé in the 1990s; and the recasting of EU development cooperation in the negotiations for the Cotonou Agreement signed in 2000.

The rise of the Washington consensus: adjustment, conditionality and Lomé IV

EU aid policies claimed a distinctiveness on a number of counts. Some of these related to the rhetoric which infused the signing of Lomé I and included notions of a partnership of equals, of an attempt to rid the EU–ACP relationship of 'neo-colonialism' and, for the ACP at least, of the need to reform the international political economy. Thus the modalities of aid provision in the Convention reflected the political character of EU–ACP relations at the time. Aid was to be administered jointly by the two parties, with the ACP possessing the sole right to propose development projects for EU funding. Aid granted by the EU was on a contractual basis, establishing an ACP country's right to a given amount of aid through the programming procedure. Moreover, much of the aid provided was on very favourable terms, with a large (and over subsequent Conventions, increasing) grant component. Furthermore, in an era of Cold War, Lomé aid was to be non-political in so far as it was to be made available to all ACP states, which covered a wide political and economic spectrum. Indeed, the Convention explicitly recognised ACP sovereignty over internal political and economic matters and that development cooperation would not infringe each ACP state's right to determine development strategies.

Lomé aid thus appeared to avoid some of the more politically motivated and ad hoc arrangements that characterised much bilateral and multilateral aid up to the end of the 1970s. However, the actual record of implementation of these aims often fell far short of the partnership ideal. As such, the Lomé aid relationship established in 1975 reflected a number of key aims that developing countries had pursued in the international arena for some time. For the origins of the Lomé Convention lie in an era in which the South sought to achieve substantial changes to the regulation of the international economy and the terms on which aid was provided. In particular the South sought to

reinforce notions of national development and non-interference vis-à-vis the richer states while also demanding increased aid and other economic resources from those states. Importantly, the developing countries claimed that such external support should be provided 'non-conditionally' and that to do otherwise would constitute unwarranted interference in their domestic affairs and would be 'neo-colonial' in character. Although largely unsuccessful at the global level, where Cold War considerations had a particular impact on aid allocations, such demands clearly had an impact in shaping the terms of the Lomé Convention.

However, this relatively unique agreement was to come under mounting pressure and became subject to considerable amendment due to changes in donor–recipient relations at the international level. The first of these changes was the rise of structural adjustment conditionality in aid policies – the demand for developing countries to implement processes of macroeconomic reform as a condition for the provision of aid – in the 1980s. The EU response was to be a key test of the extent to which a unique Lomé aid regime would survive in the face of this radical restructuring of North–South relations.

Debt, adjustment and the Bretton Woods institutions

Structural adjustment conditionality arose in the context of the debt crisis in the early 1980s. In response to a generalised inability of developing countries to service their debt payments, donors moved from funding specific development projects to a greater emphasis on funding programmes of policy reform. The Bretton Woods institutions – the IMF and the World Bank – coordinated and led this change. To an extent, the IMF had always been involved in policy conditionality in this sense, granting short-term balance-of-payments support to countries in return for commitments by the recipient to address the sources of imbalance, particularly through austerity measures. The 1980s saw this role revitalised and generalised with respect to developing countries. For the World Bank the change was more marked, having previously concentrated on large-scale project funding with a strong state-centred focus. However, it was the Bank which first introduced special funds for adjustment in 1979, with loans provided for programmes of economic policy reforms intended to achieve a restructuring of the economies in developing countries (Stevens and Killick, 1989; Mosley *et al.*, 1991). Signalling its new approach and under the influence of the Reagan administration in the US, in 1981 the World Bank published what became known as the 'Berg Report' which argued for a reduction in state intervention, de-nationalisation and the removal of protectionist policies in African countries (World Bank, 1981). The IMF reinforced this shift in donor policy in the 1980s by introducing its 'structural adjustment facility' (SAF) and later the more concessional 'enhanced structural adjustment facility' (ESAF), both conditional upon compliance with Structural Adjustment Programmes (SAPs) (Stevens and Killick, 1989; Mosley *et al.*, 1991). The close

relationship that emerged between the two institutions resulted in the so-called 'Washington consensus' over donor policy.

In its essentials the Washington consensus rested on a neo-liberal view of the development process which should, it was argued, be focused on removing barriers to the efficient working of the market, in particular those stemming from over-extended state intervention. Aid and loans for balance-of-payments support thus evolved from relatively short-term attempts to rectify external imbalances into medium- and long-term programmes of economic restructuring. SAPs often differed little between countries, specifying similar sets of reforms in a 'one size fits all' approach and including government expenditure cuts, anti-inflation drives through high interest rates, trade liberalisation, currency devaluation, privatisation and freeing of prices. This posed a challenge to governments, states and development strategies that existed in the South and which had become heavily state centred in the post-colonial period. It also represented a fundamental shift in donor-recipient and North-South relations. Aid became dependent on the adoption of this neo-liberal programme and aid policies shifted decisively against the claims for 'non-conditional' support made by developing countries. This shift was reinforced in turn by the gate-keeping role performed by the Washington institutions. In creating a process of cross-conditionality, bilateral donors made their aid and loans provisional upon agreements between a recipient state and the IMF and World Bank, thus generalising the new aid regime across North-South relations.

Adjustment support, the EU Commission and the Lomé Convention

The rise of adjustment conditionality posed a particular problem for the EU Commission. On the one hand it had fundamentally altered the context in which the EU was funding development projects. Between 1987 and 1989 the IMF and World Bank supported adjustment of some form in over seventy developing countries, thirty of them in sub-Saharan Africa and thirty-nine of them from the ACP group (Krueger, 1995). As the Commission claimed, 'Adjustment has become the daily bread of the vast majority of the countries of Africa and a *sine qua non* of their dialogue with the outside world' (Frisch and Boidin, 1988: 67). There was thus a need to come to terms with the new realities, if only to avoid existing development projects being adversely affected. Indeed, the Commission wished to become more involved in the adjustment process – to influence the process of reform rather than simply cope with the consequences. On the other hand, the very mechanism of conditionality posed a challenge to the existing aid relationship with the ACP states which was theoretically premised on the absence of 'interference' in ACP policies.

