

HPG Background Paper

European Union policy approaches in protracted crises

Dedicated to improving humanitarian policy and practice

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1. Introduction

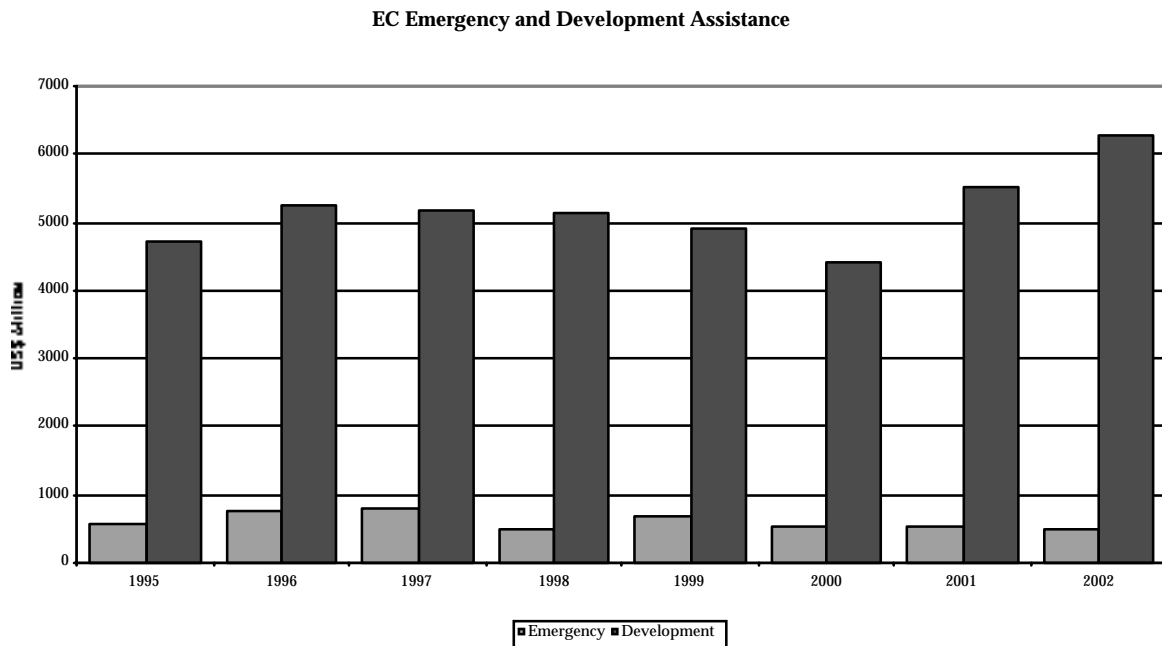
2004 is a year of great change in the European Union (EU). Ten new member states joined on 1 May, in the biggest single enlargement of the Union to date.¹ A new European Constitution, which suggests radical changes to the EU's structures and decision-making, is due to be finalised at an Inter-Governmental Conference (IGC); European parliament elections are scheduled for June; and a new College of Commissioners takes office in November. In the context of these impending changes, this paper examines the evolution of the EU's policy approaches in protracted crises. It is part of an HPG study examining the increased engagement of official development assistance actors in such environments.

The paper begins with an overview of financial trends in the European Commission's aid spending. It then looks at the various mechanisms available for engaging in protracted crises. First, there is an in-depth comparison of two Commission Communications on Linking Relief, Rehabilitation and Development (LRRD). This is followed by a description of changes in the Commission's mechanisms for the provision of aid in protracted crises. Finally, the paper delineates the changes proposed by the draft Constitution and developments in foreign and defence policies, which give the EU greater scope for robust intervention in protracted crises. The paper concludes with some thoughts on the EU's future engagement in such situations.

2. Financial trends

Figure 1 below shows emergency and development assistance from the European Commission from 1995 onwards.² This shows that, while development aid has risen sharply since 2000, emergency aid has remained relatively static. The increase in emergency aid in 1999, when development aid fell slightly, can be explained by the Kosovo crisis.

Figure 1



Source: OECD DAC Statistics Table 2a

Table 1 below lists European Commission (EC) development and emergency aid to protracted crises from 1995 onwards. The main points highlighted by this table are that:

- Between 1995 and 1998, levels of aid to Afghanistan were relatively high. Development aid exceeded humanitarian aid by a small amount. Aid levels fell in 1999 and 2000, before recovering in 2001. In 2002, development aid was almost twice the level of humanitarian aid.
- There has been a very low level of engagement in Burma. However, aid in 2001 and 2002 was far greater than in previous years.
- Levels of development aid to the Caucasus (Armenia, Azerbaijan and Georgia) were high between 1995 and 1999. Humanitarian aid dropped sharply between 1997 and 1998, and has stayed at relatively low levels since.
- Development cooperation with Haiti is currently suspended due to conflict.

- Sudan has received approximately equal amounts of humanitarian and development assistance from 1995 onwards (officially, development cooperation has been suspended since 1990).
- The main form of engagement in Zimbabwe between 1995 and 1998 was development aid. This has dropped sharply since. In 2002, for the first time, humanitarian expenditure was significant compared to previous years – \$4.25 million.

Emergency aid to the countries listed in Table 1 as a share of total EC emergency expenditure averaged 22.27% in 1995–2002, while development aid to these countries over the same period averaged 8.79% of the EC's total development aid.

