

## The EU in the Economic and Social Arrangements of the United Nations System\*

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### **Abstract**

*The article deals with the role of the EU in the Economic and Social arrangements of the United Nations system. Looking at the main UN organisations in the area of economic and social affairs concerned with development and humanitarian problems, the author identifies the relation of the EU and its member states to these bodies as a much neglected dimension of Europe's external relations. He suggests a research agenda for exploring the changing pattern in the multilateral relationships in a range of the economic and social organisations of the United Nations. This, he argues, would move into new territory on relations between regional and global international institutions. In this context, the symbiotic relationship between regionalisation and globalisation could be spelled out in unusually specific terms.*

**Keywords:** *European Union, United Nations, external relations, development policies, humanitarian affairs*

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This essay discusses the European Union's contribution to the economic and social work of the United Nations. It assumes knowledge of the EU's institutional arrangements and the structure of the economic and social organizations of the United Nations system. It is also not concerned with the external trade relations of the EU or the conduct of negotiations on the liberalization of trade, and not, primarily, with the EU's evolving relationship with the IMF and the World Bank. The main institutional references are indicated in figure 1 below. This refers to the main organizations of the UN system in the area of economic and social affairs: their main concerns are with development, broadly defined, and humanitarian problems.

The Union's members had set up mechanisms in New York to discuss, and, as far as possible, harmonize their policies towards issues that were under consideration in the General Assembly, and the Security Council. The French and the British traditionally attempted to safeguard their freedom to act on their own account in the latter, as Permanent Members possessing the veto, but they had committed themselves to consult with, though not be bound by, the others. These arrangements were usually discussed, however, in the context of the issues which concerned the Common Foreign and Security Policy (CFSP), and the question of the extent to which they applied on economic and social matters was rarely addressed directly. In consequence the arrangements for coordinating the policies of the EU actors, member states and Commission, and Presidency/Troika, in this area were often much weaker than expected. Surprisingly, in the light of the usual distinction between the difficulties of coordination in the areas of high and low politics, it was the latter which lagged behind as subjects of multilateral coordination among the members of the EU. This, however, was presumably largely a result of a lack of attention rather than deliberate intent.

Indeed the question of how the European Union engaged with the economic and social organizations of the UN, the Agencies and Funds and Programmes, as well as the central UN system, was rarely addressed. This essay is, therefore, a preliminary attempt to do this. It is very much work in progress and its conclusions take the form of a series of questions about a future work agenda on this question. By the early years of the new millennium the member states and the Commission had begun to address this issue more directly and energetically. But it was not until May 2001 that the European Commission (2001a) produced a first major attempt to do this - in its document on the *EU and the UN* - which made a number of proposals about how cooperation could be improved with regard, in particular, to development and humanitarian affairs. A number of problems with the existing arrangements were also identified.

An examination of the work of the Commission, the Council of Ministers, and the member states of the EU in early 2002, with regard to the social and economic organizations of the UN system, suggested a number of preliminary observations about their relationship.

- There were areas where the member states, through the Council of Ministers or the European Council, had recorded a commitment to a common stance in the social and economic areas which the UN dealt. These included the Statement by the Council and the Commission on the European Community's Development Policy of September 2001 (European Union, 2001) and the statement on Human Rights of 8<sup>th</sup> May 2001 (European Commission, 2001b). Such declarations implied an attempt to coordinate the policies of member states, in the light of the declaration, in the executive committees of the UN organizations among their EU membership, but they could not be seen as constituting a legal obligation. The Amsterdam Treaty confirmed a rather modest formula according to which the Presidency could act for the Union, and conclude an international agreement on its behalf, but "constitutional let-outs were written into the procedure" (Duff 1997: 127). According to New Article J.14 of the Treaty of Amsterdam, a country could withhold approval in the Council of Ministers on the grounds that it needed to comply with its own constitutional procedures, and in this case, other countries could say that their acceptance was only provisional.

Nevertheless the Treaty of Amsterdam confirmed that "member states shall coordinate their action in international organizations and at international conferences". (Article J.9)

Most importantly: “They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations” (Article J1) The Council was asked to ensure that these principles were respected.

