

The European development policy : current trends and future plans

THE EUROPEAN DEVELOPMENT POLICY

CURRENT TRENDS AND FUTURE PLANS

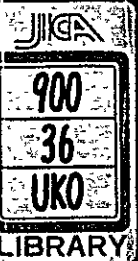
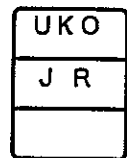
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PREFACE

This thematic report is based on the findings of a 1999 study on the current development policy of the European Union commissioned by the London and Paris offices of the Japan International Cooperation Agency (JICA). An introductory report of the study, 'The European Development Policy: Overview' is also available.

Part one shows the recent orientation of EU development policy. Detailed examples of projects and project lists are provided in the annexes 1 and 2.

Part two outlines the EU instruments used to assist central and eastern European countries and Newly Independent States that are engaged in a process of economic and political transition

Part three offers a general view of EU aid policy to Africa and the Middle East in terms of the promotion of 'democratisation', 'human rights' and 'good governance'.

Part four illustrates EU aid policy to Africa and the Middle East with regard to 'conflict preparation/resolution' and 'peace-keeping'.

Part five reveals the characteristics of the relations between the EU and non-governmental organisations, and their methods of collaboration.

Part six deals with the issues arising from the stability of south-east Europe.

Finally, part seven proposes guidelines for future JICA action.

Parts one, two and five were prepared by the Centre d'Observation des Economies Africaines, (Universite de Paris-Sud) under contract to the JICA France office.

Parts three, four, six and seven were prepared by Ove Arup & Partners (Arup Economics & Planning) under contract to the JICA UK office.



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LIST OF ABBREVIATIONS

ACE	Community Action for Economic Co-operation
AECD	Asian Ecumenical Conference on Development
ACP	Africa, Caribbean and Pacific
ALA	Asia and Latin America
APs	Action Plans
EBRD	European Bank for Reconstruction and Development
DAC	Development Assistance Committee
CEECs	Central and Eastern European Countries
CFSP	Common Foreign and Security Policy
COP	Country Operational Programme
COPAX	Conflict Prevention Network
CU	Unit of Coordination
DFID	Department of International Development
EBRD	European Bank for Reconstruction and Development
EC	European Community
ECHO	European Community Humanitarian Office
ECIP	European Community Investment Partners
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EIB	European Investment Bank
EU	European Union
EUAEC	EU Analysis and Evaluation Centre
EUROMESCO	Network of Foreign Policy Institute
FYROM	Former Yugoslav Republic of Macedonia
HCR	High Committee for Refugees
IGADD	Intergovernment Authority for Drought and Development
IGC	Inter Governmental Conference
IMF	International Monetary Fund
IPs	Indicative Programmes
IRDC	Intermediate Developed Countries
ISPA	Structural Instrument of Pre-Accession
JICA	Japan International Cooperation Agency
JOPP	Joint Venture Programme
LCDNGO	Liaison Committee of Development Non Governmental Organisations
LDCs	Low Development Countries
LLDCs	Least Developed Countries
LIEN	Link Inter European NGOs
MAP	Reform of the Staff Management and in the Administrative and Political Fields
MDP	MEDA Democracy Programme
NGOs	Non Governmental Organisations
NIP	National Indicative Programme
NIS	New Independent Countries
OAU	Organisation Africa Unity
OBNOVA	TA Programme for Bosnia-Herzegovina, FYROM, Croatia, Federal Republic Yugoslavia
ODHR	Office of Democratic Institutions and Human Rights
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the High Commission for Human Rights
OJL	Official Journal on Legislation
OSCE	Organisation for Security and Co-operation in Europe
PCAs	Partnership and Co-operation Agreements

OJL	Official Journal on Legislation
OSCE	Organisation for Security and Co-operation in Europe
PCAs	Partnership and Co-operation Agreements
PCC	Partnership and Co-operation Programmes
PESC	Common Foreign and External Policy
PHARE	European Union Technical Assistance Programme for Central European Countries
PIP	Pluri-annual Programme
PNAA	National Programme for the Adoption of the « Acquis »
PSC	Programme of Support to Co-financing
RIP	Regional Indicative Programme
SAA	Stability and Association Agreements
SADC	Southern African Development Community
SAPARD	Agricultural Instrument for Pre-Accession
SCR	Common Service Relex
SEM	Sound and Efficient Management of Resource
SME	Small and Medium Enterprises
SOPs	Sector Operational Programme
TACIS	Technical Aid to Community Countries of the New Independent States
TAFKO	Task Force for Reconstruction of Kosovo
TAO	Technical Assistance Office
TAIEX	Technical Assistance Information Exchange Office
WTO	World Trade Organisation

