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The European Community's Power in the Financing for Development Initiatives

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Abstract

In order to examine the nature of the power that the EC wields, this paper focuses specifically on its productive power. This paper examines whether and, if so, to what extent, the EC contributed to the financing for development by identifying the problems, formulating solutions, and persuading others to accept these solutions. The process through which the financing for development initiatives decides upon relevant issues and how the EC engages with these issues makes it clear that the EC should not be regarded as a genuine productive power because it was not the sole trigger that prompted the definition of problems or the formulation of solutions. Nonetheless, it should be regarded as a significantly influential driving force in the financing for development, in terms of its contribution to defining problems and formulating solutions. The EC's role in encouraging commitment to the financing for development initiative and persuading others to accept this commitment shows that the EC can be regarded as an entity wielding some form of productive power. However, further study is required to understand the extent to which the EC can really influence the behaviors of states. This study also reveals that the EC can execute productive power only when permitted or delegated to do so by other bodies and its member states. These facts, which are exhibited in this paper, help clarify the context in which international organizations execute power.

Keywords

The EC, financing for development, power of international organizations, productive power

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1. Introduction

Today, many non-state actors, especially international organizations, are involved in the management of various spheres in the international political economy, such as trade, development, and environment. International organizations are at the hub of theoretical, historical, and empirical discussions of global governance (Barnett and Finnemore 2005: 161). Scholars have begun to recognize that international organizations, rather than merely providing national governments with arenas for discussions/negotiations, pursue their own interests and policies to achieve their goals[1]. If an international organization comes to have human/financial resources in a certain policy domain, although they are usually limited now, it will have much influence on national governments' interests and behaviors than ever; international organizations come to have powers.

However, the more international organizations come to have influence on national governments and other political actors which are involved in a certain issue, the more responsibility they have to bear with regard to the issue. In these situations, international organizations may become bound by the goals and targets declared by them; international organizations are responsible for ensuring that their member states comply with their policies, despite the fact that they usually have no competence or right to coerce national governments legally. How do international organizations influence the behaviors of national governments and how do they bear the responsibility when their policies fail? This paper attempts to explore these questions partially and in phases, by focusing on the efforts of the European Community (EC) in committing to the process of the financing for development.

The EC is an organization of the European Union (EU); it acts as a representative for and bears the responsibility of the EU's external economic policies, such as development cooperation and trade policies. In 2002, the EC declared its commitment to the financing for development initiatives. It set a collective EU target of 0.39% of ODA/GNI (ratio of official development assistance to gross national income) in 2006 as a step toward achieving 0.7% by 2015. The EC has been an independent donor and one of the highest-ranking contributors to ODA. The ODA amount provided by the EU, together with the EC and EU member states,

[1] The representative scholars in this field are Michael Barnett and Martha Finnemore. For example, see Barnett and Finnemore (2004, 2005).

makes up over half of the world's total ODA; from a financial point of view, the EU as a whole has enough financial resources in the field of development cooperation to have a significant influence on other actors. Why does the EC engage in the financing for development? How does the EC behave in order to achieve the self-declared quantitative target? What kind of influence does the EC impose on others? This paper focuses on the power of the EC by examining these questions, paying particular attention to the EC's productive power, and examines whether the EC imposes this kind of power in this policy field.

The notion of productive power was conceptualized by Barnett and Duvall (2005). To provide a richer, more nuanced understanding of power in international relations and global governance, Barnett and Duvall identified four different types of power: compulsory power, which focuses on one's direct control over another; institutional power, which focuses on one's indirect control over socially distant ones; structural power, which concerns direct and mutual constitution of the capacities (and interests) of actors; and productive power, which concerns the production of subjects through social relations (Ibid: 13–23).

In the same volume, Barnett and Finnemore (2005) applied the conceptualization to various international organizations. They tried to demonstrate that international organizations exercise power in global governance, by emphasizing that international organizations are bureaucracies and behave according to their own wills, rather than just providing arenas/venues for intergovernmental negotiations. They exhibited that international organizations wielded three of the four aforementioned types of power (compulsory, institutional, and productive).