- There were areas where specific common policies had been agreed in the Council of Ministers between the member states, according to the procedures agreed at Maastricht - common positions - and which they were all committed to apply, as and when related questions arose, in all the forums of the UN system. In these cases the EU members could act through the delegations of the state that held the Presidency, according to the agreed troika procedures, when the reference was to the EU as an organization. In addition, however, all member states were committed to support the common policy individually and separately, whenever the particular issue was discussed in the forum in which they were involved. This could be in the UN or outside it. But in this case, too, the agreements had to be seen more as indicative of a tendency to apply the principles in particular policy areas rather than a rule.
- There were areas where the EU members had worked together to develop international arrangements, or alter existing organizations, as with the pursuit of changes, described as reforms, in the working arrangements of the Economic and Social Council in the 1980s and 90s. These particular changes were actively pursued, in particular by the British through their mission in New York, but actively supported by the French and German governments. The other member states gave tacit support but varied in how active they were.
- There were areas where the Commission acted as the agent of the EU in the organizations of the UN system, though its status and powers varied from institution to institution (see figure 1 below). The Commission also cooperated with such UN organizations in the context of UN programmes within particular countries. In a few cases the Commission had entered into specific agreements with member organizations of the United Nations, as with the agreement with the ILO on "managing globalization" in May 2001<sup>1</sup>. The EU had also had an agreement with the World Health Organization. These agreements were an interesting example of the interpenetration of regional and global organizations, in that they included a commitment by the Commission to promote the practice of codes agreed within the global organization on the part of the EU member states. For instance the ILO agreement mentioned above committed the Commission to advising the member states on how to prevent the exploitation and abuse of child labour.

The expansion of the role of the Commission had followed a principle enunciated in 1970 (see Harley, 1981: 155) by the European Court of Justice, according to which the Commission was seen to have the right to act externally if it had been allowed a competence in the area under consideration in the Treaty of Rome, and had actually exercised that competence within the European Community. With amendments to the Treaty this principle had been overlain by specific grants of external competence to the Commission. By the late 1990s the Commission could be involved in any area of the Union's external relations as its members agreed. The range of its responsibilities, thus expanded, needed to be specified at the time of writing. Figure 1 does however give an indication of its status in various UN organizations.

The EU was a *member* of only one of the UN's social and economic organizations, namely the FAO (the terms in italics are technical terms and arranged in descending strength of membership); it was a *privileged member* in WFP; it was an *active observer* in UNDP, UNCTAD, UNEP, ITU, ILO, WHO, and UNDCP; and an *observer* in UNFPA,

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<sup>1</sup> The Commission and the ILO sign new exchange of letters: "managing globalisation" to be at the heart of closer co-operation, Brussels 14.5.2001.

UNHCR, OCHA, UNICEF, WIPO, IMO, ICAO, UNESCO, UNIDO, IFAD, and UNRWA. As a *privileged member* in the WFP the Commission sat with the Executive Board and its participation was deemed necessary for consensus; being an *active observer* meant it participated in and contributed to the work of the governing bodies, including making a contribution to decision-making; whilst being an observer meant participating in meetings and reporting to Headquarters. The implication of the strategy was that the Commission aimed to move up the hierarchy of forms of involvement from observer, to active-observer, to privileged observer to full member. It should be noted that whether or not the Commission, representing the EU, was actively involved in building coordination among member states in the organization was not dependent on the form of its involvement. It claimed this role in 2001 only in the case of UNHCR. Its role in this case was likely to be stronger if the members had already committed themselves to the principles of a policy.

- In early 2002 the conclusion seemed reasonable that the EU was committed to strengthening its coordination on economic and social questions in the UN system along two linked pathways.

First the member states had agreed in a series of Treaties amending the Treaty of Rome - The Single European Act, Maastricht, Amsterdam and Nice - that they would avoid national policies which could get in the way of developing common foreign policies or challenge them. Although this was stated in the context of the CFSP it had necessary implications for the range of the Union's and member states' external relations, as differences on economic and social policies could easily spill over into differences on questions of common security and foreign policy.

Second the Commission was anxious to develop its own role in international organizations concerned with economic and social matters, to establish its right to negotiate on behalf of the Union, and to increase its capacity to do so. A primary example of this was the World Trade Organization, where the logical policy was for the Commission to take over the role of representing the EU, as external trade policy was its responsibility under the Treaties. In this ambition it was disappointed in both the Amsterdam and the Nice Treaties. But the pressure to up-grade Commission involvement was constant, and was a consequence of the recognition that the Commission had to be involved in all areas of the Union's external relations, and of the increase in the areas of Commission's active exercise of its competence within the Union.

