EUROPEAN UNION DEVELOPMENT POLICY
AND THE ISSUE OF EFFECTIVENESS

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Abstract. The principal motivation behind the present study comes from the observed increased interest among students and academics in identifying and implementing functional solutions for the issue of efficiency and good value for money. Within the general field of development projects the project dealing with HRD (Human Resources Development) is the most problematic, being difficult to evaluate in terms of real achievements (not necessarily outputs). In the case of infrastructural projects or agricultural development projects, the results and outcomes are there, visible and immediate. In the case of qualification programs, twinning programs, information and consultation the effects are difficult to measure as the effects are visible only in a medium or long term perspective. Who can appreciate the quality and outcome of most information events like academic conferences? Who can accurately and convincingly measure the real results and effects of an EU Center or a Jean Monet Chair founded by EU?

Keywords: International Academic Exchanges, Development Studies, European Studies, European Governance, EU Technical Assistance, European Union Development Programs.

The purpose of this study\(^1\) is to provide the academic community with an insight into the overall issue of efficiency within EU Development policies and assistance for development. The principal motivation behind the present study comes from the observed increased interest among students and academics in identifying functional solutions for the issue of efficiency and good value for money. Here the main aspects to be analyzed are the conditions of programming, designing and implementing functional good development projects.

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\(^{1}\) This article express some thoughts coming from various EU related teaching experiences as visiting professor in China (Jinan University), Singapore (National Singapore University), Korea (Pusan National University).

Among other motivations I can identify:

The projects are the cutting edge of European Union’s development programs and academic attempts to analyze, debate and propose solutions for the functional weaknesses identified in the implementation of EU financed development projects are still scarce.

In general, effectively implementing development programs through projects is one of the most difficult tasks for any practitioner as it makes the difference between rhetorical policy and real policy.

This article consists of three parts, first addressing some general considerations regarding development policies and EU’s Development assistance through projects. The second part will analyse some of the functional problems involving the so called Twinning projects (one of the main features of the EU’s development assistance for institutional infrastructure and administration) and the Human Resources Development projects. The third part is an attempt to address the issue of the EU’s development policy in the form of academic exchanges. Here I will discuss some of my direct experience as an exchange professor in an EU financed academic exchange program in Korea.

Often the existence of funds and sound policies is taken as a guarantee for positive changes and development especially in certain domains in which the results are difficult to measure and evaluate in a short and medium term perspective (such as human resources development). For instance, the existence of funds is a necessary, but not a sufficient condition of achieving real tangible results or positive changes on the ground.

The implementation of development policies is often affected even at the design and programming stage by the lack of specific recommendations mirroring the lack of detail specific feasibility studies for specific countries, sectors and regions. Ability and skill in the authorities in charge with implementation of the projects is essential. However, real in-depth evaluation of administrative capacities is rare and often politically uncomfortable. In some cases European Commission feasibility studies for reasons of a kind of political courtesy avoid potentially offensive formulas and conclusions which may prove to difficult to digest by policy makers and officials. There is always an instinctive tendency to generalize and apply previous experiences obtained in different political, economic and cultural environments. It is wise and normal to use past experiences but with the necessary precautions and not turning a blind eye at local specificities. Previous enlargement experiences were not of much use for the European Commission when it came to the integration of the Central and East European Member States, and the actual accumulated experience with Central and Eastern Europe must be used with care and taken into account specifically when development policies designed for the European Eastern Area or South East Asia are evaluated.

There is also a noticeable tendency to build an entire consultancy school concerned with lessons from Europe for regionalism in other parts of the world especially in Asia\(^2\). No doubt, the EU went further and probably more successfully

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than anyone else in the direction of regional integration and it can provide an interesting laboratory for other regions on what may or may not work. However, *Comparatism* must be used with caution and never as a substitute for local detailed knowledge and data. Asia and the Middle East are not Europe\(^3\).