Table 1

EC Emergency and Development Aid by Country																
	1995		1996		1997		1998		1999		2000		2001		2002	
	Em.	Dev.	Em.	Dev.	Em.	Dev.	Em.	Dev.	Em.	Dev.	Em.	Dev.	Em.	Dev.	Em.	Dev.
Afghanistan	23.34	24.56	30.68	38.33	47.88	54.81	38.42	43.73	10.63	14.67	17.34	17.73	45.67	45.79	77.21	143.72
Angola	16.28	71.41	22.78	94.31	21.36	70.24	15.2	65.4	11.9	52.95	12.83	36.85	11.46	60.46	12.9	62.38
Burma	2.34	2.34	0.9	0.94	2.2	2.7	1.91	2.5	0.58	1.23	1.13	1.6	3.84	3.84	7.99	8.7
Burundi	3.71	23.86	3.72	9.89	-	2.85	0.03	-0.63	1.06	1.43	7.67	9.16	-	62.56	14.31	36.45
Caucasus ¹	15.28	76.08	38.68	94.15	15.49	54.78	1.86	71.66	7.28	70.98	0.53	45.97	4.53	46.43	2.45	62.11
Colombia	1.48	14.05	2.49	25.3	3.56	13.26	4.75	10.48	7.78	17.65	7.46	14.6	7.97	15.69	7.49	17.4
DRC	4.52	21.15	4.23	27.77	1.17	10.76	1.39	12.63	0.5	6.09	6.36	33.49	26.9	43.36	39.85	72.01
Eritrea	2.65	24.83	0.29	7.99	0.91	7.45	1.06	5.87	1.37	5.99	4.13	5.81	4.77	22.99	3.1	14.88
Ethiopia	2.31	80.21	1.4	51.84	3.66	40.7	0.97	115.01	1.22	82.8	4.35	68.99	10.53	100	2.71	116.57
Haiti	8.12	85.83	12.76	67.35	6.03	42.17	3.92	47.52	0.58	35.4	0.03	11.17	0.04	15.79	0.15	15.38
Somalia	3.83	14.64	6.47	21.51	7.05	23.88	4.44	18.49	2.55	19.46	1.95	23.31	4.77	24.96	3.29	23.48
Sudan	21.64	21.69	23.86	23.5	22.87	21.16	15.22	16.77	21	19.63	14.1	13.92	19.35	21.27	12.84	16.99
Tajikistan	9.02	9.02	16.2	18.95	13.67	21.19	16.95	20.22	17.96	18.7	11.48	12.66	11.49	28.89	10.06	12.81
Zimbabwe	0.2	60.3	-	60.28	-	17.31	-	21.88	-	4.2	-	-1.48	0.22	5.48	4.25	6.47
TOTAL	114.72	529.97	164.46	542.11	145.85	383.26	106.12	451.53	84.41	351.18	89.36	293.78	151.54	497.51	198.60	609.35

Unit: US\$m (current prices)

Source: OECD/DAC

3. The 1996 and 2001 Communications on LRRD

This section compares the two Communications published by the Commission on its LRRD policy.

3.1 The 1996 Communication

The 1996 Communication acknowledges that a simple, linear model of the link between relief, rehabilitation and development fails to deal with the reality of complex emergencies. However, although the Communication stated that the term ‘contiguuum’ might be more appropriate than ‘continuum’ to describe the movement between relief, rehabilitation and development, its emphasis remained on a continuum approach³. For example, rehabilitation is described as a ‘bridge’ between humanitarian and development assistance, and the Communication advises that relief should be followed by, or implemented alongside, rehabilitation and reconstruction programmes ‘to ensure a smooth “continuum” on the way back to a long-term development process’.

The Communication also has an organisational focus since it recognises that there is an institutional separation between relief and development in most donor organisations, and that responses to chronic crises may be shaped by the organisational imperatives of donor agencies rather than by the needs of affected populations. Hence, one of its key conclusions is the importance of coordination and the timing of the provision of assistance. With regard to coordination, the Communication recommends the creation of country Task Forces, at both headquarters and field levels, made up of officials involved in relief, rehabilitation, development and political relations. To improve coordination with implementing partners, the Communication proposes inviting them to special open meetings of the Task Force. To improve the Commission’s timing of aid, the Communication suggests that procedures should be adapted to ensure a smooth handover between different aid approaches, and points out that rapid decision-making procedures are required at all stages of the ‘continuum’.

The 1996 Communication also recommends that the Commission should elaborate a strategic plan for developing countries at all stages of their development. This should cover political, developmental, social and technical issues. The strategic plan or ‘global policy framework’ should address:

- how conflict prevention and peacebuilding can be incorporated into development cooperation strategies;
- how development programmes can take account of disaster prevention and vulnerability analyses;
- how humanitarian aid can take account of the longer-term objectives of reconstruction and development; and
- how rehabilitation activities in post-emergency countries should be undertaken to ensure an effective transition from emergency aid to long-term development.

A third key recommendation is that country-specific impact analyses of humanitarian aid should be undertaken in chronic crises. These would be designed to enable relief action to take account of development objectives, and to make relief as effective as possible. These analyses should incorporate political issues (does relief affect the local security situation; does local security affect relief?); social issues (does aid have a negative long-term impact on certain ethnic/age groups?); and economic and environmental issues. They should also examine how relief affects local administrative structures. By undertaking impact analyses over a period of time, the Commission's aim was to develop a 'Relief Code of Good Practice'.

The main body of the Communication elaborates how humanitarian aid should take account of longer-term objectives, how development programmes can take better account of the risk of emergencies and how rehabilitation can 'form a bridge' between the two. In its description of 'the ideal relief model', the Communication argues that 'the basic principles normally applied in development projects should be applied to relief'. Therefore:

- relief should be integrated into existing government structures or independent local NGO operations;
- relief items and distribution systems should match local culture and society;
- relief should take account of the gender dimension; and
- relief should be predictable and not terminated abruptly.⁴

In the rehabilitation phase, the Communication emphasises the human dimension, arguing for going beyond the reconstruction of infrastructure and services to the rebuilding of civil society. It argues that reconstruction efforts should focus on re-establishing the rule of law, supporting the development of political dialogue and promoting public participation in the exercise of power. It also makes a special case for de-mining activities. However, the Communication notes that, before such rehabilitation activities can commence, there must be a minimum level of security in the country, together with a transition process which respects democratic values and fundamental freedoms.

The development section begins with three principles which development actors should bear in mind when focusing on the macro-economic environment of a country:

- The pace and flexibility of economic reform programmes should be shaped by the vulnerability of countries prone to disasters.
- In disaster-prone countries, provision should be made for disaster preparedness, both in the government budget and in economic reform programmes.
- Economic reform programmes must ensure adequate funding for basic social services.

The Communication acknowledges that all sectors must take account of risk and vulnerability, but focuses on two sectors as particularly important from the LRRD perspective – food security and health. In the case of the Commission, responsibility for food security was divided between ECHO (emergency food aid) and DG DEV (all other food aid and food security programmes), so coordination was especially important.

The main body of the Communication also incorporates key points from the Commission's 1996 Communication on 'The EU and the issue of conflicts in Africa: Peace-building, conflict prevention and beyond'. One of these is that 'effectively preventing conflicts is better than responding to their consequences' (particularly since responding to violent conflict is increasingly expensive). Therefore, conflict prevention should be at the centre of a comprehensive EU response.

The 1996 Communication was a largely prescriptive, technical document, underpinned by the idea of a continuum between relief, rehabilitation and development. None of the Communication's main recommendations was implemented – although a few country Task Forces were established, this was not systematic; there was no adaptation of decision-making procedures to facilitate LRRD; systematic analyses of the impact of humanitarian aid were not undertaken and comprehensive global policy frameworks for all developing countries were not established. A task force was set up to monitor progress on LRRD but, as a European Parliament report pointed out in 2001, little concrete action had been taken in the five years since the Communication was published (European Parliament, 2001).