In terms of compulsory power, the EC cannot impose it because of the limitations outlined in the Treaty establishing the EC[2]. In terms of institutional power, it is too early to judge whether the EC has this kind of power, as the target date is 2015[3]. Therefore, this paper specifically focuses on productive power and examines how, in the context of the financing for development, the EC identified problems and formulated solutions and how it persuaded

[2] The article 177-1 provides that community policy in the sphere of development cooperation shall be complementary to the policies pursued by the member states.
[3] As a tentative examination of the EC's institutional power on member states, see Inoue (2010).

others to accept them, according to the findings of Barnett and Finnemore (Barnett and Finnemore 2005: 179–180).

The remainder of the paper is organized as follows. Section 2 attempts to outline the process of the financing for development initiatives that the EC has been involved, in order to examine how the EC defines problems and solutions as part of its commitment to the financing for development. Section 3 exhibits the EC's contribution to the policy-making process within the EU, to exhibit how the EC attempts to persuade its member states to commit to increasing ODA so that it meets the quantitative target.

2. The EC's engagement in defining problems and formulating solutions

At the Monterrey Conference of Financing for Development that was held in March 2002, the EC declared its commitment to the financing for development initiatives; each member state had to increase their ratio of ODA relative to their GNI (ODA/GNI) at least 0.33% by 2006, and the EU had to collectively allocate 0.39% of their ODA/GNI by 2006. The quantitative ODA target emerged out of an internal preparation process within the EC.

In November 2001, the Council, wherein all the representatives of the member states meet, asked the Commission to define the steps that should be undertaken to achieve the 0.7% target[4]. The Council confirmed the willingness of the EU to take positive initiatives at the Monterrey Conference. The Commission prepared a communication document outlining the EU's political stance on the Monterrey Conference (CEC 2002). The quantitative targets of "achieving 0.33% individually in 2006" and "achieving 0.39% in 2006 collectively" were clarified in the document (Ibid: 4). In March 2002, the European Council, the meeting of the representatives of the member stats, welcomed the commitment to increase their collective ODA so that the target of 0.39% could be reached by 2006[5].

As the above description makes clear, the EC did not initiate this process of defining problems and formulating solutions in this policy field; instead, the EC was engaged in the

[4] The Council also asked the Commission to define policy frameworks for the effectiveness of aid, the untying of aid, global public goods, and innovative sources of financing. See CEC (2002), p.2.

[5] See *General Report 2002*, point 810.; *Bulletin of the EU*, 3-2002, point I.11.13.

process that enabled the financing for development and the Monterrey Conference, both of which were prepared and developed by others. It was the United Nations System (UN System) that prepared the process that allowed the financing for development and set the quantitative target for 2015.

2-1. Financing for development and its quantitative target triggered by the UN System

Within the UN System, financing for development and its quantitative target are not treated as an issue that is separate from the development of a series of international contracts and agreements within the field of development cooperation. Throughout the 1990s, donor agencies, especially the World Bank and the IMF, developed a comprehensive policy framework to encourage development cooperation. They placed poverty eradication as the primary objective of development cooperation and began to emphasize the multidimensional nature of development cooperation. They also prioritized partnership and ownership, and attempted to work with a wide range of actors[6].

The Millennium Declaration, a resolution adopted at the UN General Assembly, also regarded development cooperation as involving a wide range of issues, including poverty eradication, environmental protection, democracy and good governance, protection of the vulnerable, trade for development, and meeting the special needs of Africa. The Millennium Development Goals (MDGs)—eight major goals to be achieved by 2015—were developed by the UN and encouraged donors, partners, civil society, NGOs, and citizens to improve global partnerships and assist least developed countries (LDCs) and heavily indebted poor countries (HIPCs). These time-specific goals were regarded as an effective way to assess achievements and improve global partnership. As a consequence, various actors in international society, from developed and developing countries, international organizations, and civil society, to NGOs, came to share the same development cooperation objective (i.e., to half extreme poverty); they began to tackle many of the multidimensional aspects of development cooperation, including good governance, partnership, ownership, aid effectiveness, trade for

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[6] For detailed introductions and discussions on the shift in policy change at the Bretton Woods Institutions, see World Bank (1992, 1997, 2003), DAC (1996, 1997), IMF (1997), Ohno (2000), and Oshiba (1995). See also Inoue (2008) for a summary of these discussions.

development, water sanitation, and education. There arose a need for a venue to discuss each dimension/issue, because of the diversity of the actors that had begun to engage in such a variety of issues. Financing for development is one of the areas where international agreements and contracts can be negotiated.