The Commission's approach to structural adjustment was defined prior to Lomé IV in a series of papers and Council resolutions. The Commission started from the position that adjustment was unavoidable. The ACP countries could only choose 'either ordered, properly managed adjustment or forced adjust-

ment' (Frisch and Boidin, 1988: 68). The Commission stated that it wished to be involved in the process. Two major concerns came up in this context. The first was that the introduction of adjustment support had to be compatible with its traditional relationship with the ACP countries. The Commission wished to avoid the often conflictual and coercive nature of conditionality as practised by the Bretton Woods institutions, where recalcitrant governments were cajoled into reluctantly signing agreements over economic reform. In particular, it sought to ensure that, as far as conditionality operated, it would be pursued in partnership with the ACP countries. It also wished to assuage ACP concerns that adjustment conditionality should not dominate the whole Lomé process by declaring that 'traditional' aid (project and long-term development aid) would be protected and remain outside of the conditionality relationship.

Secondly, the Commission took what seemed at first to be a different and more moderate approach to the design of adjustment programmes. The first wave of SAPs implemented by the Washington institutions in the early and mid-1980s had come under a barrage of criticism from developing countries, development agencies, NGOs and other observers, most famously in UNICEF's response to adjustment calling for 'adjustment with a human face' (Cornia *et al.*, 1987). There was also a long-running debate over the effectiveness of SAPs in terms of promoting growth (see Parfitt, 1990) and criticisms of the doctrinaire adherence to neo-liberal economic precepts which were applied with little regard for the particularities of the individual country concerned. Some of these criticisms hit home and from 1987 onwards the World Bank funded 'social dimensions of adjustment' (SDA) programmes as additions to adjustment programmes (Engberg-Pederson *et al.*, 1996). The EU Commission claimed that in its funding of adjustment programmes it wanted to avoid some of the worst mistakes of the Bretton Woods institutions.

In a discussion paper published by two leading officials of the Commission and in a subsequent Council resolution, the EU policy on adjustment was defined (Council of Ministers, 1988; Frisch and Boidin, 1988). The Union sought to specify differences between its approach and that of the main external donors in a number of important ways. It claimed that its approach would differentiate between recipient countries and would be less doctrinaire, stating that 'reforms should be conceived and carried out in a pragmatic and differentiated manner, with due respect for economic policy options and taking account of the peculiarities and constraints of each country' (Council of Ministers, 1988). The Commission also argued, in line with the 'humanitarian critique', that adjustment should take account of the position of the poorest and most vulnerable in society and that they should be protected from the worst effects of adjustment. For its part the ACP stated clearly that 'The programme should not be linked to or governed by the conditionalities characteristic of international financial institutions, *but should reflect the appreciations special to our ACP/EEC cooperation.* . . . Clearly, the access to any structural

adjustment programme should not require an IMF or World Bank imprimatur' (Greenidge, 1988: 15, emphasis added).

In some respects the Lomé IV agreement, signed in late 1989, reflected these aims. It pledged that adjustment would be 'economically viable and socially and politically bearable' (Lomé IV, 1989: Article 243). It also sought to avoid contradicting the principles on which development cooperation had thus far been practised, stating that adjustment would be 'supportive of the ACP State's [*sic*] priority development objectives' and would 'take place within the framework of the political and economic model of the ACP State concerned' (Article 244). Furthermore, Lomé IV saw the creation of a special envelope for adjustment support – the SAF – of 1.15 billion ECU within the overall aid package provided by the Convention. Representing over 10 per cent of the total grant aid available, this was a significant sum but allowed the Commission to maintain that the bulk of resources, channelled through the National Indicative Programmes (NIPs), would remain 'non-conditional' and dedicated to long-term development projects and would thus leave in place much of the terms and procedures on which Lomé aid had so far existed. If acted upon, therefore, the EU was potentially embarking on a significant departure from IMF and World Bank orthodoxy and one which could have enhanced the claimed 'uniqueness' of the Lomé relationship.

The reality of EU policy was, however, a different matter. Even though the Commission appeared to be trying to square the conditionality of adjustment support with Lomé principles of partnership, it was severely constrained in achieving this. On the one hand the Commission lacked the financial resources, the technical personnel and the support of member states to challenge World Bank leadership in the field (Stevens and Killick, 1989; Parfitt and Bullock, 1990). On the other hand, the Commission would not have been supported by many EU member states, which agreed with the World Bank approach. As the then British Overseas Development Minister, Chris Patten, claimed: 'It makes no sense to argue one course in Brussels and another in Washington . . . close coordination with the Bank will be vital. Indeed the quickest and most effective way to support recipients' macroeconomic reforms is to work alongside the Bank' (Patten, 1988).

Even at the level of policy statements and the wording of the Convention there were a number of caveats. The original Council declaration, while making claims to a flexible and pragmatic route, nevertheless committed the Community to ensure 'effective coordination between the Community, on the one hand, and the World Bank and the IMF, which play a leading role in the dialogue on adjustment, on the other' (Council of Ministers, 1988: 103). And while the Convention stated in principle that all ACP countries were eligible for adjustment support depending on the scope of reforms being undertaken, it also specified that 'ACP States undertaking reform programmes that are acknowledged and supported at least by the principal multilateral donors, or that are agreed with such donors but not necessarily financially supported

Table 2.1 *Adjustment funding from 7th EDF (Lomé IV, Part 1), situation at the end of 1996 in million ECU*

	<i>Total</i>	<i>From SAF</i>	<i>(% of SAF)</i>	<i>From NIPs</i>	<i>% NIP used</i>
Decisions	1,514	1,070	(95.5)	444.2	9.6
Payments	1,298	1,017	(88.0)	282.0	15.8

Sources: adapted from: CEC, 1997a; CEC, 1997b.

by them, shall be treated as having automatically satisfied the requirements for adjustment assistance' (Lomé IV, 1989: Article 246). Given that 'principal multilateral donors' clearly meant the IMF and World Bank, such a policy fell short of ACP demands for autonomy from the Bretton Woods institutions.