The two pathways therefore implied an increasingly solidarist tendency with regard to EU positions, and those of its member states, in the economic and social arrangements of the UN system: on the one hand the member states were committed to enhancing their mechanisms for coordinating their policies and activities, following 'injunctions of greater or lesser degrees of specificity'<sup>2</sup>; but on the other the Commission was seeking to expand its capacity to act in pursuit of agreed EU policies, and to represent the Union in these areas.

- A further brick - which could be regarded as a capping stone - in the structure of this arrangement was implied by the appearance of proposals for the Commission to become involved in coordinating the policies of EU members in the policy debates within the organizations of the UN system, as well as of the IMF and the World Bank. There were pressures on member states to become more *solidarist* in their behaviour in the UN's economic and social organizations, and the Commission had sensed an opportunity, and a need, to develop its role as the agent of the EU. But the latter was also now enjoined to try to improve the coordination of members policies within the UN organizations. In September 2000 the Council asked the Commission and the Member States to play a proactive role in

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<sup>2</sup> To borrow Krasner's of quoted doctrine on international regimes.

the coordination arrangements established by the IMF and the World Bank and the United Nations and "to step up their own coordination in order to make the arrangements more effective and thereby increase the influence and visibility of the European Union." (European Union 2000) In 2001, as mentioned above, the only organization in which there was active Commission -member state coordination was the UNHCR, though in that organization the Commission only had the status of observer.

The problem of inadequate coordination was recognized and the Commission was enjoined to play a part in doing something about it. This was an interesting extension of the idea of regionalisation: the regional international organization, in the form of its primary secretariat, was asked by the member governments to become more proactive in enhancing their solidarity in global organization.

- This two level process illustrates the way in which regions may begin to express themselves in global forums. It shows a surprising complexity in its account of the processes by which regions can embed themselves as actors in other forums. The perspective is a novel one. It is not just that regions form and then act in the other forums, but that, in addition, dynamic processes appear among the various representatives of the regions in the other forums which themselves promote greater regional coherence. The regional secretariat may also take on the role of promoting among members policies which they have helped to approve in the global organization. This is another route by which the process of globalization might be promoted but also reconciled with regional preferences, and illustrates the symbiotic relationship between regionalization and globalization.

### **The Commission**

The Commission as the organizational embodiment of the EU had two major ambitions, related to each other, in its approach to the organizations of the UN system. First it was preparing for enhanced participation with the work of selected organizations, and various concerns were related to this. These included finding satisfactory financial arrangements with the UN organizations, so that it could satisfy the stringent EU auditing requirements, especially as they were tightened after the budget scandals of the late 1990s. The Commission had developed a "standard grant agreement with international organisations" (December 2000) which put into contractual, operational terms the clauses and principles set out in the agreement. It concluded that "this standard grant agreement is now widely used for operations financed by the Community and implemented by UN entities. It has, to the satisfaction of various UN entities, already substantially simplified and accelerated the preparation and conclusion of the specific grant agreements for the operations concerned". The EU would rightly wish to have effective control over the way its money was spent, and to agree an appropriate financial process with the UN organizations with which it cooperated as a condition of a closer relationship. The sensitivity of the issue, after the resignation in disgrace of the Santer commission in 1999, is made clear in the Prodi commission's pronouncement that "the Commission is prepared to reduce or even suspend its support to UN partners, which fail to perform to an acceptable standard". Some progress had been made on this by early 2002.