Although the UN had addressed the issue of financing for development since the 1990s[7], it was the Millennium Declaration that prompted the world's further commitment to this issue. The Declaration, which was agreed upon by members of the General Assembly, called for a partnership to be established between developed and developing countries. The MDGs were also concerned about the financing for development and requested that international efforts be made to ensure that the international commitment was successful (United Nations 2000: III, para 14).

In March 2002, the International Conference on Financing for Development was held in Monterrey. A variety of political actors gathered at the conference, including government representatives (50 heads of state or government) and ministries (over 200), officials of major international organizations, and members of the private sector and civil society. Their discussions focused on addressing key financial and related issues pertaining to global development and international economic cooperation, and they agreed to adopt the Monterrey Consensus at the end of the conference. This Consensus declared that the participants were committed to mobilizing their domestic resources, attracting foreign direct investment as well as other private flows, promoting international trade[8], increasing international financial and technical cooperation[9], and enhancing the coherence and consistency of the international monetary, financial, and trading systems (United Nations 2003: para 4).

It should be noted that the Consensus provided a concrete quantitative target with regard to ODA. The Consensus stressed that ODA plays an essential and complementary role alongside other sources of financing for development, especially for those countries that are least able to attract direct private investment (United Nations 2003: para 39). It also recognized that a

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[7] For an outline of the historical process that led to the financing for development initiatives, see the website of financing for development.
http://www.un.org/esa/ffd/overview/chronology.htm (accessed on 21 August 2009)

[8] It was regarded as an "engine" for development.

[9] Sustainable debt financing and external debt relief were also included.

substantial increase in ODA and other resources will be required if these internationally agreed-upon development goals and objectives are to be achieved (Ibid: para 41). As a result of this, it urged developed countries to make a significant effort toward achieving the target of 0.7% of GNP (original) as ODA to developing countries (Ibid: para 42).

2-2. The EC's engagement in the financing for development and its quantitative target

As has been discussed, it is clear that the UN triggered the international engagement with the financing for development and the commitment to the quantitative ODA/GNI target. How, then, was the EC involved in the international agreement? Until the end of the 1990s, the EC took a slightly different approach toward development cooperation from that of the UN System[10], because the EC has its own development cooperation policy, which is outlined in the Maastricht Treaty[11]; the EC also had special arrangements with the ACP countries, most of which have postcolonial ties with EU member states. The EC's approach was not changed until 2000, when the EC and the UN began to seek a partnership with one another.

Both parties, the UN in particular, saw themselves as natural partners because of their shared values and principles, such as democracy and human rights, as well as their mutual objectives and responsibilities that are outlined in the MDGs. Both bodies also believed their cooperation should cover a wide range of domains, including governance, human rights, development, trade and market access, crisis prevention, education, water sanitation, and health[12].

For the EU, partnership with the UN was a necessary way to resolve fragmentation of the EU's external policy and to ensure that the EC aid/actions was visible in the international scene, because the EC and its member states were the biggest international aid donors in the world[13]. The EC altered its development cooperation policy by establishing a partnership with the UN System. First, the Commission prepared a communication document (CEC 2000) that redefined its development policy focus primarily in terms of the eradication of poverty, in line

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[10] DAC (1998) exhibits the difference between the UN and the EU and the problems of the EU development policy.

[11] The Maastricht Treaty is the fundamental treaty of the EU, which has been valid since the mid-1990s. It defines the organizations, competences, and policy-making rules in the EU.

[12] For details, see United Nations System in Brussels (2006, 2007).

[13] For details on the EU's aim for/calculation of the partnership, see Inoue (2008).

with the UN's policy. The Council and the European Parliament also endorsed the principles in the EU development policy[14].

Second, in 2001, the EC adopted a joint document with the UN proposing an effective partnership between the two bodies in the fields of development cooperation and humanitarian affairs (CEC 2001), because the Commission regarded development cooperation as an area where cooperation could be very beneficial[15]. After this, the EC established operational coordination with UN agencies, funds, and programs, and became involved in the network of international agreements and contracts related to development cooperation.