This ambiguity at the level of policy statements was further reinforced by the implementation of adjustment support in Lomé IV. By the end of 1996, a total of thirty-seven ACP countries had been allocated money in support of structural adjustment and nearly the whole SAF fund had been allocated (CEC, 1997a: 21). As can be seen from Table 2.1, 95.5 per cent of the SAF had been decided and 88 per cent disbursed compared with 75.3 per cent and 28 per cent respectively for programmed aid (NIP and regional aid).

According to Commission sources, all recipients had arrangements with the Bretton Woods institutions. By the time adjustment support was being implemented, even the Commission admitted that it provided 'de facto support only for World Bank or IMF programmes' (interview, Brussels, 15 May 1993). To the extent that negotiations were conducted with countries not in receipt of World Bank support, the Commission has claimed that it would undertake missions for 'mediation and facilitation to help countries without reform programmes with the Bretton Woods institutions adjust viably and in a coherent and palatable way *that would attract support from the main funders and international institutions*', thus using EU policy to help bring agreement between the recipient country and Bretton Woods institutions (CEC, 1992a: 20, emphasis added). It is not surprising that one commentator concluded that 'EC adjustment support is indistinguishable from that of the [international financial institutions], (Mailafia, 1996: 112).

Furthermore, the other Commission aim of protecting long-term, and nominally non-conditional, aid from the Convention was also only partially realised. The Commission had stated that 'The Community has always insisted that it would be wrong to convert the aid earmarked for long term development . . . into adjustment support' (CEC, 1992a: 16). However, aid instruments such as Stabex (compensation for falls in export earnings) and aid allocated through the project-dominated NIPs were used for adjustment support. Funds for adjustment support from the structural adjustment facility accounted for around 10.6 per cent of the total aid available under the seventh EDF but have been added to by NIP funds. Of aid decisions, 9.6 per cent of NIP

funds were diverted to adjustment support, rising to 15.8 per cent of payments by the end of 1996. If we assess total adjustment funds (the SAE, NIP and regional funds), then they represent 15.7 per cent of the decisions of the total EDF and 23.7 per cent for payments. In addition these figures indicate how much of the total ACP allocation of national and regional funds has been diverted to adjustment support. Given that not all ACP countries receive adjustment support, the amount of diverted funds for individual countries undertaking adjustment is likely to be considerably greater. This was, for example, the case in Zimbabwe, where up to 24 per cent of its NIP from EDF 7 was directed to its adjustment support programme (see Brown, 1999). It therefore suggests that, for those countries undergoing adjustment, the change in balance of use of aid towards adjustment in Lomé IV has been considerably more than the aggregate figures indicate.

In summary, the introduction of policies to support the process of structural adjustment represented an important reorientation of the EU's development policies and one that demonstrated a convergence with the dominant neo-liberal policies of the World Bank. The Commission initially claimed that, even despite this shift, the unique character of the Lomé relationship would endure. In practice there is little or no evidence that this was so. Instead, the introduction of support for structural adjustment has amounted to little more than simply lining up aid resources from the Convention behind IMF- and World Bank-led programmes.

Political conditionality

Almost before the ink was dry on the Lomé IV Convention, and certainly before its new conditionality could be implemented, further fundamental revisions to international donor aid policies were afoot. The changes that were introduced went under the broad heading of 'political conditionality'. In contrast to, or, more accurately, in an extension of, the earlier 'economic conditionality' of structural adjustment, now donors directed attention to more overtly political conditions over the receipt of aid. These conditions cover the distinct but related areas of 'good governance', 'human rights' and 'democracy'. Thus from 1989 to 1991 most major donor nations – such as the US, Britain, France, Germany and Japan – as well as donor institutions (including the World Bank and the EU) all declared an intention to link aid dispersals to recipient countries' domestic political situations, in particular favouring those undergoing 'political reform' (Nelson and Eglington, 1992; Baylies, 1995).

The new aid regime had three general objectives: improvement of governmental and administrative capacity in developing country states; the further spread of respect for universal and fundamental human rights in line with international law and international declarations; and the promotion of democratic structures, particularly multi-party elections. The shift in aid conditionality to these 'political' aims arose in response to a number of broader

international factors, including the end of the Cold War, increasing demands for political change from within developing countries and problems entailed in the existing 'economic' conditionality relationship. The precise focus of conditionality (whether on human rights, good governance or democratisation); the thoroughness with which conditionality was applied; and the importance of the different causal factors which lay behind this new aid modality, varied between different donors and at different times. For the World Bank, the focus of political conditions has been on issues of 'good governance' and particularly anti-corruption. In 1989 the Bank argued that adjustment needed to 'go beyond the issues of public finance' and that market reforms 'must go hand in hand with good governance' (World Bank, 1989: foreword, 1). In part this originated from its experience of implementing SAPs, particularly in Africa. In two major reviews of implementation of adjustment in Africa (World Bank, 1989, 1994), the Bank argued that while adjustment worked when properly implemented, too often this was not done either because states reneged on implementing reform programmes or did not implement the more politically difficult measures. The Bank thus argued for the need to improve the ownership of reform programmes in adjusting countries and to 'muster support among the interest groups that have most to gain from reforms' (World Bank, 1994: 15). Enhancing governance was seen as facilitating this process by making the reform measures taken more transparent and reducing the space for non-implementation (transparency would undermine attempts by elements within the states who sought to obstruct reforms). As such, the Bank recognised the continued role needed for a functioning and efficient state simply to carry out what were often very protracted, complex and demanding economic reforms. The earlier emphasis on reducing the scope of state intervention in the economy thus gave way to a concern to create lean and efficient administration. The Bank thus concluded, 'underlying a litany of Africa's development problems is a crisis of governance' (World Bank, 1991: 60).

These concerns have led to a variety of measures to support good governance which have included: support for policy formulation; institutional strengthening; reform of the civil service and reform and privatisation of public enterprises; anti-corruption measures; improvements in accounting, accountability and transparency; and strengthening the rule of law (Crawford, 1995). However, in a more negative vein, the Bank also warned, 'countries cannot expect an increased flow of foreign resources without undertaking the economic reforms necessary . . . and such economic reforms will probably not take place until the conditions for good governance are established' (World Bank, 1994: 15). Thus development assistance would, in the Bank's view, become conditional on commitments to good government.