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PART ONE

Orientations of the European Development Policy Since 1998

1998 was marked by three important times: passage to euro, proposals of Agenda 2000, and the launching of the process of enlargement. The process of adhesion to the European Union of the applicant countries and Cyprus was launched in March 1998, following decisions taken by the European Council of Luxembourg in December 1997. Moreover, Malta made another request for adhesion, previously suspended, and Turkey launched it for the first time. If the enlargement of the Union in Central and Eastern Europe constitutes a key element of external solidarity, it remains that the Union continues its co-operation projects with the whole of the developing countries.

The development co-operation of the EU tends to the decentralisation of policies, for a development offering a more significant place to participation and co-operation. In addition, in the current context of reduction of the financial envelopes coming from donors, the tendency is to a more specific and visible help, from which a revision of the strategic priorities of the co-operation and a new approach of the assistance allowance.

The European Union also granted additional commercial advantages to countries which respect the social and environmental international standards, as the LDCS. Other elements were more taken into account, and a joint position was adopted on the human rights, democratic principles, the rule of law and good governance of public affairs, in particular in Africa. Moreover, measures against certain countries which do not respect human rights were taken.

1.1 The Policy of Cooperation through Projects of Development

1.1.1 ACP Area

1.1.1.1 Short reminder and current context of the policy of development

Negotiations between the EU and ACP countries for the renewal of the Lomé Convention started in 1998, in order to find a new agreement of partnership. The Convention will end in February 2000. The total of the EU aid committed to ACP countries between 1986 and 1998, reached 30 billion euros (43 per cent of the total aid commitments), essentially provided by the Lomé Convention (77 per cent). From 1.1 billion euros in 1986, the amount of commitments reached 2.8 billion euros in 1998 (from 1 to 2 billion euros in terms of disbursements).

The evolution of aid in this area depends on the trend of the flows in direction to Sub-Saharan Africa, which was and still remain the main beneficiary in the 1996-98 period (about 78 per cent between 1986 and 1998). During the same period, the main recipients were Ethiopia, Malawi, Zambia, Mali and Mozambique. These countries which benefited from mechanisms of compensation in case of losses on export earnings were Côte d'Ivoire, Cameroon, Ethiopia, Sudan. Food aid remained an important instrument of aid and Ethiopia was the first beneficiary (640 m euros) followed by Sudan, Mozambique and Angola.

Aid projects were the most used instruments and represented about 58 per cent of all the EU aid. The main sectors were transports and communications (11 per cent), industry, mining and construction (8 per cent), social infrastructure (7.4 per cent), rural development (6.9 per cent) and agriculture (5.8 per cent).

1.1.1.2 List of projects financed since January 1998

List in annex 1.

1.1.1.3 Focuses on some countries

South Africa

The latest National Indicative Programme (1996-1999) reached a total amount of 500 million euros. Interventions had been concentrated, at first on social services (more than 50 per cent) on health and education, secondly on private sector development (SME and promotion of investment - about 20 per cent), on good management of public affairs (20 per cent) and at least on regional co-operation (in infrastructures, services, agriculture and natural resources). The three main projects implemented during 1998-1999, have concerned human resources (44.7 million euros), South African Policy (18.5 million euros) and the strengthening of local governments (17.9 million euros).

Botswana

Started with the 7th National Indicative Programme (NIP), two sectoral priorities have been continued with the 8th NIP (1996/2000: 38.07 million euros). They contribute to the improvement of standards of living of the poorest populations, by an intervention on natural resources and environment and on the development of new productive sectors (private sector development and related vocational training). These sectoral priorities have not changed since 1998, with the realisation of projects in these fields (in metal industry, vocational training, wild life conservation, and forests).

In the EDF figures, sectoral breakdown shows the importance of social sectors (46 per cent of the total EDF envelope), followed by environment (26 per cent), by far by mine and industry development/SME (4 per cent) and rural development/fishing (3 per cent). New projects have been implemented in these fields since 1998.