These developments formed the context within which the EC began to prepare for the Monterrey Conference and meeting quantitative ODA targets, both of which were provided by the UN System. As part of the Council's preparation for the Monterrey Conference, it confirmed the willingness of the EU to take positive initiatives toward securing a successful outcome of the Monterrey Conference (CEC 2002: 1). The Commission also confirmed that its declared target was in line with the World Bank's estimate, which called for an additional 50 billion dollars that was allocated to fulfilling the MDGs. This financial commitment was also expected to put the EU in a strong position as a player in the debate on burden sharing (CEC 2002: 4).

It is clear that the EC did not initiate the financing for development policy framework or its quantitative target. Nonetheless, the policy convergence that occurred between the UN and the EC was indeed initiated by the EC. Not only this, but the EC's vested interests with regard to its external policy and the fact that the EC and its member states were the biggest contributors to ODA in the world ensured that the EC actively engaged with the general international contracts and agreements concerning development cooperation. This was particularly the case in terms of upholding the introduction of the quantitative ODA target.

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[14] For details on this, see *General Report 2000*, point 842; *General Report 2001*, point 918. According to the reports, the Commission emphasized the importance of refocusing Community development policy on poverty reduction and set out an integrated framework for Community development activities, identifying six priority areas where Community action could offer added value: trade for development; regional integration and cooperation; support for macroeconomic policies; transport; food security and sustainable rural development; boosting of institutional capacity, good governance, and the rule of law.

[15] For a detailed analysis, see Inoue (2008), pp.9–11.

These behaviors ensure that the EC was a significant driving force behind the financing for development initiatives.

3. The EC's efforts on persuading others to accept a set of problems and solutions

3-1. Additional intermediate targets and the EC's successful commitments

After the Monterrey Conference, the Commission, with support from the Council, began to track and report the commitments/achievements of the EU and its member states, annually. The reports made clear that aid levels had increased by more than 30% between 2004 and 2005, and that the ODA/GNI target of 0.39% for 2006 had been met and exceeded a year ahead of schedule, reaching a record high of 0.41%. The EC successfully met its pledge to reach the collective target.

In 2005, after the Enlargement in 2004, the EU declared an additional commitment to pledge an ODA/GNI target of 0.56% by 2010, in order to achieve the 2015 target. In order to help it meet these additional commitments, the EU-15 (those member states that were EU members before the enlargement) pledged to donate 0.51% of their ODA/GNI by 2010, while the target for new member states was 0.17% of their ODA/GNI. This commitment was combined with a pledge to allocate 50% of this increase in aid volumes to Africa.

In December 2005, the Commission, the Council, the member states, and the European Parliament adopted a joint declaration entitled *the European Consensus on Development* (CEC, Council and European Parliament 2006), and stated their willingness to make a significant contribution to this field. The consensus covered a wide range of issues related to development cooperation, including the new ODA/GNI target, the objectives of development cooperation (poverty reduction and achievement of the MDGs), governance, partnership and ownership, better and effective aid, and political/operational principles for the Community actions[16].

In March 2006, the Commission adopted three documents (CEC 2006a, 2006b, 2006c) to improve the effectiveness, impact, and amount/scale of the EU's commitment on the

[16] For details on the Consensus, see Inoue (2008), pp.13–14.

development cooperation and external assistance. One of these documents clarified that the EU was committed to reaching new ODA targets, allowing better-coordinated and more effective aid, encouraging implementation of the Paris Declaration, and trade-related assistance, as well as creating innovative sources of financing for development. The document also suggested that these commitments would further reinforce the EU's position as the world's biggest donor to development and would become the fundamental elements of the European Consensus on Development (CEC 2006a: 2).

In 2007, the Commission published an annual report on financing for development (CEC 2007) and called upon all of the member states to establish national timetables by the end of 2007, with the purpose of ensuring a gradual increase in aid provision. The Commission requested some member states, which had neither met the 2006 targets nor prepared for the 2010 goals, to make further efforts to meet the targets in order to ensure that the burden was shared fairly between member states. The Council adopted the Council conclusions that were outlined in the Commission's report and confirmed that further effort would be needed if the 2010 target was to be met, despite the fact that the EU had met its collective pledge to increase aid in 2006[17].