The Commission itself summarised the conditions of this progress. It pointed out that "the new strategy for improved co-operation with the United Nations relies upon and benefits from the ongoing overhaul of the Commission's system of operations in the field of external activities (strengthening of the programming process, de-concentration and decentralisation, result-based approach). It presupposes increased co-ordination between Member States and the Commission, namely in the international fora and within partner countries. Finally, it is based on the concept of increased complementarity both between the Commu-

nity and its Member States and the Community and the United Nations". (European Commission, 2001a)

The EU insisted that its role would depend upon finding ways of adding value to the UN projects and that it would not wish to have its funding substituting for that of the member states of the UN organizations. The member states were committed, according to the constitutions of the organizations, to paying the budget of the organizations, and the EU would not wish to take over any of their responsibilities. The EU also had to choose partners which worked in areas relevant to the interests of the EU, where it could make a contribution which could be judged as adding value, that is, an additional contribution entirely derived from EU participation. The Commission believed that there were some UN organizations where it could be particularly promising to seek cooperation. There were also indications that in the areas of cooperation the Commission would more often act for the EU in the field. i.e. it expressed an ambition to take over from the member states in areas where it had competence.<sup>3</sup>

"The focus of UNDP on good governance as a policy priority could provide a good basis for a closer programmatic co-operation, matching the EC's considerable financial resources with UNDP's expertise and human resources, especially in the field. In the context of our collaboration with IFAD, debt relief programmes, poverty reduction strategies, micro-finance as a tool to support poverty alleviation and development and Household Food Security, as development tools, could be further explored. Co-operation with new and innovative structures such as UNAIDS should also be strengthened. Dialogue with mainly normative and policy orientated bodies in the economic and social field, such as UNCTAD, ILO and UNIDO, should focus on the integration of developing countries into the world economy and on labour standards. Co-operation with in particular UNCTAD should aim to complement other policy instruments and be supportive of efforts to mainstream trade into development policy and to provide, as appropriate, trade related technical assistance and capacity development for trade."

The Commission saw its greater involvement in the planning processes of the UN organizations as a necessary contribution to this. Greater involvement was conditional on the UN organization's offering "the Commission some form of permanent representation in the programming and administrative organs of its agencies and in their external audit arrangements."

In the area of development the EU had developed country strategy papers with partner states in the developing world and was aware that the UN system had similar strategic planning instruments, such as the UNDP Country Strategy Plans, and the Development Assistance Frameworks of the UN Development Group. The EU realised that its plans and those of the UN needed to fit together. This need also applied to the Consolidated Appeal arrangements which the UN's Department for Humanitarian Affairs, later OCHA, had long conducted. All these considerations applied to the facilitating of the EU's working with the UN in suitable areas.

To further the process of achieving closer cooperation with the UN system the Commission drew up a list of the things that it needed to do. This provided another measure of the achievement, and its shortfall, in this context. The Commission had to set about:

- Analysing the mandates, strengths and weaknesses of partners in the United Nations in order to match their key capacities to EC policy priorities, thereby identifying "strategic UN partners" and therefore considering support for the 'key' capabilities of "strategic UN partners" and increasing program funding to these bodies;
- Strengthening the dialogue with "strategic UN partners" on programming and policy-making including in particular by participating in activities of governing bodies as active observers and in relevant donor group meetings);
- Ensuring adequate articulation of program funding and pool funding with the strategies set out in the Country Strategy Papers and integrating funding envelopes in multi-annual budgeting processes to guarantee predictability and stability.

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<sup>3</sup> For this and the following two quotations see EU-Bulletin EU 5-2000 paragraph 1.6.56: "the Commission recommends ... extensive devolution of project management to the Commission's delegations..."

- Integrating the implementation of these guidelines with the process on increased co-ordination and complementarity with EU-MS, other donors and multilateral agencies;

But a second way in which the EU, through the Commission, could enhance its involvement in the UN organizations was a somewhat different one. In this the concern was to establish the EU as an effective participant in the decision making of the international organization, so that it became more like an ordinary member, with more wider ranging responsibilities regarding the activities of the UN organization. This would not be limited to the role of developing projects in which the EU could have programmatic or operational interests, but the more wide ranging one of helping the UN organization to formulate and discharge its own mandate, using its own resources. In this area the Commission would be charged with following policies which reflected the positions agreed by the member states in the European Council or the Council of Ministers, or formulated by itself with the explicit or implicit support of member states, which would have implications for what the UN organization did, but not necessarily involve EU involvement at the operational level, or EU funding. But after negotiations in the UN organization it would also be committed to following and applying the agreed resolutions of that organization. Here lay another set of problems!

### The Member States

The Commission acknowledged that member states needed to improve their cooperation in the UN: there had been only "low-key EU co-ordination on United Nations policy and operational issues in the fields of development and humanitarian issues".<sup>4</sup> This contrasted with the strong EU co-ordination on General Assembly matters. Even in the context of the preparation of the EU's Country Strategy Papers (CSPs) there was scope for improving consultation between the Commission and the EU member states.