**Main Methodological Problems Encountered**

Development issues are debated nowadays in many articles mostly from a theoretical perspective, and *grass root* experience coming from direct practitioners is rather rare. In order to access empirical evidence, (apart from personal experiences) the most advisable sources would be the official evaluation reports for those with the patience, nerves and skills to decipher the highly technical language or to read *between the lines* in the reports whose language is too aseptic. Also, within the general field of development projects the project dealing with HRD (Human Resources Development) is the most problematic, being difficult to evaluate in terms of real achievements (not necessarily outputs). In the case of infrastructural projects or agricultural development projects, the results and outcomes are there, visible and immediate. In the case of qualification programs, twinning programs, information and consultation, the effects are difficult to measure as the effects are visible only in a medium or long term perspective. Who can appreciate the quality and outcome of most information events like academic conferences? Who can accurately and convincingly measure the real results and effects of an EU Center or a Jean Monet Chair founded by EU? The number of conferences, academic articles, visiting scholars or graduates, are not results as such but rather outputs whose results ideally would be a significant increase in the number of EU related experts, increased economic and cultural relations, better administrative procedures and more effective public policies. However these results are visible only in a long term perspective and are always questionable as far as the attribution cause and effect is concerned.

The interests of the professionals and practitioners (to a lesser extent of the academic community) in the issue of Regional development polices through EU founded projects (in particular those funded by Structural Funds) is easy to understand considering the amount of funds available (often far beyond the capacity of real absorption). Also it is well recognized that the spectacular development of EU member states like Ireland, and especially Greece, Spain and Portugal more than three decades ago was largely attributed to the EU structural funds\(^4\). However those countries already had at the time of accession a rather solid infrastructure and administrative capacities (as compared with other developing countries).

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\(^3\) _Ibidem_.

The Twinning Programs

The Twinning Program of the European Union was launched in 1998 on the initiative of the European Commission as one of the most important and effective ways to enhance institutional capacities in the assisted countries (especially the Central and East European candidate countries). The purpose of Twinning is to teach under the learning by doing principle best practices imported from what is considered to be the more advanced and more experienced EU old member states, in particular within the field of administrative capacities. The working method of the Twinning programs is the transfer of experience through socialisation. In other words, one expert from an EU member state will be resident for few months in an administrative institution of the assisted state, and from this position the respective expert will share with his colleagues his experience and know how. The expected result is a transfer of experience and of institutional knowledge from Member States to third countries to drive reforms towards institutional changes. Peer to peer activities at least in theory is the preferred working method for the guest experts in the receiving institutions. In order to be functional, Twinning as a system requires a good level of socialisation, access to local language or a working level of English or French in the host institution and of course a genuine commitment from both parties. Worth mentioning is that Socialisation as a method of transferring expertise and gaining knowledge was presented in neo-functionalism academic circles. Ideally Twinning is a contract base commitment with a detailed work plan and budget. However, from the very beginning confronting the well drafted theory with the reality was an issue. First, there is quite questionable the term and meaning of best practices to share as (apart from some general principles) there is no institutional blue print to adapt and no shared commonly accepted definition regarding best practices. Besides that, surprisingly enough in countries like Romania or Hungary most EU Twinning experts did not come from the so called most advanced EU countries in terms of institutional procedures but from countries like Greece and especially Italy (for sure not the best examples of sound and efficient administration). Confronted with language barriers (translation cannot be provided for daily activities peer to peer) and often with a general atmosphere of secrecy and intrusion, real work socialisation was rarely achieved. Also, one of the main unofficial reported problem of programs like Twinning (but in fact of any other development program) is the significant (sometimes huge) income difference between the foreign experts and the local civil servants required to work hand in hand for the same tasks on a daily basis. In the case of

the EU Twinning programs applied to Central and Eastern Europe the average income gap was some 500% in favor of foreign consultants, but this gap can increase to 1500% in some Former Soviet Union states. In this case EU Development programs are often seen as highly lucrative contracts and business opportunities for some well-established West European consultancy companies. As a result working relations in many cases were not effective, but were symbolic rather than effective (but are reported however as effective). Most probably by setting up *on-the-spot* consultancy offices, the EU can achieve more in terms of effectiveness in transmitting the required *know how* regarding its decision making process, procedures, work methodologies. The EC web site is among the most developed and complex in the world but the average reader often get lost in the enormous amount of procedures. Also if the guidelines and procedural manuals for various administrative bodies in the assisted countries are developed and adjusted in Brussels, the respective administrations will at least have a cost effective clear set of rules and procedures.