Côte d'Ivoire

The three major sectors defined in the implementation of the 7th and 8th EDF have been maintained in 1998: support to health, decentralisation and rural development, agriculture and environment policies. Important projects are implemented in these sectors (decentralisation 49.6 million euros; Health 30 million euros; project for the national agriculture census 34.4 million euros). In 1999, a reflection on a strategy to support agricultural producers and a study in environment have been carried out. A new project to support oil-palm planters has been adopted and another one concerning the modernisation of the PAA fruit terminal is now being discussed.

The sectoral breakdown is characterised by a major representation of rural development and fishing (47 per cent of the total EDF amount) followed by social sectors (17 per cent). On the period 1996/2000, global allocations reached 158.8 million euros.

Ethiopia

Concerning Ethiopia, priorities are food security, human development, road infrastructures, democratisation and institution building. Total EDF and budget for 1996-2000 represent 419 million euros. 1998 has been characterised by important commitments (300 million euros) in four major projects as transport infrastructures (roads more than 200 million euros), water supply project (19.5 million euros) and structural adjustment support programme (75.4 million euros). Others projects are implemented in education, private sector, roads and cultural heritage. In the sectoral breakdown of NIP, rural development/fishing represents 40 per cent, followed by social sectors (20 per cent), mine and industry development/SME's (15 per cent), structural adjustment and balance of payment support (10 per cent), transport and communications (8 per cent), environment (5 per cent).

Ghana

In the last conventions, co-operation assistance has focused on rural development, natural resources, transport infrastructures and it remains completed by other interventions in social sectors (health), by support to the private sector and reform of the public sector (budget management). Transport and communications are the most sustained sectors with 55 per cent of the total NIP envelope, followed by rural development/fishing (21 per cent). Structural adjustment and support for balance of payments are far away from them, with respectively 9 and 8 per cent.

Madagascar

Two major sectors of intervention still remain, as the main ones: transport and communications (roads and airports), and rural development (food security, diversification of production, support to peasant organisations). Social services benefit from an increased support, especially in human resource development and private sector. In Lomé IV bis, priorities are still the same, and NIP funds have been increased of 45 per cent to reach 188.5 million euros, and budget allocations represent 14.8 million euros. As it was said before, NIP is concentrated on transport and communications, which represent 56 per cent of the total funds, followed by rural development, social services and others (about 15 per cent each).

Niger

Co-operation assistance had been interrupted during a certain time because of political circumstances, and re-established in 1997, particularly in food security and human resources development (public health and basic education sectors). Other interventions have been implemented in 1998 in mining development, economic and financial programme of structural adjustment. The sectoral breakdown of NIP is concentrated on rural development/fishing (33 per cent), and other actions take place in transport and communications (18 per cent), mining and industry development/SME's (16 per cent), social sectors (13 per cent). Two important projects in road rehabilitation have been engaged in 1998 for a total amount of nearly 30 million euros.

Nigeria

From 1995 to 1998, the European development co-operation had been suspended because of the non-respect of human rights, except for emergency humanitarian aid and assistance provided by NGOs. In 1998, relations took a new start with the institution of a democratic government. New projects have been limited to human rights and elections, and represent 9 projects of 3 million euros. New plans in economic management capacity and programming studies are in process.

The two major sectors, equally presented, are rural development/fishing and social sectors (24 per cent each), the others are transport and communications (16 per cent), environment (12 per cent), mine and industry development/SME's (10 per cent).

Senegal

In the 7th NIP, aid was concentrated on two sectors, transports (roads) and development to the Saint-Louis region. Senegal received funds for structural adjustment (principally allocated in health sector and maintenance of public infrastructures), from Stabex (restructuring of groundnut industries) and in other fields as economic and social promotion at a local level, displaced people, AIDS, small-scale fishing in Ziguinchor region and promotion of tourism.

In the 8th EDF, transports and communications remain priority actions with 49 per cent, the rest is divided between social services and rural development/fishing (about 12 per cent), mine and industry development/SME's, structural adjustment and balance of payment support (about 8 per cent).

Tanzania

If the EU assistance focused on rural development, transports, strengthening institutions and social infrastructures during the three first Lomé conventions, the fourth Lomé Convention considered the structural adjustment as a priority. The 7th EDF NIP (185 million euros) sustained also this sector, and financed actions, like restoring road and rail links inside Tanzania and with its neighbours, like

environment protection, telecommunications, fight against AIDS and special rehabilitation programmes for refugees. Other actions supported environment, food aid (on the EU budget), emergency aid for refugees (ECHO) and private sector (EIB). The 8th EDF NIP, has just started at mid 1998, for an amount of 240.5 euros million, and priorities are transports, urban water supply and education, supports to structural adjustment reforms. Moreover, a new structural adjustment programme was provided in 1998 for an amount of 71.2 million euros. The EDF sectoral breakdown of NIP shows a main interest in transport and communications which represent 65 per cent, others like social sectors (10 per cent), environment (8 per cent) are far away.