The wider political issues of human rights and democracy have also been taken on board by the Bank but to a lesser degree. Within the good governance agenda, the Bank's focus has often been on tackling corruption, which not only results in wasted resources but also distorts the policy process. However,

this has direct political implications, for not only is corruption seen as bad for citizens' rights and freedoms, but enhancing those rights, and improving openness and accountability, are a key mechanism for reducing corruption. The problem for the Bank is that such actions are in danger of breaching its Charter, which specifies that 'the Bank and its officers shall not interfere in the political affairs of any member' (cited in Gillies, 1996: 120). The Bank's defence has been that its narrow concern with good governance defined as 'efficient administration' is driven by what is necessary for successful economic reforms. Its concern with 'politics' is therefore neutral and a product purely of developmental considerations (Williams and Young, 1994: 86–7; Gillies, 1996: 115–17). Thus, denying the political nature of the Bank, former President Barber Conable felt able to claim: 'Allow me to be blunt: the political uncertainty and arbitrariness in so many parts of sub-Saharan Africa are major constraints on the region's development . . . *I am not advocating a political stance here*, but I am advocating increased transparency, respect for human rights and adherence to the rule of law' (cited in Gillies, 1996: 115, emphasis original).

The Bank has been more circumspect over the issue of democratisation. Here it was donor states, which, in response to the fall of the Berlin Wall, made movement towards multi-party democracy a condition for former Eastern bloc states receiving aid resources. In response also to the rise of internal demands for democratisation in developing countries, the condition quickly spread to development aid. Democracy is an even more contested concept than human rights, the latter having the benefit of codification in several international declarations and treaties. As such, it is even more liable to be ruled out by the Bank's Charter. However, the Bank's 2000/2001 World Development Report, *Attacking Poverty*, noted that, while the relationship between democracy and economic growth was mixed, democracy was nevertheless 'intrinsically valuable for human well-being as a manifestation of human freedom' and that most non-democratic states performed badly in terms of economic growth and poverty reduction (World Bank, 2000: 112–13). Donor states, on the other hand, were more overt in maintaining democratic conditions as a key element of the new political conditionality, however uneven the practice (see Baylies, 1995; Olsen, 1998).

Overall, therefore, the early 1990s further broadened the extent to which aid would be conditional upon 'internal' actions and policies of recipient states. Alongside the existing demand for market-friendly development policies based on neo-liberal SAPs, the newer political conditionality was seeking to extend liberal democratic principles of open accountable administration, respect for the rule of law, respect for human rights and, to an extent, the promotion of democratic forms of governance into aid policies. As with adjustment conditionality, the EU's programme of development cooperation also moved in line with the global trend.

Political conditionality and EU–ACP relations

The rapid emergence of a new aid agenda, and the leading role played by EU member states in defining it, confronted the European Union with something of a problem as far as relations with the ACP countries were concerned. Political conditionality presented the same kind of challenges to the partnership ideals of Lomé as had structural adjustment conditionality. However, this time the new agenda came to the fore when Lomé IV had just been concluded and was in the process of being ratified. This meant that the ability of the Commission to adapt policy was limited by the terms of the new Convention. Furthermore, Lomé IV had a ten-year duration rather than the usual five, with only a limited review planned at the mid-term point. However, the EU was quick to respond to the new orientation of policy and pursued an activist interpretation of the terms of Lomé IV and a much more radical review of the Convention in 1995 than had been envisaged.

The EU's policy on political conditionality was formed in 1991 with a proposed resolution presented by the Commission to the May 1991 Council of Ministers (CEC, 1991). The proposals claimed that a series of changes internationally had enabled a higher profile for democracy and human rights in development policies. The member states, including Britain and France which had been vociferous in supporting the new policy line, approved the Commission's increased attention for the issue. In its meeting of 28 November the Council passed a resolution on 'human rights, democracy and development', the key Community decision on the issue (Council of Ministers, 1991a, 1991b).

The resolution promoted a common EU policy which would give a high priority in development policies to 'positive measures' to support human rights and democratisation, for example through supporting the holding of elections, creating democratic institutions, strengthening legal systems and promoting the role of NGOs (Council of Ministers, 1991b). Alongside this 'positive approach', the resolution also provided for negative sanctions, including suspension of aid to the developing countries concerned. It stated that, 'in the event of grave or persistent human rights violations or the serious interruption of democratic processes, the Community and its member states will consider appropriate responses'. These would include 'confidential or public démarches as well as changes in the content or channels of cooperation programmes and the deferment of necessary signatures or decisions in the cooperation process or, when necessary, the suspension of cooperation with the States concerned' (Council of Ministers, 1991b: 13).

The compatibility of this new line with the existing text of the Lomé agreement was problematic as Lomé contained no explicit statement of political conditions as such. However, Lomé IV did include a new version of Article 5 which stated (for the first time in EU–ACP relations) that development cooperation 'entails respect for and promotion of all human rights' and that 'development

policy and cooperation are closely linked with the respect for and enjoyment of fundamental human rights'. Despite its broad terms, the Commission maintained that Article 5 of Lomé IV permitted, in the light of the new Commission policy, a much more active application of human rights and democratic conditions within Lomé (interview, Brussels, 25 May 1993). Indeed the Commission used Article 5 as a reason and justification to act against several ACP countries where it felt human rights or democratic processes had been violated, including the unilateral (and it is claimed, illegal) suspension of aid (see Arts, 2000 for an extended discussion; also, European Research Office, 1994a). In addition, the EU pursued positive measures including support for election processes in seventeen ACP countries and the sending of observer missions from the European Parliament and the ACP-EC Joint Assembly (ACP-EEC Joint Assembly Working Party, 1994; European Research Office, 1994b). It also actively encouraged utilisation of elements of Lomé aid which supported building the 'democratic fabric' in ACP countries, such as decentralised cooperation based on building relations with NGOs and other civil society bodies (Laidler, 1991).