3.2 The 2001 Communication

In 1999, there was an influential evaluation of the work of ECHO, the Commission's Humanitarian Aid Office (Franklin Advisory Services 1999). This was known as the Article 20 evaluation because it was undertaken in accordance with Article 20 of the Council Regulation giving ECHO a legal basis. Under this regulation, ECHO had a wide-ranging mandate and, in the absence of other Commission instruments, operated in the 'grey zone' between short-term relief and longer-term development. It also funded activities in countries like Cuba, where other instruments were not operational for political reasons. This may explain why, in 2001, humanitarian aid comprised 14% of EC aid to developing countries, twice the DAC figure of 7% (CEC, 2001a). The Article 20 evaluation criticised ECHO's performance in the 'grey zone', and suggested three possible solutions:

- limit ECHO's role to emergency assistance;
- develop a capacity within ECHO to distinguish between emergency response and longer-term structural activities; or
- create a separate EC structure, with an adequate legal base, to deal with 'grey zone' activities.

In the subsequent Communication on the future of humanitarian aid activities, the Commission moved towards restricting ECHO's role to its 'core mandate' of 'life-saving operations in emergencies'.⁵ To clarify responsibilities in the 'grey zone', the Commission

undertook to develop a coherent strategy for LRRD, ensuring that ECHO could effect an exit strategy at the earliest opportunity (CEC, 1999). In light of this commitment, and a realisation within the Commission that there was a need to take stock of progress (or the lack thereof) since the 1996 Communication on LRRD, another Communication was issued in 2001. This should be seen in the context of a broader effort to increase the effectiveness of the EU's external action, including reform of the Commission's overseas aid (CEC, 2001a).

This second Communication on LRRD went well beyond its predecessor in acknowledging that, whilst a linear, 'continuum' approach to LRRD may be applicable in natural disasters, conflict situations are more volatile and complex, and different funding instruments will usually need to be used simultaneously, without any 'uniform pattern of chronological transition between them'. This change may partly stem from the fact that the Communication was drafted by the Inter-service Quality Support Group (iQSG), which meant that officers from all the relevant Commission services were involved (although there was little involvement from the field).⁶

From ECHO's perspective, one of the most positive aspects of this Communication was that it made clear that the linkage issue was not a humanitarian aid problem, and put the onus on the Commission's rehabilitation and development instruments. The Communication also:

- accepted that it may be very difficult to implement the link in some situations;
- acknowledged that LRRD was not simply about ECHO handing over to other instruments in a 'continuum', but was likely to involve simultaneous funding from a range of Commission instruments; and
- emphasised the importance of disaster preparedness, making this and conflict prevention the clear responsibility of development instruments. Since then, Commission services have worked to establish a joint policy on disaster preparedness – a strategy paper outlining a division of labour was approved in February 2003 by Commissioner Poul Nielson, and an inter-service group has been set up to implement it.

The Communication also has shortcomings:

- It did not require the different services to undertake a joint analysis of crisis or post-crisis situations, making it difficult for the different actors to undertake integrated and complementary interventions.
- Although the Communication acknowledged that slow decision-making procedures were one of the obstacles to implementing a successful LRRD strategy, it did not pave the way for amendments to these procedures.

The Communication itself identifies two further obstacles to LRRD – the ‘choice of implementing partners and the ability to mobilise resources through appropriate instruments’. However, it says nothing about how the Commission will overcome these.⁷ This perhaps explains the European Parliament’s criticism that the Communication is ‘too theoretical’, lacking concrete proposals and a timetable for action. In addition, the Parliament notes that the Communication ‘does not elaborate on the issue of local involvement’ or mention integrating gender issues. It also underlines that lack of coordination, particularly within the Commission, has been a major hindrance to LRRD (European Parliament, 2001). Although the Communication raises the issue of coordination, particularly with member states and more broadly, it places the emphasis on visibility and raising the overall profile of the EU.

The 2001 Communication provides for addenda to Country Strategy Papers (CSPs), the Commission’s strategic framework documents for its engagement with developing countries. These addenda are for when humanitarian aid instruments come into operation in a country. An addendum is to ‘define strategic orientations, objectives and priorities’, and integrate different instruments ‘in a mutually interdependent way’. It is to be formulated by interdisciplinary Commission teams, but discussed and agreed with the partner country. To date, the addendum procedure has not been required as the Communication was approved before many CSPs were finalised, and the LRRD approach was thus taken into account. The Communication also recommended simplified procedures for the adoption and modification of addenda. The Council has addressed this by agreeing that the accelerated decision-making procedures already available for EC instruments applicable in crises (e.g. MEDA in

the Mediterranean countries, CARDS in the Balkans and the European Development Fund (EDF) in ACP countries) would be applied.

Following the adoption of the Communication, a ‘roadmap’ process for LRRD was set in motion, focusing mainly on the health and food sectors. It began with a series of five day-long meetings focusing on 13 countries or regions.⁸ All relevant desk officers were involved, and the meetings were chaired by the iQSG on LRRD. The Commission presented the outcome of these meetings at a workshop for UN agencies, NGOs and the International Red Cross organisations. Following this, the iQSG has produced a report outlining how the Commission intends to improve LRRD overall, incorporating the results of the country-specific meetings and setting out recommendations for making progress on the issue.⁹

To a large extent, LRRD remains an internal organisational issue for the Commission, rather than a policy which has changed its relationship with other actors in protracted crises. As one AIDCO interviewee pointed out, since the 2001 Communication was published, the Commission’s focus has been on internal implementation. However, when preparing CSPs the Commission consults the World Bank and the IMF to avoid duplication, to exchange views about the situation in the country in question and to discuss possible courses of action. Although CSPs also cover what other donors are doing, this may be based simply on information obtained from UNDP. While the Commission engages in dialogue with US counterparts, and LRRD is on the agenda for these discussions, the Commission has not been greatly influenced by debates on the issue in the US. As for implementing partners like the UN, the Red Cross and NGOs, the extent to which the Commission will significantly influence their policies is uncertain. However, the shift of funding responsibility within the Commission will affect how these agencies obtain funding for their activities, and has led some NGOs to focus more on LRRD. AIDCO’s Food Security Unit has raised the issue specifically with WFP, FAO and IFAD since responsibility for LRRD is located within this unit.