It was argued that joint consultation between the European Institutions (the Commission and the EIB) and the Member States concerning country analysis should be strengthened as CSPs were seen as a major tool to ensure the complementarity of the co-operation activities of the Community and the Member States. Therefore, the Commission, together with Member States, should share their analysis of the political, social and economic context of the country at an early stage. This was a labour-intensive process and its success depended on good initial planning, maximised exchange of information, of expertise and labour input, and rapid and relevant on- the- spot feedback. Active data sharing with multilateral agencies would also be an essential part of the process.

On 18 May 2000 the Council presented recommendations on the basis of the evaluation of development instruments and programmes by the Commission and the Member States.<sup>5</sup> As regards internal coordination within the European Union, it asked the Commission and the Member States *to take advantage of the potential for complementary action on a country-by-country and sector-by-sector basis* [my italics]; to adapt the partner country strategy documents taking account of the need for a poverty reduction strategy; to pinpoint obstacles to more frequent use of co-financing and draw up proposals for harmonising procedures and financial rules; to strengthen the coordination of humanitarian aid; and to step up the exchange of information. The Council stressed the importance of strengthening the partner country's ability to assume responsibility in working out development programmes and strategies. But

<sup>4</sup> Compare EU-Bulletin EU 5-2000.

<sup>5</sup> Bulletin, EU 5-2000, Development cooperation, 3-9. See also Council conclusions on operational coordination between the European Community and its Member States: Bull. 6-1997 point 1.4.53; and Council conclusions on coordination between the Community and the Member States in the field of development cooperation: Bull. 3-1998, point 1.3.41.

clearly the main concern was the weakness of coordination with regard to development policy among member states of the EU and between them and the Commission.

The member states also sought to enhance their solidarity in the UN's economic and social organizations by a number of routes. These included declarations about their common purpose, as with the commitment to move together towards the goal of providing .7% of their GNP in Development Aid, as agreed in the UN Development programmes. There was a wider ranging agreement on the principles of development support to which all member states should adhere, as well as a statement about the conditionality of aid programmes with respect to democratization and the support of human rights. The EU members were also collectively committed to outlawing the death penalty and sought to impose this as a condition of their support for the policies and programmes of the UN organizations.

There were therefore two tracks towards the enhancing of EU member state cooperation in this context. The first was the enunciation of principles of policy to which all members were expected to adhere. These were expressed in declarations or conclusions resulting from the meetings of the member states in the relevant EU institutions - Council of Ministers, European Council, Intergovernmental Conferences. These principles were to be respected in general, both in the bilateral and the multilateral context. But the second was more explicitly related to tightening the coordination of the activities of the EU members of specific UN organizations, and part of the requirements for improving this process was improving coordination within the EU itself.

There had been a degree of achievement on this, but some surprising lacunae. It was a regular practice to work through the EU mechanisms in New York, but there was also strong evidence of the belief that in a number of contexts, including development and humanitarian assistance, much remained to be done. There remained the likelihood that the actions of EU member states had been uncoordinated, and less effective than they could be, in a number of multilateral contexts, including the economic and social organizations of the UN.

## **Conclusion**

The above suggests a research agenda and is only a framework in which questions were posed and possibilities indicated. But there is clearly a problem area in which to enquire, and a changing agenda in an important, and hitherto much neglected, part of the EU's external relations. The research agenda suggested here would move into new territory on relations between regional and global international institutions. The tentative conclusions about the way in which the member states and the secretariats of regional and global organizations related together, and each sought simultaneously to reinforce its separate purpose and identity, suggested the need for research for more evidence. There was the possibility that this was a context in which the symbiotic relationship between regionalization and globalization could be spelled out in unusually specific terms.

There were areas where some straightforward empirical work was needed, as with the way in which the Commission and EU member states related to each other in the WFP, and the role of the Commission in the one organization in this context where it was a full member, the FAO. Indeed there would be a case for exploring the changing pattern in the multilateral relationships in a range of the economic and social organizations of the United Nations. Much to everyone's surprise the role of the EU in this context seemed to lag behind developments in the CFSP.



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