However, the mid-term review of Lomé IV offered the opportunity to specify the new conditionality less equivocally and became the primary objective of the EU in the negotiations. Respect for human rights and democratisation thus became an 'essential element' of cooperation with the ACP in an amendment to the existing Article 5. The Convention could now be suspended 'in part or as a whole' in relation to countries where there were serious human rights violations or interruptions of the democratic process, for 'Respect for human rights, democratic principles and the rule of law . . . shall constitute an essential element of this Convention' (Lomé IV-bis, 1995). The mechanism for suspension of aid provided for consultations prior to any action being taken although it left open the possibility for the EU to act unilaterally if it saw fit (Lomé IV-bis, 1995: Article 366a, 2). The revision of Lomé IV also included a series of measures to promote human rights and democracy, such as promotion of decentralised cooperation, the creation of a special fund or 'incentive envelope' for institutional support for democratisation and good government in the ACP states (worth eighty million ECU) and a new requirement that unelected government officials could only attend the ACP-EU Joint Assembly with the prior agreement of the Assembly (Lomé IV-bis, 1995: Article 32).

The changes to EU development policy constituted a forthright adoption of the new aid agenda. Commissioner for development Manuel Marin underlined this by declaring boldly that, 'In the past we gave support to the likes of Amin, Bokassa or Mobutu. That will never happen again' (*Guardian*, 10 September 1993). Commission policy on adjustment support was at least partly constrained by member states which wished to ensure that the EU did not seriously stray from IMF and World Bank leadership. However, the policy on political conditionality was enthusiastically supported by member states which, at least rhetorically, supported a stronger and more far-reaching con-

ditionality than the World Bank was able to pursue. In fact, both the Commission and member states have been less hesitant in promoting the obviously political aspects of the new aid regime. The shift in policy was also facilitated by the changes underway in the ACP states, many of which were undergoing democratisation processes, giving at least some support to the changes from the ACP side. Furthermore, the principle that conditions could be attached to Lomé aid had already been conceded in the Lomé IV negotiations.

The 1990s therefore saw an extension and entrenchment of the principle of conditionality with a much broader range of criteria that recipient countries had to fulfil in order to receive aid. For the Lomé aid regime, it was a further indication of the extent to which the EU's development policies were becoming intimately bound up with the wider international trends in North–South relations. The differences that were discernible between EU and World Bank policies on political conditionality owed more to the constraints on World Bank policy than to the special character of the EU approach. Furthermore, while adjustment conditionality had been limited in its impact on Lomé aid by leaving in place substantial parts of the 'traditional' aid provision, political conditionality potentially applied to the entire Convention.

Together, the twin objectives of conditionality sought to enhance a process of liberalisation in developing countries. Initially focusing on the economy, adjustment conditionality elevated a market-friendly approach to development and economic policy together with a liberal, law-abiding, non-corrupt and possibly democratic state that respected human rights as a model and basis for all subsequent development efforts. The Lomé Convention encapsulated this well, terming such features 'essential elements' of development cooperation. But donor policies have continued to evolve and have centred on two areas: an ongoing concern with producing what donors see as the necessary 'policy environment' for development, and a revitalised interest in poverty reduction as the goal of aid policies.

A post-Washington consensus era?

The late 1990s saw further and substantial changes in donor policies which affected both the process and aims of development cooperation. In terms of process, the limitations of conditionality as a means by which to get developing countries to create the kind of policy environment that donors wished to see, had become increasingly apparent. In its place donors sought greater developing country ownership of reforms and the formation of relations based on 'partnership'. In terms of aims, donors gave increased attention to poverty reduction as an overriding goal while maintaining an adherence to the liberal market-friendly approach to development and economic growth. The changes in donor policies that resulted led some to talk of a 'post-Washington consensus era'. While we will not address this claim directly, it was in the context of these shifts that the EU and ACP negotiated a new Partnership Agreement to

succeed the Lomé Convention. We therefore do need to sketch the major features of change in the general aid picture before again assessing how far the new Partnership Agreement reflects or departs from these wider trends.

In terms of the aims of development aid, the late 1990s saw the emergence of a consensus among many donors on poverty reduction as a, if not the, main goal (OECD, 1996, 1999). Initiatives by the OECD and World Bank built on a series of UN-organised international conferences in the 1990s which created broad-ranging international support for a range of development aims. These included the declarations resulting from the Rio UN Conference on Environment and Development in 1992, the Vienna Conference on Human Rights in 1993, the Cairo Conference on Population in 1994, the Copenhagen Conference on Social Development in 1995, and the Beijing Conference on Women and Development in 1995. A series of international development targets were then defined and outlined by the OECD. They included the aim of a reduction by half of the numbers in extreme poverty by 2015 as well as various targets for health and education provision, removing gender inequality and moving towards sustainable global development (OECD, 1996). The shift was exemplified by the Wolfensohn Presidency of the World Bank from 1995 which forcefully re-emphasised the aim of poverty reduction in Bank policies. Even the IMF, whose focus on financial stability precluded poverty reduction becoming an overarching goal of its policies, nevertheless adopted some of the new agenda, replacing its concessional lending fund – the enhanced structural adjustment facility – with the poverty reduction growth facility (PRGF) in 1999 (IMF, 1999a).

In terms of the process of aid delivery, there was also an attempt to shift away from the confrontational dialogue on aid that adjustment conditionality had often produced. Strict and detailed policy prescriptions agreed to (but not necessarily implemented) in advance of the release of funds had been the basis of both the Bank and Fund lending. As we have seen, these also came to dominate decisions of other donors. Nevertheless, now the Bank claimed starkly that conditionality ‘generally does not work’ (World Bank, 2000: 10.8). Such claims stemmed from many of the issues that had come to the fore in Bank consideration of the successes and failures of adjustment programmes in the early 1990s (World Bank, 1994). Then it was argued that where adjustment was implemented fully it produced the desired results, but in too many cases and for various reasons adjustment programmes simply were not implemented. As we have seen, factors such as these contributed to the burgeoning focus on governance. However, by the late 1990s the Bank was rejecting the strategy of conditionality as a means of achieving ‘good policies’. Instead it was claimed that ‘ownership is essential. Countries must be in the driver’s seat and set the course’ (Wolfensohn, 1999: 9). Also, ‘policy conditionality works best where there is robust government ownership of the reform programme’ (IMF/World Bank Development Committee, 1999: 20). And, more broadly, ‘Development cannot be donor driven . . . We must learn to let go’

(Wolfensohn, 1997: 2). The Bank thus argued for 'partnerships' with developing countries in which the Bank was to facilitate the recipient country in reaching and implementing good policies which they had formed after a process of inclusive and open consultation with internal and external actors (Wolfensohn, 1999: 21–31).