3-2. Decrease in ODA and problems to be tackled

Although the EU met its collective ODA/GNI target (0.39%) one year ahead of schedule as well as exceeded its ODA/GNI in 2006 with a record of 0.41% (CEC 2007: 3), the ODA/GNI proportion pledged by the EU in 2007 decreased. Some major member states, such as France and the UK, drastically decreased their provision of aid [18] because of the scaling down/completion of debt relief operations, which had been implemented in Iraq and Nigeria, as well as a reduction in post-tsunami aid. These member states had to increase their provision of bilateral and multilateral ODA rather than debt relief.

From the Commission's point of view, the provision of resources for debt relief should not detract from ODA resources that had been made available for developing countries. The

[17] *Bulletin of the EU*, 5-2007, point 1.30.4.
[18] Member states such as Luxemburg, the Netherlands, and Sweden successfully achieved the collective target.

Commission recognized the aid trend and iteratively urged the member states to increase their commitment to provide bilateral and multilateral ODA (CEC 2006a). The Commission emphasized that debt relief itself would not result in a sustainable increase in ODA, although it had been demonstrated to be instrumental in attaining higher ODA levels in the short term for some major member states, including Austria, France, and the United Kingdom (CEC 2007: 6)[19]. The Commission recognized that this trend could violate the spirit of the Monterrey Consensus and the Council Conclusion of April 2006; therefore, it requested that member states accelerate their mobilization of programmable funds in order to ensure that the 2010 targets would be met (Ibid: 6, 8).

The Council shared the same view as the Commission. In May 2007, the Council adopted the suggestions outlined in the Commission's progress report (CEC 2007), highlighting the fact that the EU had achieved its overall commitment to increase aid in 2006, but nonetheless stressing that further efforts were needed in order to meet the next targets[20]. The Council noted that debt relief and tsunami recovery aid had contributed to the record performance, and stressed the importance of making progress in both the quantity and quality of the EU's financing for development[21]. Here, the EC, both the Commission and the Council, began to emphasize the need to increase ODA, without depending on debt relief measures, in order to meet the self-defined targets for 2010 and 2015.

3-3. The financial and economic crisis and its impact on the EC's effort

However, the international financial crisis and the subsequent downturn in economic growth in 2008–2009 dealt an additional blow to countries and international organizations that were engaged in the financing for development. It was widely feared that these crises would put the achievement of development and the fight against poverty at risk[22]. The international community paid special attention to existing international contracts on development issues.

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[19] The Commission also called for member states' budget planning to reach sustained higher ODA levels in view of the 2010 goals. See CEC (2006a), p.7.

[20] *Bulletin of the EU*, 5-2007, point 1.30.4.

[21] *Ibid.*

[22] http://www.un.org/esa/ffd/doha/background.htm (accessed on 20 August 2009)

For example, the year 2008 was the midpoint of the road that led to the 2015 deadline for the MDGs. Reports published by the UN (2008a, 2008b) highlighted the gap to meet the ODA/GNI target of 0.7%, despite the pledges made by the international community, such as the aforementioned Millennium Declaration that had called for more generous ODA, the initiative of the financing for development, and the statements by the G8 leaders[23] committing to an increase in ODA. The reports pointed out that the decrease in ODA was the result of a decline in debt relief, and they called for a rapid increase in the provision of bilateral and multilateral ODA in the run up to 2010.

In terms of the financing for development, in February 2008, the UN General Assembly conducted some review sessions on the thematic areas of the Monterrey Consensus to prepare for the Follow-up International Conference, which was to review the implementation of the Consensus. At the Follow-up International Conference that was held in December 2008, officials from more than 160 countries, including nearly 40 heads of state or government, gathered in Doha and endorsed the Doha Declaration on Financing for Development. This declaration reiterated the need to address the challenges of financing for development in the spirit of global partnership and solidarity. It also encouraged donors to create effective national timetables by the end of 2010, to outline and pursue higher ODA targets (United Nations 2008c: paras 40–43), and it called upon the international community to pursue their development-related goals with renewed vigor.