Despite its weaknesses *Twinning* as a working method may prove to be effective (at least much more effective that the workshops and conferences) if some past mistakes are corrected. From the very beginning the programming phase of the twinning programs (as well as other development assistance program) must respect deadlines and should not take longer than expected. The result of severe delays may be a decline in interest on the participant’s side and a loss of credibility especially among the most highly regarded experts who regularly receive tempting work contracts from other sources.

Among other favorable pre-conditions I can also identify the selection of appropriate partners (with real expertise and sound knowledge about the potential weaknesses of the peer assisted institution) with clear and sound contracts in terms of design, mutual obligations and measurable results. A real commitment of the two *peer* institutions is a must. It means that a genuine desire and capability to offer expertise must be the main reason for participating and not a lucrative financial opportunity (as it too often the case). This real commitment can be demonstrated by former contacts, common projects and relationships between the potential future twinning peer institutions. Also a genuine non *cosmetised* evaluation and progress reports must be doubled by an efficient and effective system of *monitorisation* from the EC or an independent auditor. Ideally we should see a continuous commitment to the genuine application on a daily basis if such theoretical concepts as institutional development, sound responsibility, sustainability, good value for money, respecting deadlines, quality management etc. Ideally in the case of twining projects the invited consultants/experts should be top professionals capable of imposing *professional respect* in the host institution (it implies also a good knowledge of the host institutions, in particular of its weaknesses). It is not uncommon for the supplier expert to prepare for the twinning program procedures and methodologies which are too basic or are redundant. Similarly, there have been cases in which the level of expertise of the supplier expert in a particular domain was lower than the level of expertise of those supposed to be trained by
Ideally an invited expert within a twinning program must ensure not only a transfer of skills but also the development of skills. It would be more valuable if the heads of the various departments designated to receive host experts were able to nominate the experts with the skills they really need. This involves a significant procedural change which would oblige the twinning project winners to employ additional staff with the desired skills (certainly not an easy task). It involves efforts to learn the local language, to adapt to the local culture, to alter the work program in order to fit the specific needs of the trainees. In order to be effective a twinning program should not just send experts to a developing country but rather insure real staff exchanges (it would involve also sending experts from the assisted institution into a peer institution in another EU country).

However, there is usually a language problem. People may show language certificates, but from successfully passing a course to mastering a language in order to participate actively in the daily activities of a presumably highly specialized institution is a long way. In this respect technology and technical skills are much more successfully related to twinning projects because the language of technology is universal. Also the technological skills acquired or transferred are easy to identify measure and justify. Experts coming from the former Eastern Bloc EU member countries should not be underrated, especially when it comes about twinning programs for the Former Soviet Union Republics. Experts coming from the Baltic States usually speak the local language (Russian) they know the structural dysfunctions, are acquainted with the local culture and can better immerse into the daily activities of a host institution in that part of the world. It is equally important to identify the initial needs of the assisted institution in the host country, down to the technical details. Previous experience has shown that in many cases, within public institutions, twinning beneficiaries do not really know what to ask from the guest experts or what they want from their expertise, apart from some generalities.

Just like in all the other development projects, staffing is a difficult problem to solve. There are restrictive governmental policies regarding salary. It means that often a well-trained civil servant whose salary in terms of legal procedures cannot be increased in a public institution will chose to leave for a private consultancy company. Also promotion in the public sector in most cases (not only in the developing world) are based on the so called experience, or years spent in office rather than on skills and professional achievements. Low wages mean a high degree of personnel mobility, usually among those who have acquired skills in demand in the private sector. As a result training including that provided by twinning projects even when shown to be highly effective for certain individuals in the medium term may prove ineffective for the host institution, if the trained personnel are going to leave and be replaced by new and often inexperienced civil servants.