Even within the Commission, different services have embraced the LRRD process to different degrees. For ECHO, LRRD is a priority built into its annual strategy. From 2002, progress on LRRD has been reported on a country-by-country basis in ECHO’s Annual Report. All Global

Plans – ECHO’s funding strategies for longer-term crises – make a specific reference to LRRD. ECHO has also developed a set of criteria to help determine its exit strategies. When ECHO decides it is appropriate to leave a country, it begins to phase out its funding. One of the main triggers for this is improvement in the humanitarian situation, for instance the receding of flood waters or progress towards a peace settlement. ECHO may also reduce its engagement in a country if other humanitarian aid or development donors appear to be providing adequate funding. ECHO’s criteria also allow for a ‘forced exit’ or suspension of funding in cases where the security situation deteriorates, or where too many conditions are placed upon access. Although ECHO may leave a country because its criteria are met, it can re-enter if the situation demands it. It has done this in Georgia and Sierra Leone.

On the development side, AIDCO has been tasked with responsibility for LRRD. However, this additional responsibility has come at a difficult time. AIDCO has been reorganising and decentralising, so there has been high staff turnover; morale has been low (Viciani, 2003). The first phase of decentralisation began at the end of 2001, following a Communication in May 2000 on reforming the management of external assistance. This stated that ‘anything that can be better managed and decided on the spot, close to what is happening on the ground, should not be managed or decided in Brussels’ (CEC, 2000). Delegations are expected to play a crucial role in formulating addenda to CSPs. Although staff are being transferred from AIDCO to Delegations, the European Parliament has underlined the need for adequate staffing and expertise to enable Delegations to ensure efficient linkages between humanitarian and development assistance. There have also been concerns that, because Delegates will bear personal responsibility for programmes, they may be reluctant to take on further responsibility for LRRD decisions, or they may simply get caught up in management procedures (Viciani, 2003). The success of decentralisation in promoting LRRD depends on whether Delegations will have the time and expertise to focus on LRRD activities.

Another factor hindering LRRD is that, in organisational terms, responsibility within AIDCO is located under food security, and so is low in the organisation’s hierarchy. It is also a low priority – when the individual responsible for LRRD was transferred at the beginning of 2004,

colleagues in DG DEV and AIDCO were unclear about who had assumed their responsibilities.

4. Changes in the architecture of assistance

The emphasis on LRRD within the Commission has led to some changes in the way it provides assistance in protracted crises. The Commission has two main forms of funding specifically for use in emergencies: humanitarian aid managed by ECHO; and the Rapid Reaction Mechanism (RRM) managed by DG RELEX. It also has a large number of budget lines for development cooperation. Some of these are thematic, such as the European Initiative for Democracy and Human Rights, or for the rehabilitation and co-financing of NGOs. Others are geographical, such as CARDS (Balkans), TACIS (Eastern Europe and Central Asia), ALA (Asia and Latin America) and MEDA (the Mediterranean). The EDF is for ACP countries.¹⁰ Given this plethora of lines and budgets, linking the Commission's instruments for relief, rehabilitation and development activities has not been straightforward.

One of the main changes in the Commission's humanitarian aid has been a narrower interpretation of ECHO's mandate and an attempt to shift its funding away from 'grey zone' areas to immediate emergency needs. However, the development side of the Commission has not formulated any specific criteria for engaging in protracted crises beyond intervening in situations from which ECHO has decided to withdraw, and providing simultaneous funding with ECHO in the health, food security and water and sanitation sectors in countries or regions where the Commission has decided on a 'contiguum' approach. However, achieving the political and security conditions that development cooperation requires is a slow and difficult process. In Sudan, for example, the EU began to engage in political dialogue with the authorities at the end of 1999. Four years later, a peace agreement between the government and the southern opposition looked imminent, and the Commission prepared for the resumption of development cooperation. This has not happened, and ECHO continues to operate. Since 1994, Global Plans have been used in protracted situations to allow ECHO to develop country or region-wide strategies for periods of six or 12 months at a time. Global Plans are useful because they enable ECHO to take a more proactive approach to a situation, rather than simply responding to funding requests

as and when they are received. They may be seen as ‘an articulation of the absence of a political relationship with the government and/or other authorities in a country’.

Since the development of CFSP structures (see below), ECHO has been anxious to emphasise the neutral and impartial nature of its assistance, thereby keeping it separate from foreign policy. To overcome the difficulty of funding more ‘political’ activities like human rights initiatives, media support, police training and election monitoring in crisis or post-conflict situations, the Commission established a Rapid Reaction Mechanism (RRM) in 2001. This enables it to provide short-term stabilisation while the bureaucratic steps involved in regular programmes are completed. RRM operations are authorised to last no more than six months. In 2002, the scope of RRM-funded activities was widened to cover conflict prevention and the war against terrorism. The RRM has a relatively small budget of €20–25 million a year.

In 2000, the Cotonou Agreement was signed, marking a key change in relations between the EU and the ACP countries. This signalled a shift away from aid entitlements towards a more flexible, performance-based allocation of funding. The aim was ‘to introduce flexibility without jeopardising predictability and to reward performance without neglecting the poverty focus of the Agreement’ (Frederiksen, 2003). In order to judge performance, the Cotonou Agreement allows for three types of review – annual, mid-term and end-of-term. Two rounds of annual reviews have taken place, and Mid-Term Reviews (MTRs) are set for 2004. This will be the first time in the history of EU–ACP relations that the Commission will be able to reallocate funding, potentially away from countries deemed to have performed poorly to those judged to have performed well.¹¹

It is not necessary for the Commission to deprive ‘poor performers’ of funding in order to reward others, since EU member states have held back €1 billion of the current (ninth) EDF. The release of these funds is conditional on disbursement rates for the EDF, and they could be made available for good performers. However, the Commission is seeking to secure the release of this money for a European Water Fund, announced by Commission President Romano Prodi in Johannesburg in September 2002. The aim is to provide ‘technical

assistance for applying water resource management policies and generating projects and to co-finance investments' (Prodi, 2003).¹² Another option is the use of committed but unspent funds from previous EDFs. In the case of countries like Sudan, where development cooperation has been suspended for some time, these sums are large. The Commission could cut allocations from the ninth EDF to a country and still have older funding available.

Nevertheless, the Commission is struggling with the issue of potential poor performers, or 'difficult partnerships'. The Commission's definition of difficult partnerships is narrower than that of the DAC because it does not include countries where the main problem is lack of government capacity. According to the Communication on Governance and Development of 2003, difficult partnerships are 'characterised by a lack of commitment to good governance. They differ from weak governance cases, where the Government makes efforts and is committed, but capacity is weak and outcomes are limited' (CEC, 2003a). The Commission has argued that 'donors cannot afford to totally abandon ... difficult partnerships'. This is for three main reasons:

- *solidarity*: populations should not pay the price for their governments' lack of commitment;
- *security*: the dangers of leaving extremism and terrorism to grow in failed states; and
- *aid effectiveness in the longer term*: leaving a country for a long period has potentially high risks and costs – poverty rises, institutions collapse, the private sector, if it exists, is paralysed. There are also risks of conflicts spreading to neighbouring countries or more widely.