Under these circumstances, the EU also had to decide how to ensure they would meet the self-declared target for 2015. In April 2008, before the UN General Assembly, the Commission adopted a document entitled *Speeding up progress towards the MDGs*, which was prepared in response to the European Council meeting held in December 2007. In the document, the Commission emphasized that the year 2008 would be a crucial time for development cooperation, because several high-level events would be held, including the UN conference on the progress of the MDGs, the Accra forum on aid effectiveness, and the Doha conference on financing for development (CEC 2008: 4).

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[23] The G8 leaders reached an agreement to increase the aid by 50 billion dollars by 2010, as compared to 2004 (this implies that ODA should reach 130 billion dollars per year by 2010 at 2004 prices and exchange rates) and allocate 25 billion dollars to Africa. The commitment was reaffirmed at the G8 summits in Heiligendamm (in 2007) and Hokkaido (in 2008).

Acknowledging the fact that the EU and its member states were involved in a wide network of international contracts and agreements and that they had confirmed their commitment to these goals by adopting the European Consensus for Development in 2005, the Commission asked the member states to confirm their political commitments and their targets for 2010 and 2015 (CEC 2008: 3, 6)[24]. The Commission emphasized the need for Europe to reconfirm its commitment to meeting its collective target of 0.56% in 2010, as part of its progress to pursue the target of 0.7% in 2015, especially at the Doha Conference in December, if it wanted to continue to play a leading role in the international community's efforts[25]. The Commission also briefly considered the issue of fair burden-sharing at the international level in order to promote traditional partners like the United States and Japan, and new partners from emerging economies, to increase their commitment.

The European Council that was held in May examined the Commission's document and adopted a Council conclusion on the MDGs, which provided a strong collective EU response to the global development challenge. In June, the European Council endorsed the Council conclusion of May and reaffirmed its commitment to achieve the collective ODA targets that had been confirmed iteratively within the EU. The European Council confirmed, as the Commission did, that member states should be encouraged to complete their own timetables to clarify their plan for reaching their agreed-upon ODA/GNI targets[26].

In November, at the meeting of the Council of General Affairs and External Relations, the Council began preparing for the Doha Conference. The Council reaffirmed that the Doha Conference would be an opportunity for the EU to reiterate its aid commitments and efforts in the areas of volume, quality, and coherence. The Council also encouraged other bilateral donors, including emerging countries, to make similar commitments to those made by the EU[27]. The Council encouraged member states to ensure that their national timetables were

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[24] Although this paper focuses specifically on financing for development, the Commission's document also touched upon other development-related issues, such as aid for trade (p.3) and aid effectiveness (p.9), and expressed the EU's concerns regarding agriculture, fisheries, environment, security, climate and energy policies, and migration (p.4).

[25] The document used the following expression: "We do not need new promises, but should translate existing commitments into ambitious deliverables" (p.6).

[26] For the details of the political process within the EU, see *Bulletin of the EU*, 5-2008, point 1.31.3.; *Bulletin of the EU*, 6-2008, point 1.31.1 and I.20.59.

[27] The 2903rd meeting of the Council, 10 and 11 November 2008, 15396/08, pp.29–30.

completed by the end of 2010 and that they increased their provision of aid so that the agreed ODA/GNI targets could be met. At the same time, it underlined that this issue falls within the competence of member states[28].

At the Doha Conference, the EC succeeded in expressing its positive attitude to the outcome of the Conference, and confirmed its members' commitment to increasing aid despite the financial crisis. At the Conference, the Commission emphasized that donors should adopt multi-annual timetables to ensure the successful scaling up of aid, just as the EU and its member states had suggested[29]. Although this commitment emerged from the Council conclusions that were decided in November, it should also be noted that the Commission recognized the link between the scaling up of aid and the current financial crisis, saying: "the financial crisis should not serve as an excuse to shy away from our promise to give more aid to poor countries"[30].

In April 2009, the Commission emphasized that many developing countries were facing difficulties as a consequence of the financial and economic crisis, and there was a risk that the MDGs would be in jeopardy (CEC 2009a: 2). The Commission suggested some concrete measures to support developing countries, and remarked that it would be an historic mistake to look inward at that time (Ibid: 2). The proposed measures covered the scaling up of aid, the quickening of disbursement, the improvement of aid effectiveness, the cushioning the social impact, the strengthening of agriculture and sustainable development, and the commitment to improve governance and stability. The manner in which these measures were to be implemented was emphasized with the inclusion of keywords such as "comprehensive," "timely," "targeted," and "coordinated" (Ibid: 5)[31]. In particular, the Commission urged member

[28] Council Conclusions–Guidelines for EU participation in the International Conference on Financing for Development (Doha, 29 November– 2 December 2008), 11 November 2008, 15480/08, especially paras 34 and 45. It also briefly examined the concerns about trade for development, foreign direct investment to support sustainable economic, and social and environmental development, although this paper specifically focuses on the scaling up of aid and aid effectiveness.