One solution is the use of consultants. Yet, there are frequently difficulties between local project personnel and external consultants. Other common personnel problems include incompetent staff, ineffective training, high turnover, and poor
matching of specific individuals with specific jobs. Also high-level coordinating committees are generally not effective. Formal coordination is nevertheless needed, but, it should be established at the required technical or administrative level in order to be in touch with the specific local and project conditions and also be reachable on a daily base by the project team (and eventually to *keep an eye* on project implementation). Also, the creation in any big public institution of a unit in charge with projects identification, application and implementation is highly advisable. Both project design, project application and above all technical implementation are highly specialized activities and it may take years to create a functional implementation team within a institution. A project unit is highly advisable within the public or private universities to concentrate a high proportion of available analytical skills on preparing projects for external assistance. The expertise concentrated in a project unit would be also capable of quantifying reasonably accurately the potential risks involved in a project (financial risks, methodological risks, logistical risks, legal risks, partner related risks etc.). Although it is impossible to completely quantify the risks occurring during the implementation of a project, there are some *classical risks* which (if acknowledged) will affect the project design. Among the most common the following can be identified:

*Financial risks* – these can be usually solved by access to a bank loan. Although the expenses within a project must be reimbursed within a certain amount of time (usually 20 or 40 days), often the managing authorities (understaffed) cannot keep on track with the rate of reimbursement, and as a result there are often delays some of them lasting for several months. There are also controls and audits. During such controls the reimbursements of the projects (good or bad) are stopped.

*Human resources risks* – these can be solved by employing the appropriate responsible experts and double checking administrative documents. Also is advisable to employ an appropriate experienced independent auditor to properly control all the financial reimbursement and administrative documents. A project office with the right administrative personnel dedicated only to the project activities is an absolute must. Often, many projects with HR problems in fact employ in various positions personnel who already have several ordinary obligations towards the institution (the project being, in fact, a kind of treat, and a source of extra cash). In such a case is hard to believe that a secretary after eight hours of ordinary work will allocate another four hours to the project implementation with the same level of attention to detail and with the same level of effectiveness. Project managers must have the expertise in the numerous technical aspects of project implementation (methodologies, guidelines regarding the eligible activities, specific financial regulations etc.) or at least must be able (in terms of disposable time, dedication and personal capabilities) to acquire them quickly. Often the managers are respectable university professors, deans or the directors of the beneficiary institution, people who often do not have the necessary time and the necessary dedication to learn quickly enough the significant amount of technical and administrative procedures needed to implement a project.
The target group related risks – The target group within the projects sometimes cannot be recruited (it is either missing, is not interested to participate in a project, or has already been recruited as a target group for another project won by the same institution). Within a university, for example, different faculties may apply for various projects without communicating with each other. Sometimes all the submitted projects are approved and contracted without it being realised that all of them are counting on the same target group (the students from that respective university). Also, often within the project, the target group just disappears. They may abandon their studies, or they may not show any interest in participating in the project activities (and there are no real effective persuasion methods in such cases). As well as that, there may be several delays in the project evaluation and contracting, sometimes even a six months delay in evaluation plus there months for the contracting phase. In such cases the target group, if students or unemployed people, could already be gone when the project starts (students could have already finished their studies and the unemployed may already be employed somewhere).

Over regulation related risks

Over regulation affects all phases of a project (appraisal, design, contracting, implementation, monitorisation, reimbursements). In particular some Central and East European member states (however certain older EU member states, in particular Italy, Spain, Greece are by no means exempt from these problems have a deep rooted culture of corruption within the administration and civil society in general. It is important to be aware of this and also to bear in mind that the results of some audit missions anti-corruption measures produced a kind of paranoia. The national managing authorities demonstrated an excess of zeal by introducing extra-precautionary measures whose result were more rules (and implicitly more paperwork) than those requested by the EU. Over regulation is not necessarily a bad thing, particularly for the beneficiary countries inexperienced in accessing and managing large amounts of foreign development assistance. However, over-regulation must go hand in hand with solid, detailed sound methodologies, regulations and a solid administrative infrastructure capable of implementing and coping with everything implied by over-regulation. Neither of those two conditions are in place at the moment in most developing countries and in most Central and Eastern Europe. The institutional apparatus is still weak, understaffed and inexperienced and the regulations and methodologies are too general, often confusing and leaving room for various interpretations. Leaving room for interpretations of various regulations is a potential nightmare for both the project managers and those supposed to validate the spending and to approve reimbursements. The solution is to set up periodic meetings among the various administrative units in charge of the management in order to achieve a common point of view, transmitted periodically to the beneficiaries under the form of Instructions. Also the creation of help-desks serves to answer and clarify various questions project managers wish to address. Those measures are somehow capable to keep the ship afloat, but with more
delays, more useful resources (human and financial) used, plus the additional stress, fatigue and loss of credibility. Under those circumstances an accession rate of only 50% of the available funds for some countries should not come as a surprise.