The Commission's difficulty in dealing with these partners is evident from the fact that there is no specific list of difficult partner countries (the list is fluid because of the changing situation within countries) and its general guidelines for how to conduct MTRs give no indication of strategy. To help Delegations with the actual MTRs, officials in Brussels drew up internal assessment advice in March 2004, when the second phase of the reviews (local needs and performance assessment) began.

In the most difficult cases – such as Haiti, Côte d’Ivoire and Liberia – development cooperation has been suspended due to conflict, and there will be no MTR. Sudan is an interesting exception. The Council decided in June 2002 that development cooperation would not recommence until a peace agreement between the government and the southern opposition was signed. A CSP has been agreed with the Sudanese authorities, but not signed. Currently, the lack of progress in the peace process and human rights abuses in Darfur are giving rise to concerns within the Commission. Nevertheless, the Commission has decided to undertake an MTR. If a peace agreement has not been signed by June 2004 and/or the security situation has deteriorated, this will give the Commission an opportunity to reconsider its position. However, if a peace agreement is achieved, the CSP can be signed as it stands and the review will enable the Commission to discuss with the government whether the strategy needs to be adjusted.

To pave the way for the resumption of development assistance, in Sudan and elsewhere, the Commission has devised the ‘Humanitarian Plus’ programme. This uses EDF money for humanitarian activities aimed at supporting peace processes or preparing the ground for development activities. As well as Sudan, it has been used in Angola and Burundi. In Sudan, its aim is to address humanitarian issues in sectors like water and agriculture in a more sustainable way, creating self-reliance amongst populations affected by the civil conflict. The programme is being implemented by international NGOs and UN agencies (rather than the government or the Sudan People’s Liberation Movement/Army (SPLM/A)). It has been a convenient way to use EDF resources which had been allocated but frozen due to the political environment, thereby avoiding the administrative embarrassment of unspent funds (the Commission has been criticised for its poor disbursement rates, and improvement in this area has been a major focus of the Commission’s reform of its external assistance).¹³ The B envelope of the EDF, which can be used to cover unforeseen needs such as emergency assistance, has proved useful for initiatives like Humanitarian Plus because it is flexible and can be used in transition situations.¹⁴ In the case of Burundi, following a meeting in 1998 at which donors agreed to provide ‘expanded humanitarian assistance’, the Commission contributed €48m from the EDF. In Angola since 2002, the Commission’s aim has been to support the peace process. Hence, €30m from the EDF is being used for humanitarian

assistance to vulnerable groups, de-mining, conflict prevention and peace-building measures. Although these 'Humanitarian Plus' programmes are regarded as a success, there is a reluctance within the Commission to formalise the initiative. This is in keeping with the Commission's aim not to create new structures or financial instruments, as stated in the 2001 Communication and reiterated by the inter-service group on LRRD. However, this means that knowledge of the programme or similar initiatives is not widespread within the Commission. Nor does this attempt at LRRD always ensure a smooth transition. In Sudan, although ECHO has invested heavily in the health sector, this was not deemed a priority by the Sudanese authorities. Since the development strategy is agreed in partnership with the recipient government, it does not include continued funding for the health sector.

4.1 Development and peacekeeping

On 19 August 2003, the Commission put forward a proposal to the Council to support the peace process in Liberia by allocating €50m from the EDF. Part of this was intended to provide immediate support to the ECOWAS peacekeeping operation. Following a Council decision on 16 September, the Commission announced a grant of €8m, in addition to €4m in humanitarian assistance. The aim of the grant is 'to offer urgent assistance to the implementation of the fragile peace process and to promote a return to stability and national reconciliation' (Commission Press Release, Document no. IP/03/1251). Of the €8m, €6.12m will cover the payment of daily allowances, food and water rations for the 2,500-strong peacekeeping force. The balance will be used to set up the office of the ECOWAS Special Representative, Francis Blain.

The use of the EDF for support to peacekeeping troops is being expanded. Chris Patten, the Commissioner for External Relations, and Poul Nielson, the Development Commissioner, have agreed to a request from the African Union for further support for peacekeeping by establishing an African Peace Facility. The €250m for this will be funded out of the EDF by reducing allocations to African countries by 1.5%.¹⁵ This will provide €126.4m; the remaining €123.6m will be earmarked under the ninth EDF long-term development envelope (CEC, 2003b). Once the initial €250m has been used, additional contributions will be considered. Patten has justified this use of development funds on the grounds that there can be no

development without peace, and has maintained that this will not contribute to increasing militarisation in Africa.¹⁶ The Commission has argued that the Peace Facility ‘should not cover military expenditure such as arms, ammunitions or specific military equipment and salaries of troops’. It is to be used to support non-military costs such as wages, communications equipment, medical facilities, wear and tear of civilian equipment and logistics (CEC, 2003b). The Commission also recognises that the OECD/DAC definition of ODA excludes most of the operations to be funded by the Peace Facility. However, it argues that excluding this sum would have a negligible impact on the EC’s ODA levels (CEC, 2003b).

The Commission’s proposal for the Peace Facility was approved by the Council on 17 November 2003. Following this, the Commission and member states had a technical discussion about the modalities for its implementation. There is general agreement between the Commission and member states on most aspects of the Facility. However, whilst the Commission is advocating a strong role for the African Union in decision-making and overall responsibility for the Facility in order to encourage African ownership, some member states view it as a way to further European policy in Africa. The finalisation of implementation procedures should clarify this difference in views.

5. Foreign and security policy

The potential for a common foreign and security policy has existed since the entry into force of the Maastricht Treaty in 1993. In 1999, Javier Solana was appointed High Representative for the Common Foreign and Security Policy (CFSP). The European Security and Defence Policy (ESDP) was given concrete form at the Helsinki Council in December 1999, and the Feira Council of June 2000 identified areas of civilian crisis management in which the EU would strengthen its capacity. Should the draft Constitution be accepted in its current form, this will significantly advance the development of the CFSP and the ESDP.