[29] http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/08/664&format=HTML&aged=0&language=EN&guiLanguage=en (accessed on 6 June 2009)

[30] Statement by Louis Michel, European Commissioner for Development and Humanitarian Aid, on the website. URL is the same as footnote 29 (accessed on 6 June 6 2009).

[31] See also *Bulletin of the EU*, 4-2009, point 1.31.1.

states to honor their individual and collective commitments to the achievement of their ODA/GNI target for both 2010 and 2015, although it also made clear that meeting ODA targets alone would not be enough.

In order to trace and assess member states' efforts in pursuing the collective and individual ODA/GNI targets, the EC, the Commission in particular, published annual reports on the financing for development. The collective ODA/GNI target had been achieved once in 2005, but the levels of ODA provision had later decreased due to the scaling down/completion of debt relief operations. The EC, through the Commission together with the Council, urged EC member states to increase their provision of ODA without depending on debt relief operations. The EC also urged external partners to increase their provision of ODA, inline with the EC's attempts. After the financial and economic crisis and on the back of the Doha conference, the EC called on its member states to commit to increasing their ODA by emphasizing the EU's role within the international community. The EC, the Commission, and the Council, attempted to persuade its member states to increase their ODA without depending on debt relief, and also persuaded other donors such as the US, Japan and emerging economies to increase their commitments to financing for development.

4. Concluding Remarks

It was the UN System that originally defined the problem and crafted the solution in the field of financing for development; it called for an increase in ODA, provided an arena to discuss this issue, and set a quantitative target and deadline (to achieve 0.7% of ODA/GNI by 2015) in order to achieve its development goals. The EC, which improved its development cooperation policy in line with the UN system, which was one of the major donors, and which had its own interest to be visible and indispensable actor in the world, demonstrated readiness to take positive initiatives to ensure the goals outlined at the Monterrey Conference were reached and it declared its quantitative target and timetable for the financing for development. The EC cannot be regarded in any real sense as a genuine productive power in the financing for development, because it was not a sole trigger that prompted the definition of the problem and the crafting of the solution. Nonetheless, it should be regarded as a significantly influential driving force.

The Commission and the Council urged EU member states to increase ODA without depending on the debt relief operations, despite the decrease of ODA/GNI. After the financial and economic crisis, they called upon member states to commit to increasing their provision of ODA by emphasizing the EU's role in the international community. Externally, they took the initiative from the Doha Conference and called upon their external partners to ensure that fair burden sharing was implemented. The EC attempted to persuade its member states and external partners to work with the EC to ensure that the quantitative ODA targets were met. During this phase of persuasion, the EC can be regarded as wielding genuine productive power, although identifying whether the EC can influence the behaviors of its member states and other countries (to ensure they comply with the EC agenda) will require further investigation.

Finally, this paper has made clear that, as far as this case is concerned, the EC can only execute productive power in situations where this has been permitted or delegated by its member states or other bodies. The EC prepared its political positions toward the Monterrey Conference and the Doha Conference when the Council required to and the Commission was also willing to. While the Commission functions as the bureaucracy, in the sense of the word that Barnett and Finnemore outline (Barnett and Finnemore 2005), the Council is composed of the representatives of the member states. At the UN level, many government representatives gathered at the Conferences to discuss the financing for development. The facts exhibited in this paper help to clarify the precise nature of the context in which international organizations execute powers[32].

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[32] Barnett and Finnemore suggest that "international organizations are shaping which activities the international community values and holds in high esteem" (Barnett and Finnemore 2005: 184). However, the findings of this paper would qualify their conclusion as follows: international organizations that are not faced with objections by member states, or that are supported by some influential members, are shaping which activities the international community values and holds in high esteem.

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