Co-financing the project was not the most pressing issue considering that Human Resources development projects or twinning projects had to be co-financed by the beneficiaries with amounts ranging between 2% and 15% of the contracted budget. Nevertheless in rather poor countries finding 50,000 Euros to co-finance a project and the necessary 15,000 Euros per month to ensure the cash flow (until the reimbursement), was not an easy task, especially considering the absence of reliable banking instruments. As reimbursement terms were rarely respected (despite the contracts) by the managing authorities both the credit analysts and project managers considered a credit line too risky to be accessed. In this case the existence of some kind of state guarantee for reliable and proved experienced beneficiaries and a low interest rate with flexible conditions would significantly improve the funds’ absorption rate.

Communication and feedback with beneficiary institutions pose significant problems. Although there were several public consultations and beneficiaries solicited feedback as a part of the general procedures every time a new application guide for various calls for projects, the real implications and the amount of attention paid to the complains or suggestions coming from beneficiaries is questionable. There were complaints regarding the number of partners invited to participate in consultation meetings or regarding the time frame which sometimes was too short to receive opinions and above all regarding the degree to which the complains and suggestions are incorporated into the necessary procedural and methodological adjustments. For instance the beneficiary institutions often consider the consultation process to be a superficial, and rather formalistic approach, with no real effect.

The issue of effectiveness reflected in the cost-benefit analysis was one of the most disputable within the evaluation process and during the ex-post evaluation of various programs. The most problematic were the Human Resources Development projects whose specific nature allowed for open-type criteria for assessing the project proposals (vague, subjective). HRD projects are difficult to quantify and by best interpreted using their own criteria.

Another important functional problems within development projects is related to human resources (in terms of the level of expertise and a sufficient number of staff) and as a direct consequence, to having the administrative capacity to properly implement the allocated funds. Theoretically the administrative personnel can be trained and in the case of Central and Eastern Europe new EU member states there were significant amounts of money invested in training personnel. However here several functional issues can be identified:

• The quality and effectiveness of the training programs. Training programs are usually offered by consultancy companies who succeeded in winning some technical assistance projects. The quality of trainers, and the applicability of the content is very different from case to case – from high quality, highly applicable programs to useless seminars in which the trainees are just told some generalities.
• The cost efficiency issue. A significant amount of the EU funds dedicated to training were also used for very expensive and unjustified luxurious logistics (4 stars hotels for the venues and the seminars in expensive holiday resorts, air tickets etc.) Under such conditions, for some trainees the training programs proved to be rather a nice holiday rather than a time of intensive training. Such seminars can be as effective if organized in ordinary locations, ideally within the premises of their host institutions. The money saved (perhaps more than 50%) can be used for additional training sessions.

• The high mobility within the trained personnel. Within the public administration often the wages are low and the private sector is always an attraction to the most capable and best prepared civil servants. It can be observed that there is a direct connection between the high absorption of EU funds and the reasonable high wages of the civil servants in charge, and vice versa a low absorption in those countries where the civil servants in charge of the management of those funds are underpaid (according with the average salary in the respective country). In Europe, Poland seems to be the champion in terms of EU development funds absorption, and in this country the wages for the functionaries involved in the management of development funds are significantly higher and performance related as compared with the wages for the same functionaries in other EU new member states whose absorption rate is around 50% of the allocated funds (the case of Romania).