This move towards partnerships was also reflected in the adoption by the Bank of a 'comprehensive development framework' (CDF). The CDF sought to outline a basis for partnership between the various 'actors in development', including donors, recipient states and civil society groups (Wolfensohn, 1999). As such the CDF proposed a matrix within which the aims, arenas of action and actors in the development process could be located. It also envisaged a process whereby 'internal' consultations between government and civil society would lead to recipient-defined development strategies that could then be supported by partnerships with donors. The CDF proposal also emphasised the complementary roles of the IMF and the World Bank, with the Fund taking its traditional responsibility for issues of macroeconomic stability and the Bank's arena of action in social and structural areas (Wolfensohn, 1999). This division of labour between the two organisations, which had become somewhat blurred with the joint funding of adjustment programmes, was pursued in coordination with the IMF and included the specification of responsibility for monitoring different areas of conditionality (IMF, 1999a; IMF/International Development Association, 1999).

Nowhere were the new directions in aid policy more evident than in the adoption of the 'highly indebted poor countries' (HIPC) initiative. The HIPC scheme arose from widespread calls for debt reduction for the poorest countries and covered both the areas of change we have identified; that is, the status of conditionality and the goal of poverty reduction. The scheme was launched in 1996 and entailed debt write-offs for the poorest countries that had proven records of implementing IMF and World Bank adjustment programmes. In the summer of 1999 the HIPC initiative was accelerated when speedier routes to debt relief were agreed by the Group of 8 industrialised countries. In order to ensure that funds released by debt relief contributed to development, and in line with the Bank's twin-track conceptualisation of aid policies, debt relief was conditional upon *both* adherence to macroeconomic stability under IMF guidance and the creation and implementation of programmes through which poverty reduction would be achieved in recipient countries. Debt relief therefore centred on the adoption both of letters of intent in the traditional manner of adjustment programmes and of 'poverty reduction strategy papers' outlining how specific poverty reduction targets would be reached (see IMF, 1999a; IMF/International Development Association, 1999; IMF/World Bank Development Committee, 1999).

By the end of the 1990s, therefore, both the *content* of aid policies and the *process* of allocating aid seemed to have changed. On the former, specific poverty reduction strategies existed alongside more familiar and orthodox

macroeconomic policies. On the latter, the aim of partnership replaced the conditionality demands made by donors. As such these shifts represent some serious rethinking of aid policies. However, the change in the Bank's stance remains qualified in a number of ways. Firstly, there are potentially serious conflicts and tensions between the two elements of the new aid policy – macroeconomic stability and poverty reduction. The Bank recognised that while there existed a high degree of donor agreement on the broad parameters of what constituted 'good policies', there remained a host of options over the precise details (World Bank, 2000: 192) and that universal uniformity in development strategies was undesirable (World Bank, 2000: 194). However, both the World Bank and the IMF concurred, in a manner entirely consistent with the earlier neo-liberal stance, that the policies needed to enable broad based growth will generally include measures to ensure macroeconomic stability, appropriate fiscal and exchange rate policies and financial sector development' (IMF/World Bank Development Committee, 1999: 7). The two organisations underscored the need for macroeconomic stability in launching the revitalised HIPC in 1999 (IMF, 1999b). Indeed, adherence to an ESAF (now PRGF) programme is a condition of progressing through the HIPC scheme and has been a major obstacle preventing more countries benefiting from it.

Furthermore, while social sector policies aimed at poverty reduction are conceived as accompanying such adjustment-oriented macroeconomic policies, little attention is given to the tensions that may thus arise. For example, the IMF noted the need to ensure that poverty reduction measures did not have a negative macroeconomic impact, that they would be funded in a non-inflationary way and, in a clear echo of the earlier policy era, that they did not lead to undue 'crowding out' of the private sector (IMF, 1999a, 1999b). Indeed, the new division of responsibilities kept a clear role for the IMF in ensuring that the macroeconomic criteria were met by the recipient in jointly funded programmes (IMF, 1999a). Given that adjustment programmes had in the past often resulted in cutbacks to social policy areas which are now seen as more important (e.g. education, health, social safety nets), there is clearly a potential danger that poverty reduction will become an add-on to macroeconomic reform and will be pursued only where the macroeconomic situation allows. Indeed, there is some evidence that on the ground poverty reduction aims are less important to the Bank than in its central policy pronouncements (OECD, 1999).

Similar tensions arise with respect to the purported move away from conditionality. While the Bank wished to get away from cajoling reluctant governments to adopt policy measures that they did not like, rightly recognising the limitations of such a relationship, it is definitely not proposing non-conditional aid. In its World Development Report of 2000/2001, *Attacking Poverty*, the Bank argued that in a context of declining aid flows and the rising importance of private capital flows to the richer developing countries, development aid should be concentrated on countries with high rates of poverty

and effective policies and institutions (World Bank, 2000). The mechanism for ensuring this was to be found in an *increased* emphasis on selectivity of aid allocations based on the policy choices of recipient governments (World Bank, 2000). To a large extent, however, this is simply wishing away the problem of conditionality which consists of some divergence in views between the donor and recipient as to what constitutes good policy. As the OECD noted, 'A key constraint [to the proposed partnerships] is the shortage of governments or even sectoral ministries with both the commitment and the capacity to move into "the driver's seat"' (OECD, 1999: xxiv). Granted, some states in the developing world, including the 'star performers' such as Uganda, have taken on board Bank-approved 'good policy' stances relatively wholeheartedly and have either faced little internal opposition or overcome it. But even the Bank recognises that some may continue to decide not to choose 'pro-poor policies' (World Bank, 2000). Here selectivity – the focus of development aid on those that have chosen good policies – comes in as a way to ensure good money is not sent after bad into a 'poor policy environment'. However, given that donor preferences are known, and given a certain amount of fiscal desperation on the part of developing countries (see Harrison, 2000), governments may 'voluntarily' choose policies that they know will meet donor approval and the appearance of developing country ownership may in fact hide a more familiar picture of conditionality. As Hanlon (2000) identified in Mozambique, the desire to remain on board the HIPC train has impacted significantly on internal government policy and decisions taken by the national Parliament have been in conflict with detailed policy prescriptions of the Bank and Fund. Indeed, the HIPC initiative is explicit in stating that while there may be a need for long-term aid support, 'this does not mean non-conditional pre-committing of resources but it does imply a long-term framework for consistent graduated support to countries based on the level of policy effort' (IMF/World Bank Development Committee, 1999: 18–19). Therefore, in some ways, underlying the argument that conditionality does not work is in fact a rigorous conditionality that requires the demonstration of good policies and the realisation of output and impact targets *before* donor funding. This strategy is clearest in the HIPC initiative, where several years of adjustment and the agreement and implementation of a programme of poverty reduction are required before debt is reduced (IMF/World Bank Development Committee, 1999).

