

## **The EU Code of Conduct for Complementarity and Division of Labour in Development Policy**

### **Consequences for the activities of Non-Governmental Organisations from the perspective of VENRO**

#### **Foreword**

One of the key results of Germany's EU Council Presidency was the European Union Council's adopting the EU Code of Conduct for Complementarity and Division of Labour in May 2007. Its thrust can be brought under the following common denominator: In future, fewer donors are to be active per country and per sector. The German Federal Ministry for Economic Cooperation and Development (BMZ) has since reduced the number of partner countries from 95 to 58.

The non-governmental organisations (NGOs) are calling for more efficiency through the implementation of the three "Cs" – co-ordination, complementarity and coherence – in the Maastricht Treaty of 1993. Division of labour and the principle of coherence also figure prominently in the European Consensus on Development (2006).

The concentration on countries and sectors stated in the Code of Conduct, which clearly includes positive aspects with regard to lessening the workload of partner countries, bears risks in terms of the autonomy and independence of NGO activities.

These risks above all have to be seen in connection with other developments in the international aid structure, such as more budget financing and a deterioration of the political framework for NGO activities at European level. This is reflected in the more and more widespread use by the European Union of the unspecified term "non-state actors" as a description of civil-society protagonists.

The VENRO members have discussed the Code of Conduct and assessed its consequences for NGO activities.

## **1. No effectiveness without coherence**

The objective of the Code of Conduct to create more efficiency in development co-operation via an increased division of labour among the donors is basically welcomed. Avoiding the duplication of efforts in the concentration of countries and sectors reduces the workload of partner countries while saving transaction costs. The availability of the Code of Conduct for non-EU members should also be given a positive appraisal compared to earlier initiatives.

From the NGO perspective, poverty eradication and the achievement of the Millennium Development Goals (MDGs) represent a measure of the effectiveness of government development co-operation (DC). The Code of Conduct establishes this as a reference frame.

However, more effectiveness in DC cannot be achieved without improved coherence. In this respect, the NGOs are critical of the Code of Conduct because it focuses on issues of the division of labour, while its overall approach tends to be of a more technical nature. But applying the principle of coherence above all demands political determination. Only procedural progress can be seen in this respect (ongoing work programme and bi-annual report of the European Commission on the implementation of the coherence principle). So progress in selecting and reducing country focuses can therefore not necessarily be traced back to a better co-ordination and assessment of comparative advantages, but may serve other objectives, such as pure foreign policy or foreign trade interests, and not be beneficial to poverty eradication. This is currently reflected in the French Presidency's move to create greater links between the areas of migration and development and concentrate DC on those countries that a particularly large number of migrants originate from.

What also remains unclear is how “development orphans and darlings” can be avoided. The Code of Conduct does not state who decides in a case of conflict. The same applies to sector concentration. From the angle of civil society, the interests of partner countries are insufficiently considered here.

### Demand

Coherence aspects in the sense of a pro-poor development policy ought to play an important role in initiatives on the division of labour and on co-ordination. It has to be ensured that the process of a division of labour is not dominated by security, economic and trade policy interests.

## **2. Democratic ownership requires the participation of civil societies**

The Code of Conduct's emphasis on the partner countries being in charge of forming the process is welcome.

However, two risks arise here. There is a danger of the process being steered from Europe owing to the partner countries' lack of capacities, while the insufficient integration of the

parliaments in the partner countries as well as civil societies in the North and the South suggests that it is a top-down approach.

Like the Paris Declaration, in the context of which it has to be viewed, the Code of Conduct addresses the governments of the donor and recipient countries and does not consider contributions from, or impacts on, their civil society actors. But poverty-reducing development strategies require proximity to the grassroots level and cannot be implemented without the active involvement of civil societies in the North and the South.

Moreover, the Code of Conduct fails to address how the cross-sector topics of gender, human rights, sustainability and civil society are to be implemented in terms of content, programme and project.

#### Demand:

The aims of the Code of Conduct are ambitious, but achieving them is based on voluntariness. In order to ensure a greater orientation on poverty eradication and guarantee that the Code of Conduct does not impose any restrictions on NGOs but supports them, VENRO demands more transparency in implementation as well as a better information and integration of North and South NGOs. This also applies to monitoring and evaluation processes in particular.

### **3. Maintaining the right to initiative and the independence of NGOs**

The BMZ stresses that the Code of Conduct on the division of labour has no direct impacts on NGO activities. Thus it ensures that NGOs are also supported in unlisted countries. Here however, it is not enough to refer merely to the German national level.

In this context, it has to be borne in mind that the framework conditions for North and South NGOs vary considerably among their respective countries. The current developments in Ethiopia or Zimbabwe, which are considerably restricting the activities of local and international NGOs, highlight this. In various southern and eastern European countries, especially the new EU members, civil society is often in a weaker position.

It is particularly the European Commission's practice of allocating funds that has curbed the scope for action of NGOs over the last few years. In recent years, the right to initiative of NGOs has been restricted in the framework of the "call for proposal" procedure. The delegations in the partner countries set sectors and regions. With the new thematic programme of "non state actors and local authorities", the European NGOs have lost even more scope for action and have become even more of an accomplice for European policies. The term "non-state actors" is particularly problematic. It encompasses not only charitable social organisations but also enterprise associations and consultancy firms.

Demand:

Country and sector concentration must not result in a further restriction of the activities of NGOs. The right to initiative and the independence of NGOs has to be maintained, accepted and appreciated.

**4. Plurality as an asset of civil society development co-operation**

NGOs co-operate with partner organisations. Their counterparts are not the governments. A functioning democracy is reflected in a pluralistic and heterogeneous civil society. This is why criteria of the division of labour at government level cannot be applied to civil society. Greater effectiveness of civil society DC is being globally discussed and promoted in the run-up to the Accra High Level Meetings and, beyond this, by the NGOs.

Demand:

What needs to be appreciated is that the Code of Conduct criteria cannot be transferred to NGO activities. Plurality and heterogeneity need to be appreciated and accepted as assets.

Bonn, 24<sup>th</sup> July 2008

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*VENRO is a voluntary union of 116 non-governmental organisations that act as executing agencies of private or Church development co-operation, emergency relief and development education, public relations and lobbying.*