Aid, foreign policy and the draft Constitution

The development of organisational structures for implementing the CFSP has led to an overlap of responsibilities between Solana and Patten. The draft Constitution proposes combining these two roles in a single EU foreign minister. This position would be ‘double

hatted', in that the post-holder would be appointed by, and would report to, the European Council, but would also be a vice-president of the Commission, responsible 'for handling external relations and for co-ordinating other aspects of the Union's external action' (Part I, Title IV, Article 27). At present, lack of coordination within the Commission and rivalry between the Commission and the Council are a hindrance to the development of coherent policies for protracted crises. An EU Foreign Minister may be able to take a more proactive approach to protracted crises and employ a wider range of diplomatic tools.

Patten has argued that 'external action' is not 'foreign policy', and is a much wider concept, including policy areas such as the environment and asylum. The aid community is nonetheless concerned that 'co-ordinating external action' will mean the use of development and humanitarian aid as a foreign policy tool. The sections on humanitarian aid (the draft Constitution is the first in the EU's history to have a separate section on humanitarian assistance) and development within the draft Constitution are located within that part of the document dealing with the EU's external action, and both forms of aid are expected to operate 'within the framework of the principles and objectives of the external action of the Union'. The main objective of EU external action is to 'advance in the wider world the principles which have inspired its own creation'. These are 'democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, equality and solidarity, and for international law in accordance with the principles of the United Nations Charter' (Article III-193 (1)). Initially, the draft Constitution made no commitment to keeping humanitarian aid neutral. It simply stated that 'Humanitarian aid operations shall be conducted in compliance with the principles of international humanitarian law, in particular the principles of impartiality and non-discrimination' (Article III-223 (2)). Following lobbying by humanitarian aid NGOs as well as by Nielson, the text has been amended to include neutrality.¹⁷

The proposals in the draft Constitution regarding the structure of the Commission in an EU of 25 members also have implications for the position and role of EC humanitarian aid. The Constitution recommends a 15+10 model, in which 15 Commissioners have votes, while the others will be non-voting. This raises the prospect of a Commissioner for development and

humanitarian aid without voting rights. The Commission has countered this proposal with a model for 25 voting and 'equal' Commissioners, though this model is also problematic (Mackie et al., 2003). There is likely to be an 'inner Cabinet' to facilitate decision-making. The development and humanitarian aid portfolio may be split between two Commissioners, but neither would be part of this 'inner Cabinet', and each may have to report to the proposed EU foreign minister. Humanitarian and development aid may therefore become subservient to foreign policy by dint of the Commission's new structure.

The structure designed to support the Foreign Minister (and whether or not this draws on the Commission's existing development and humanitarian expertise) will influence how the Minister functions and, therefore, the role of humanitarian and development assistance. This may be a 'Commission Plus' structure, it may consist of a more developed Council secretariat, or it may be a new body, staffed by diplomats from member states. Its form will be determined during the implementation process for the Constitution.

The draft Constitution also provides for a European Voluntary Humanitarian Aid Corps to enable young Europeans to participate in humanitarian aid operations. This would seem to run counter to the move towards professionalism in the humanitarian aid field, particularly in complex and increasingly dangerous situations. Nielson has opposed the move: 'Sending a corps of ill-trained idealistic young European volunteers as aid workers into conflict situations ... is definitely not a good idea'.¹⁸ Although ECHO and NGO bodies like VOICE are lobbying to have this provision removed, a proposal has already been put forward to establish a budget for a feasibility study in 2005.

5.1 European Security and Defence Policy

The ESDP forms part of the CFSP but, whereas the CFSP was institutionalised in 1991, the ESDP did not receive serious attention until 1998. The impetus to focus on the ESDP came partly from the Kosovo conflict which, like the earlier Balkan wars, demonstrated the EU's military dependence on the US. Solana has put forward the logic for an EU defence capability succinctly – 'as a union of 25 states with over 450 million people producing a quarter of the world's Gross National Product (GNP), the European Union is, like it or not, a

global actor; it should be ready to share in the responsibility for global security'.¹⁹ However, progress with operationalising the ESDP has been slow. The Helsinki Council set the headline goal of having a Rapid Reaction Force (RRF) of up to 60,000 troops available for deployment within 60 days by the end of 2003. In June 1999, the Cologne Council outlined the 'Petersberg Tasks' as the principal goals for the use of military force by the EU. These include disarmament operations, humanitarian and rescue tasks, military advice and assistance, conflict prevention and peacekeeping and combat in crisis management, including peacemaking and post-conflict stabilisation. The draft Constitution upholds the Cologne Council's decision on the Petersberg Tasks.

One of the EU's first military operations was *Concordia* in the Former Yugoslav Republic of Macedonia (FYROM), in March–December 2003. In June–September 2003, the EU undertook its first crisis management operation outside Europe, sending troops to Bunia in the Democratic Republic of Congo (DRC) in an operation called *Artemis*. *Artemis* was judged a success, and may encourage more robust EU engagement in sub-Saharan Africa. However, the EU remains constrained by its lack of adequate equipment and technology. The EU has also identified four areas of civil crisis management where it should strengthen its capacity. Of these, it has been most active in policing – an EU Police Mission (EUPM) has been in Bosnia since January 2003 and another has been in Macedonia since December 2003.²⁰

The fact that, under the Petersberg rubric, an EU military force may undertake humanitarian tasks has caused disquiet, and Nielson has called for military assets to be used only in support, and at the request, of humanitarian organisations.²¹ The Commission did, in fact, present an amendment to make the use of military forces in support of humanitarian activities exceptional and in full compliance with international humanitarian law. However, the draft Constitution did not include this amendment and Nielson intends to lobby for it during discussions at the IGC.²² ECHO used its launch with OCHA of the UN's guidelines for the use of military and civilian defence assets in June 2003 to send the message that the EU military should act in accordance with these guidelines.²³

5.2 Counter-terrorism

Despite the focus on counter-terrorism after 9/11, the Commission has not been given additional resources for this and it has done little beyond undertaking technical assistance projects. Instead, counter-terrorism has become linked to the development debate. Patten has argued that tackling security concerns means tackling poverty. Taking Central Asia as an example, he maintains that the 'glacial' pace of development is leading to bad governance, intolerance and religious fundamentalism.²⁴ This conceptual link clearly underpins the use of the EDF to finance peacekeeping operations, and the development of the Peace Facility. Solana has used a similar argument for bringing together instruments such as humanitarian and development assistance programmes, military and civilian capabilities from member states and the EDF: 'All of these can have an impact on our security and on that of third countries. Security is the first condition for development.'²⁵

The draft Constitution also indirectly links aid and counter-terrorism. It states that the Petersberg Tasks 'may contribute to the fight against terrorism ... by supporting third countries in combating terrorism in their territories' (Article III-210 (1)). This raises the prospect of armed forces under an EU flag carrying out peace-making as well as counter-terrorist actions while humanitarian aid organisations are providing assistance, also funded by the EU. However, there has been some confusion about how the Petersberg Tasks will be used to counter terrorism in practice, and there seems to have been little meaningful discussion about deploying forces overseas explicitly to counter terrorism.