Zambia

In the Lomé IV NIP (110.7 million euros), priorities concerned the improvement of road and social infrastructure, and the promotion of non-copper exports. The country received a structural adjustment facility (96.5 million euros) and SYSMIN financing (60 million euros). For Lomé IV bis NIP, financing increased to 138 euros million and priorities evolved towards the promotion of a social and economic sustainable development by strengthening the productive sector, social sectors, macro-economic management and policy formulation. In social sectors for instance, two programmes have been financed in 1999, « Public welfare assistance scheme » (euro 1.16 million) and « Health sector support programme » (4 million euros).

Zimbabwe

Rural development, health and education remain priority sectors in 1998. The sectoral breakdown of NIP shows a focus on rural development/fishing with 51 per cent, followed by structural adjustment and balance of payment support (27 per cent), mine and industry development/SME's (12 per cent), social sectors (9 per cent). In 1999, an important project « Health sector support programme », was adopted with a financing of 24.5 million euros.

1.1.2 Central and Eastern European Area

1.1.2.1 Short reminder and current context of the development policy

Since the 1990's, aid to Central and Eastern European countries increased rapidly, because of the beginning of the Phare programme (1990). Between 1991 and 1996, the total of Phare commitments reached 7.756 billion euros. Poland was the most recipient country with 1.536 billion euros. The followed beneficiaries were Romania (824 million euros) and Hungary (771.6 million euros). Multi-country programmes represented around 10 per cent of the total (780 million euros). The lower recipients were Slovenia (115 million euros), Estonia (134 million euros) and the Former Yugoslav Republic of Macedonia - FYROM (142 million euros).

In terms of structural allocation, the main sectors of Phare programme are transports, communications, energy and humanitarian aid (excluded rehabilitation). The total budget of the programme in 1998 reached 1.308 billion euros. Nevertheless, aid was concentrated on a few number of countries. Main recipients were Yugoslavia (with humanitarian aid), Poland, Bosnia and Herzegovina (between 15 to 10 per cent each). 30 per cent would have been devoted to the reinforcement of the institutions (financing of twinning agreements between the institutions of a Member State and those of a partner country, and 70 per cent with instruments aiming at reducing sectoral, regional and structural imbalances in the applicant countries.

The assistance is concentrated on economic infrastructures, 29 per cent of the total commitments (1.6 billion euros in 1998), especially in transport and communication fields. Humanitarian assistance represented more than a fifth, among which ECHO for 54 per cent. The main recipient of humanitarian aid were countries of the former Yugoslavia (at 88 per cent). A rising sector concerns social infrastructure and services, especially education. And actions of the Phare programme towards democracy represents 15 million euros.

In 1998 the financial breakdown of the programme is:
National programmes: 579.5 million euros
Cross Border co-operation: 180 million euros
Pluri-national programmes: 349.7 million euros
Rehabilitation in Ex-Yugoslavia: 150 million euros
Others: 49.2 million euros

If the broad outline of the Phare Programme for 1998 and 1999, falls under the continuity of the preceding ones, the programme underwent a reorientation by the reinforcement of the strategy of accession. From now on, the Phare Programme is presented as being the principal element of the extension of the strategy of pre-accession. The objective is to rationalise the implementation of the programme and to accelerate its realisation. It means to help the applicant countries to adhere to the Union in a very short term. To this end, a restricted number of priorities was retained.

They are priority fields defined within the framework of partnerships, which are concentrated on two fields: reinforcement of the administrative and legal capacity, as well as the incentive and the increase of the investments necessary for the realisation and the application of the « *acquis communautaire* ».

The process of enlargement of the European Union towards the Central and Eastern European countries, became a reality and led to the need for an institutional reform, in order to integrate the new Member States. This enlargement constitutes a real challenge for the EU. Actions of the EU in Central and Eastern European countries, concentrate on democracy, setting to a stable political framework, development of a market economy and social raising.

Assistance for the pre-accession should rise to approximately 3 billion euros per annum over the period 2000-2006. That is to say a doubling of the availabilities compared to 1999. In this new programme centred on adhesion, two axes will have priority: reinforcement of administrative and legal capacities (evaluated to 30 per

cent of the total expenditure), and investments necessary to the realisation of the « acquis communautaire » (70 per cent).