To summarise, the changes in Bank policies (and those of donors more generally) entail an expansion of the policies desired of recipient countries to include poverty reduction aims alongside more familiar macroeconomic and good governance goals. In addition it is hoped that these can be pursued in partnership with recipients which wholeheartedly support such aims. As we have noted, these attempts to move beyond the Washington consensus are complex and problematic. Such changes also have important implications for the EU's relationship with the ACP countries and the Lomé Convention itself was due for renewal in 2000. We now need to ask to what extent this evol-

ing aid policy environment is reflected in the Cotonou Partnership Agreement with the ACP countries.

The ACP–EC Partnership Agreement

As we have seen, EU development cooperation underwent substantial changes during the lifetime of Lomé IV which resulted in a much closer alignment of the EU's development policies towards the ACP countries with the wider trends in donor–recipient relations, in particular as defined by the World Bank. Nevertheless, by the time Lomé IV was due to expire in 2000, the EU sought a more thorough reorientation of development cooperation. Indeed, the impression that the Commission had saddled itself with a Convention whose time had passed had been around for some time. As early as 1992 a Commission document on the future of development cooperation argued that 'the Convention's machinery is only partially suitable for the type of negotiations with governments which now seem to be necessary' (CEC, 1992b: 73). And substantial though they were, the changes introduced in 1995 did not go as far as the Commission had hoped. In launching a consultation process prior to the re-negotiation of the ACP relationship, the Commission made it clear that a simple renewal of the Convention was not on the table and even raised the possibility of an end to the ACP as a unified group, an end to Lomé trade relations, a new political relationship and a fundamentally reordered aid relationship (CEC, 1997c). The further shifts in World Bank and donor policies that we have detailed above merely added to the Commission's and member states' desire to yet again recast relations with the ACP countries. A new agreement was struck with the ACP states in February 2000 and signed in Cotonou, Benin in June (Partnership Agreement, 2000).

The Cotonou Agreement is based on four areas of change: restatement of the political principles of the relationship; agreement and definition of the central aims and objectives of development cooperation; new aid procedures; and a new trade relationship. In each area, the changes introduced further demonstrate the closeness of approach of the EU and World Bank in the twenty-first century. We will survey the first three of these areas. The fourth, trade, will be analysed in the next chapter.

From an early stage the EU was intent on establishing key political principles as the basis for future cooperation with the ACP countries. In its consultation paper on the future agreement, the Commission stated: 'The colonial and post-colonial period are behind us and a more politically open international environment enables us to lay down the responsibilities of each partner less ambiguously' (CEC, 1997c: vi). The new Partnership Agreement thus restates and reinforces the political conditionality present in the revised Lomé IV: 'Respect for human rights, democratic principles and the rule of law, which underpin the ACP–EU Partnership, shall underpin the domestic and international policies of the Parties and constitute the essential elements of this Agreement' (Partnership Agreement, 2000: Article 9). Serious breach of any

of these would constitute grounds for suspension of cooperation. The vaguely worded clause allowing 'appropriate measures to be taken' (Article 96) leaves open the possibility of unilateral suspension of the agreement by the EU. In an extension of the political conditions on cooperation, a new commitment to good governance and anti-corruption was also included, much against the ACP's wishes. In defining good governance, the emphasis is on anti-corruption as a central issue. While Cotonou specifies good governance as a 'fundamental element' rather than an 'essential element', it leaves open the possibility of suspension of cooperation by the EU in cases of serious corruption (Articles 9 and 97). While much of this agenda had been central to ACP-EU relations through the 1990s, as we have seen, the re-emphasis on political conditions and the new and controversial extension to include specific targeting of corruption are clearly in line with the World Bank's central concerns.

Secondly, the Cotonou Partnership Agreement also follows the wider trends that were highlighted above in its specification of the aims of development cooperation. As with the World Bank and other donors, the reduction of poverty is defined as the 'central objective of ACP-EC cooperation' (Article 19). The Agreement also makes specific reference to the various UN conferences and the international development targets detailed above (Preamble and Article 19). In addition, the new agreement incorporates the EU's own development aims (which originated in the Maastricht Treaty) of integration of developing countries into the world economy, reducing poverty and the political principles detailed above. Thus, although the declaration that ACP states have the right to define their own development priorities 'in all sovereignty' remains (Article 2), this now exists alongside, and it is implicitly assumed by the agreement to be in accord with, the wider consensus on the aims of development cooperation.

As with the Bank's commitment to poverty reduction, the Cotonou Agreement also posits this new emphasis on poverty reduction alongside the by now well-established funding of adjustment and macroeconomic reform. As with Lomé IV practice, such funding is to be granted automatically to ACP states undertaking reforms that are 'supported by the principal multilateral donors' (Article 67). However, in an indication of the extent to which macroeconomic reform has come to dominate aid programmes, there is no separate financial envelope for adjustment, the funds for which can now be drawn from the aid package as a whole. It is worth remembering that at the time of Lomé IV, the Commission was at pains to claim that 'long-term development aid' was kept separate from adjustment support. In the Cotonou Agreement, the whole aid budget is referred to as 'the envelope to support long-term development' (Annex I) and in principle virtually all of it may be used, if so desired, to support adjustment programmes. Also like the Bank and Fund stance, potential tensions exist between the aims of poverty reduction and the more orthodox and familiar aims of macroeconomic stability, the latter defined as 'disciplined fiscal and monetary policies that result in the reduction of infla-

tion and improve external and fiscal balances' (Article 22). Again, whether these aims have priority over, or are assumed to be serving, the newer aims of poverty reduction will be a key test as to whether the EU too has moved beyond the Washington consensus.