5.3 Conflict prevention

As with counter-terrorism, the Commission's conflict prevention activities have become increasingly linked to development cooperation. One impetus for this was the 2001 Communication on LRRD, and the subsequent focus on this area. A key element of the Göteborg Programme for the Prevention of Violent Conflict of June 2001 was the mainstreaming of conflict prevention in development policy, based on the assumption that focusing on poverty reduction alone will not contain or prevent crises (ICG, 2003). The Commission's Communication on Governance and Development links security, governance and development to conflict prevention. It argues that 'Security is directly linked to

development: there is no development in chronically insecure environments. Conversely governance failures with roots in poverty, are a key contributing factor to outbreaks of violent conflict' (CEC, 2003a).

The main way in which the Commission is integrating conflict prevention into its development support is through the CSPs. Its Conflict Prevention Unit has developed a 'check list of root causes of conflict' which the geographical desks use when drafting the political analysis section of CSPs. This conflict analysis then forms the basis for developing conflict prevention activities, such as election monitoring, reform of the security sector or demobilisation, disarmament and reintegration programmes. At present, perhaps the closest link between development aid and conflict prevention objectives is found in the western Balkans. The five countries in this region receive generous assistance under the CARDS programme, which aims to stabilise them politically and economically, with EU accession as the ultimate goal (ICG, 2003).

The process of mainstreaming conflict prevention in other policy areas has been very slow, but the Commission is focusing on environment and trade. It has been active in the Kimberley Process, which aims to establish an international regime for the certification of diamonds to prevent them from fuelling conflicts in countries like Angola, Sierra Leone and the DRC. The Commission also has a number of instruments which can be used to support conflict prevention activities. For example, the European Initiative for Democracy and Human Rights includes support for conflict prevention and conflict resolution under the theme of democratisation, good governance and the rule of law. The RRM has been used to fund conflict prevention activities, such as the reintegration of child soldiers in the DRC. Although humanitarian aid is one instrument for conflict prevention at the EU's disposal, it has not been much used in this role. ECHO has not been keen to become involved with conflict prevention, perhaps because it does not regard it as part of its 'core mandate', or perhaps because it would prefer to focus its resources on the aftermath of crises and leave other Commission services to fund conflict prevention.

6. Conclusions

This paper has described a range of Commission instruments to tackle the different stages of protracted crises, from prevention to post-conflict reconstruction and development. Many instruments and policy developments, such as LRRD, seem to have been the product of bureaucratic pressure or the result of wider political processes, rather than a strategic response to protracted crises. The greater involvement of DGs DEV and RELEX in protracted crises, and initiatives such as Humanitarian Plus, stem from ECHO's efforts to limit itself to its core mandate, and the need to spend committed EDF money. The latter requirement has probably also been a major factor behind the Peace Facility. Similarly, the development of the CFSP and the ESDP appear to be more the outcome of European integration and enlargement than a need to find a broader range of ways for engaging in protracted crises. But even if the pressures for these changes have been bureaucratic, the result is a trend towards more wide-ranging engagement in protracted crises.

The overlap of responsibility both within the Commission and between the Commission and the Council in areas such as external aid, conflict prevention and crisis management has not helped the EU to develop and implement coherent and comprehensive strategies for protracted crises. The level of internal coordination between Commission services has long been criticised, but the Commission is attempting to improve the situation through the Inter-service Quality Support Group, which discusses all CSPs and other policy issues. Similarly, complementarity between Commission activities and those of member states has proved difficult to achieve, particularly as information sharing tends to work in only one direction – from the Commission to the member states.

The requirement in the draft Constitution that humanitarian and development aid operate within the framework of the principles and objectives of external action can be seen as the logical outcome of the emphasis on coherence since the Maastricht Treaty. However, this appears to reverse the balance of power, so that policies such as trade and agriculture are not required to meet development objectives. Instead, development and humanitarian assistance seem to have been subordinated to Europe's interests, as reflected in its trade and foreign policies. It is not surprising, therefore, that ECHO is lobbying hard for the

maintenance of the neutrality of the Commission's humanitarian assistance, whether responding to questions put forward by MEPs or arranging for partners like OCHA and ICRC to make presentations to the Political and Security Committee and the Military Committee.

Despite the increasing emphasis on the CFSP and strategic interests, the EU has employed its foreign policy instruments in just two areas – the Balkans and the Middle East. The reason for EU interest in the Balkans is clear. In the Middle East, its role has increased because of a convergence of factors – the second *intifada*, the US presidential elections in 2000 and the Bush administration's initial lack of interest in the region, and new-found agreement between member states over appropriate strategy. In the immediate future, as new neighbours to the east – Russia, Ukraine, Moldova and Belarus – become more central to the EU agenda, there is likely to be greater CFSP and ESDP engagement. The success of *Operation Artemis* in the DRC has led to speculation that this may encourage more robust engagement in sub-Saharan Africa, with the Peace Facility as one form of this. In the case of the DRC itself, capacity-building support on policing may follow, as well as greater political engagement as the peace process gets under way.

There has also been a push within the EU to strengthen the CFSP. This has been signalled by discussions at the various Council meetings on the CFSP and the ESDP which, in turn, reflect the interests of the member state holding the presidency. For example, the development of headline goals for civilian crisis management at the Göteborg Council, which is still referred to constantly by the Commission, was clearly pressed by the Swedish presidency. The Italian presidency focused on specific issues rather than adopting a broad approach. One issue has been cooperation with the UN on crisis management, and Prime Minister Silvio Berlusconi and UN Secretary-General Kofi Annan signed an agreement on this in October 2003. The Italian government has been equally keen on cooperation with Russia, and there were extensive statements on this subject at the summit in early November. The Italian presidency also proposed the clear subordination of the EU's other external actions to the CFSP. This remains an issue to be tackled by Ireland, which has taken over the presidency from Italy. The Irish presidency has indicated that it will also focus on conflict prevention. Thus, certain areas within the CFSP and ESDP are developing as consecutive presidencies

draw attention to them. In some cases, though, it is unclear where the pressure for a policy or activity has originated. For example, the provision for a European Voluntary Corps was included in the draft Constitution against the advice of Nielson, and in spite of protests from the humanitarian aid community.