However, the absorption of allocated funds is not the most pressing issue but rather the quality and the real societal impact of the approved and implemented projects. It is not that difficult to be the champion of the absorption rate with artificial formalistic projects whose costs were over-evaluated. Human Resources Development projects must be contracted only based on clear, effective and measurable results and indicators. For a project, it is useless to give career counseling to thousands of people unless the same projects has a the contracting obligation to ensure the long term relevant employment for a significant percent of the target group (perhaps 5 or 10% would be reasonable). Such an approach would also be extremely useful in selecting those genuine applicant institutions which are truly dedicated to making social changes from those predator development fund applicants which are mushrooming all over Central and Eastern Europe, and in those countries which has benefited the most from EU development funds in the past, namely Italy, Greece, Spain.

The so called subsidiarity principle has to be the main precondition in the decision to grant or reject any application for financial assistance for development under the form of projects. Real, massive and visible changes cannot be expected from a financial program or from a certain number of projects but rather from the process these projects succeed in triggering (the multiplicity effect or the Domino effect). Also, within the academic literature dedicated to development issues and the variables upon which can ensure success, the most quoted example is the one of Ireland. In the case of Ireland its spectacular development from one
of the poorest country in Europe to the second largest per capita GDP (after Luxembourg) is mostly attributed to the judicious management of EU development assistance. Other EU poorer member states such as Greece or Portugal have received around the same per capita amount of development without achieving results remotely comparable with those achieved by Ireland. It demonstrates that in order to achieve visible positive results from development, the absorption rate is not as significant as the strong leverage effect resulting from the use of this assistance. In this case the leverage effect implies the capacity of a project to generate a chain of positive effects involving several institutions and people in a certain geographic location or development domain. As opposed to Greece, Portugal and most Central and East European new EU member states, in the case of Ireland, the administrative and other systemic preconditions for this success were in place at the time of accession. Among the preconditions the most important one was there, namely a reliable administration accustomed to the rules of using public money, sound legislation, simple and clear project design and implementation methodologies. The Complementary principle was also effective in the case of Ireland as the development assistance did not come to fill a gap, but rather to complement already well initiated national policies. Another precondition which often cannot be applied to other developing countries (in particular extra – European) in the case of Ireland, the payments to public and private beneficiaries were made in a very similar way to that in which they would have been made if only national funds had been used. Transparency and availability of easy to comprehend information also played an important role. Is not enough to make available on line guides with tens of thousands of pages of rules and procedures which will intimidate any potential applicant. Synthetizing the procedures and guides under the user friendly examples of “Best practice”, what to do and what not to do, with clear examples, was more successful and efficient. Functional effective solutions can always be found if there is willingness and flexibility on both sides (the donor and the recipient). For example within the Twinning projects one of the most difficult functional problem was the issue of communication on a daily base between the foreign experts and their local peers. Good translation services may be available but it would increase the costs. However in many developing countries, effective translation using part time local students or recent graduates would represent a small percent of the expert salary (around 5%, considering the average salary in some African or former Soviet Union States).

Conclusions

EU development assistance through academic exchanges is a tool to enhance international cooperation as long as it can show the real effects of a conference, international project or new academic chair or department opened and financed.

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The very fact that this kind of event exists cannot be taken for granted as a proof of success especially for the programs and projects that fail to survive beyond the period they are EU financed. The real challenge and effectiveness relies in the ability to show the functional aspects related to institutions, programs, projects, the way they are effective and the way their outcomes (if any) can be evaluated against the various problems they are supposed to solve. The outcome out of these events must show concrete results such as dual degrees, joint research programs or visible applicable projects whose outcome is appreciated by relevant industries, the business community and practitioners in search of expertise.

To sum up the future of European inspired Development studies in Asia relies on mobility, adaptation to regional perceptions and lecturing methodologies, a good level of awareness about the utility of such studies for future careers. International relations theory must be presented in the curricula as well connected to the real world and to first-hand experience. The institutionalized periodical and systematic involvement of potential employers into curricula design and teaching methodology, because they know best what kind of expertise they want, is an essential strategic approach. If a rise in the “demand” for European studies in Asia is directly related to the identification of some clear professional perspectives for graduates, it may come from a direct infusion of more substantial quality standards and the participation of practitioners and the business community into a common effort to re-design the curricula. Practitioners from the civil service, foreign office and the business community know the best the kind of EU related expertise they want. However their input and involvement in university programs and curricula design is minimal if at all. When it does happen, however, the results are rewarding.

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