Finally, the Cotonou Agreement parallels the Bank over the issue of aid process. As we saw above, the Bank was trying to move beyond conditionality towards partnerships and selectivity in deciding allocations of aid. Here Cotonou makes significant changes from past practice. Previously (until the revision of Lomé IV) the Commission would announce the allocations to each individual ACP state from the overall aid budget and that amount (the National Indicative Programme) represented a contractual agreement of funding. This was modified slightly in the revised Lomé IV so that only 70 per cent of aid resources were thus allocated and the remaining 30 per cent would be allocated depending on the performance of each ACP state in utilising the first tranche. The Cotonou Agreement extends this change by introducing a new aid procedure (Annex IV). In a manner reminiscent of the poverty reduction strategies of the HIPC initiative, the aid process begins with the definition of a 'country support strategy' (CSS) to which the EU will allocate an initial aid amount. The progress of this will be reviewed in a two-yearly cycle with future allocations dependent on the 'performance' of the recipient state in implementing the CSS. Also like the Bank's new approach to ensuring good policies, EU aid will be allocated selectively, rewarding those ACP countries that most clearly demonstrate adherence to the newly defined priorities and implicitly penalising those that do not. In this the Commission sought to increase the ACP ownership of development cooperation and 'put an end to the cynical and basically dishonest behaviour of countries which respect the letter of conditions imposed in their adjustment programmes in order to get their hands on the money while refraining from any real, in depth reform' (CEC, 1996: 43). Again as with the Bank, the extent to which this really does move beyond conditionality is a moot point. The OECD noted that 'Selectivity is seen as affording some leverage over policies through the gentler and more effective means of on-going dialogue about implementing shared principles' (OECD, 1999: xxiii) but the reality may still be the release and withholding of funding dependent on the policies adopted by recipient governments. As with the Bank's general stance and the HIPC initiative in particular, it thus, if anything, makes conditionality tougher by rewarding policy performance rather than policy promises.

This new aid agenda is almost certainly going to have a significant impact on the provision of aid under Cotonou. Even before the Agreement, the World Bank's Poverty Reduction Strategy Paper (PRSP) had impacted on the Commission's support for adjustment programmes. Now, in the words of Commissioner for Development Poul Nielson: 'support for endorsed PRSPs should over time become the central focus of Commission country strategies' (Nielson, 2000). While such an intent, and the focus on a rolling programme and policy

performance, indeed demonstrate very clearly the extent to which the Partnership Agreement has been formulated with the new aid agenda in mind, the issue may pose some familiar problems for the Commission. For while the Commission and Bank are if anything closer in terms of their rhetoric (a comparison of the Partnership Agreement and the Bank's *Attacking Poverty* report shows a shared emphasis on partnership, policy performance, poverty reduction, recipient ownership of reforms, and so on), the World Bank routinely fails to live up to its rhetoric in practice. Indeed, Commission assessments of PRSPs note a series of problems with the design and practice of particular PRSPs. Some of these relate to the operation of the HIPC scheme itself in terms of the criteria for decisions about which countries qualify and which do not (and which PRSPs are endorsed and which are not). However, it also recognises that the Bank still often operates in terms of the old agenda of prescribing detailed policies to recipient governments which undermine any aim of recipient ownership, tend to prioritise old-style macroeconomic reforms and sideline any consultations which may have taken place between a government and its civil society (CEC, 2000). Indeed, the Commission notes how consultations between the government and civil society in the formation of an 'endorsed' PRSP in Burkina Faso involved one seventy-five-minute meeting between government and NGOs (CEC, 2000). The problem for the Commission is what it will do when support for an endorsed PRSP means support for a PRSP that it sees as seriously flawed. Will it, as it did with adjustment programmes, ultimately defer to World Bank leadership? Or will it have the where-with-all and political support from member states to influence the implementation of the HIPC scheme and the formation of PRSPs in ACP states? The answer will be a crucial test of the uniqueness of the aid provided under the Cotonou Partnership Agreement.

Conclusion

This chapter has sought to outline the parallels between the EU's development policy in its relationship with the ACP countries and the wider trends in donor aid policies, those of the World Bank in particular. We have seen how the development cooperation agreements with the ACP countries have been periodically modified since the mid-1980s. These changes resulted in the undermining of the claims of the EU or ACP to have a unique development cooperation relationship. First with adjustment conditionality, then with political conditions, and most recently with the definition of new aims and processes for aid, the ACP-EU relationship has moved towards an ever closer uniformity with the wider aid policy environment, particularly as embodied in the policies of the World Bank.

For the EU's development policy this poses some key problems. For many years, there was both the political space and the political will on the part of the EU to engage in a relationship with the ACP states that departed from the

more general North–South relationship in limited but important ways. The experience of change in that relationship detailed above has shown this to be no longer the case. While in some ways it is inescapable for the EU's development programme to have to respond to changes in this wider, international picture and, given its importance, to the specific policies of the World Bank, there appears to have been little initiative to do this in any way that departs significantly from Bank practice. The claim to provide an alternative approach to adjustment conditionality in the 1980s amounted to little in practice, as we have seen. In part this reflected constraints on the Commission as an aid donor in terms of limits of personnel, policy-making capacity and financial clout. But it also reflected the more significant political limitations imposed by member states. Since the original Lomé I agreement they have given little support to the further development of a unique EU relationship with the South. Given that many member states are both key proponents of the kinds of policy that have been pursued at the global level, and are important and influential members of the World Bank, this is not surprising. However, if the EU's relationship with the ACP countries offers nothing significant that is distinctive from other multilateral and bilateral sources, then it does beg the question as to the purpose and rationale for such an elaborate and extensive development cooperation programme.

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