The development of the ESDP as well as the draft Constitution provide some indication of the direction which the EU is taking in protracted crises. However, there has been no agreement on radical proposals in the draft Constitution, such as a change to the composition of the Commission or the appointment of an EU foreign minister. There is also no indication of how the changes that will accompany enlargement and the adoption of the Constitution will operate in practice. The accession of the ten new countries will bring with it very different attitudes to development and different political priorities. Those which currently have development programmes tend to focus on bordering countries or their near neighbourhood, in support of security and stability.²⁶ Although acceding countries are required to follow the EC development approach agreed in November 2000, there is concern about changes in the longer term. Thus, there could be a greater linkage of EC aid to regional security and the prevention of immigration from the east. This, in turn, may increase support for aid programmes in the former Soviet Union and Central Asia, shifting EC funding further away from tackling global poverty and towards middle-income countries. Although the Commission believes that the untying of aid is an important factor in a coherent pro-poor development policy and is making progress on this front, new member states are not expected to support this policy direction because they are struggling to build public support for aid budgets.²⁷ In addition, the elections for the European Parliament and the appointment of a new Commission in 2004 may result in new directions to existing policies. Therefore, 2004 will be critical in determining the nature of the EU's engagement in protracted crises.

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Notes

¹ The ten countries are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

² Data for EC emergency aid are not available from DAC statistics before 1995.

³ The term ‘contiguuum’ was probably derived from ‘contiguous’, meaning ‘next or near in time or sequence’. According to the Communication, this would ‘reflect the fact that operations in relief, rehabilitation and development may all be ongoing simultaneously within any given country’.

⁴ It is interesting that the Communication suggested integrating relief into local NGO operations, since ECHO does not finance NGOs in recipient countries.

⁵ This runs counter to the tendency within the Commission to extend ‘turf’ whenever possible. However, it may be more effective for ECHO to focus its funding on emergency situations, where its performance has been praised, rather than ‘grey zone’ activities, for which it has been criticised. Also, ECHO’s existence has never been entirely secure, so it may be better for it to develop a ‘niche’ in funding ‘forgotten’ crises and pressing emergencies.

⁶ As part of the reform of the Commission’s external assistance, the Inter-Service Quality Support Group was established in 2001 to bring together officials from the relevant services, particularly to ensure the consistency of Country Strategy Papers.

⁷ In relation to implementing partners, the Communication acknowledges that development cooperation is based on recipient government approval of projects. This may be problematic for LRRD because governments may be unable or unwilling to take over ECHO-funded projects, particularly if they are in opposition-controlled areas, or to support peace-building or reconciliation activities.

⁸ The 13 countries/regions are: Angola, Sierra Leone, Ethiopia, Burundi, Sudan, Cambodia, Tajikistan, Afghanistan, West Africa, Caribbean, South Asia, Central America and the Andes. They were selected because ECHO intended to phase out its activities in them in the short or medium term, or to improve coordination on disaster prevention and preparedness.

⁹ Entitled ‘Linking Relief, Rehabilitation and Development (LRRD) and Disaster Preparedness and Prevention (DPP): Report and Operational Conclusions of the LRRD/DPP Interservice Group’, dated 27 October 2003, the report is available from the Commission though it has not been published.

¹⁰ For a brief history of the EDF and cooperation with ACP countries, see Grimm (2004).

¹¹ Reallocation of funds is not permitted during annual reviews, only during mid-term and end-of-term reviews (Based on Article 5, paragraph 7 in Annex IV of the Cotonou Agreement).

¹² Further details of the water initiative are presented in ‘An EU Water Fund: Non paper’ available from Romano Prodi’s website: http://europa.eu.int/comm/commissioners/prodi/index_en.htm#euwaterfund.

¹³ A section of the Annual Report 2003 from the Commission to the Council and the European Parliament on EC Development Policy and the Implementation of External Assistance in 2002 (COM(2003) 527 final) reports on progress in improving disbursement rates. See also other documents on the Commission’s reforms, available from: http://europa.eu.int/comm/external_relations/reform/intro/index.htm.

¹⁴ The EDF is divided into two parts. The A envelope, comprising 70% of the Fund, is a longer-term financial instrument. The B envelope consists of the remaining 30%. It is allocated to individual countries for unforeseen events. The Commission can transfer funds from the B to the A envelope.

¹⁵ This will be transferred from the B envelope. The balance will be drawn from the A envelope only if the amount available from the B envelope is insufficient to cover the country's share.

¹⁶ In his speech 'Europe in the World: CFSP and Its Relation to Development', organised by the Overseas Development Institute and the All-party Parliamentary Group on Overseas Development (APGOOD). London, 7 November 2003. Summary available from ODI website: <http://www.odi.org.uk>.

¹⁷ Nielson expressed his concerns in a number of speeches, including at the conference 'EU Humanitarian Aid – Challenges Ahead', organised by VOICE, Brussels, 20 May 2003.

¹⁸ Nielson, speech at NOHA, 5 September 2003.

¹⁹ In his speech 'A Secure Europe in a Better World', the European Council, Thessaloniki, 20 June 2003. Available from <http://ue.eu.int/solana/index.asp>.

²⁰ Details of the EUPM and operations *Concordia* and *Artemis* can be found on Javier Solana's website: <http://ue.eu.int/solana/index.asp>.

²¹ In his speech at the VOICE conference, 20 May 2003.

²² Speech at the Annual ECHO Experts' Seminar, 29 September 2003.

²³ The Civil–Military Co-operation (CIMIC) Unit of the Council has drafted similar guidelines and circulated them amongst humanitarian actors for comment. This has caused some confusion as they appear to duplicate the UN guidelines which have already been signed by member states at the Inter-Agency Standing Committee level. The general view amongst humanitarian actors is that, unless the CIMIC guidelines adapt the UN document specifically for the EU, they are redundant.

²⁴ At the ODI/APGOOD meeting, London, 7 November 2003.

²⁵ 'A Secure Europe in a Better World'.

²⁶ Not all accession countries have development programmes. Some will have to move from being aid recipients to donors committed to EU development policy. For example, in 1999 Poland received \$519 million in ODA from the EC, but is expected to commit 0.39% of its GDP to ODA by 2006 (BOND, 2003).

²⁷ Speech by Koos Richelle at the seminar 'European Community Development Policy: The EU Current Agenda for Development policy', seminar on Development and Enlargement organised by the European Commission, Copenhagen, 12 March 2003. The speech provides a detailed outline of the Commission's commitment to, and progress on, untying aid. Available from http://europa.eu.int/comm/development/body/organisation/eu_enlargement_en.htm#speeches.