1.1.2.2 List of projects financed since January 1998

List in annex 1.

1.1.2.3 Focuses on some countries

It was difficult to focus on some countries of the Phare programme, because of a lack of information in financing after 1998 concerning these countries and their sectoral repartition.

Albania

In 1997, the Albanian crisis caused the interruption of the Phare programme, but it revived. As Albania is a non-candidate country, Phare supports transition to democracy and market economy, and uses three instruments like know-how, investment support and investment in infrastructure. Interventions focused in four main areas of interest: public administration and institutional reform, local community development, large-scale infrastructure development and agriculture. From January 1998 to mid 1999, Phare committed about 30 million euros in national programmes and 26 million euros in cross-border co-operation programmes with Italy and Greece. Public administration reform and infrastructure stay the main recipients, with 10 million euros each one. These allocations by sectors increased in 1998 compared to 1997. They are followed by agriculture (6.3 million euros).

Bosnia and Herzegovina

Bosnia and Herzegovina is one of the latest participants to Phare programme. It joined Phare in 1996 and as Albania, Bosnia and Herzegovina is not candidate for adhesion. In this country, Phare works in co-ordination with other donors, and since 1997 priorities are democracy-building, implementation of peace agreements and economic revitalisation. In 1998, a large programme in agriculture restructuring for economic regeneration of the forestry sector had been implemented with a financing of 8 million euros. In 1999, two important projects in health sector were in tender announcement, for a total amount of 3.7 million euros, and some projects were proposed in environment.

Bulgaria

The Phare programme continued to concentrate its priorities in 1998, on economic reforms towards public administration and institutional reform, private sector, civil society and democratisation, with two projects on reinforcement of institutional and administrative capacities (20 million euros), large scale infrastructure development, and environment.

Bulgaria received 604 million euros during the period 1990-94, which represented about 7.8 per cent of the total financings of Phare. This share remained the same for the 1998-1999 programme.

Federal Republic of Yugoslavia

In 1998 only four operational projects have been realised. The priority sector concerns infrastructures with two projects, for a total amount of euro 19 million. Other sectors, administration and public institutions reforms and education received less than 5 million euros.

With the continuing conflict in Kosovo the EU decided in April 1999 a limitation or a suspension of its assistance in certain sectors and the adoption of an embargo against Federal Republic of Yugoslavia and Serbia. Consequently, the eligibility of this country to the European Union adhesion could not be discussed. In term of aid flows, the Federal Republic of Yugoslavia will only received humanitarian and emergency aid and democratisation assistance. OBNOVA, limited to Kosovo and Montenegro will be maintained with a special focus on refugees and internally displaced persons.

FYROM (Federal Yugoslav Republic of Macedonia)

The country has known a relative economic and political stability since 1996, the Phare programme started that year. At that time, the main objective was to achieve market reforms. Actions were undertaken in the aim of restructuring economy, strengthening enterprise sector, supporting reforms in land and agriculture, and developing human resources.

During 1998-1999, development of infrastructure, especially transports represented an important priority, with the cross-border programme with Greece. Projects were in tender announcement in the statistic field, for the creation of a statistical office and a technical assistance (estimated at about 2 million euros), and to strengthen Phare capacities in FYROM by the implementation of an office and a technical assistance (900,000 euros). At the same time, the land reform started in 1997, has entered in a second phase (1.2 million euros)

Hungary

Aid allocated to Hungary decreased from 8.3 per cent over the 1990-95 period to 6 per cent during the 1996-98 period.

Poland

Poland has been the main recipient of assistance since the beginning of the Phare programme. Priorities of the programme remained the economic and political reconstruction, SMEs development, transports, agriculture and environment.

In 1998-1999 many different projects have been implemented in that fields; and the volume of projects in tender announcement reach a very high level.

Romania

This country had received between 1990 and 1998 about 8 per cent of the total of the Phare programme. The main priorities don't really differ from the previous country: economic and political reconstruction is the main recipient of aid, followed by infrastructure. In 1998 on a total of nine financed projects, four were implemented in the sector of administration and public institutions reform, and received more than 50,000 euros. The programme to restructure enterprises and the employment conversion is one of the most important projects in financial terms, with 100 million euros. In 1999 as in the past years, the volume of tender announcements of projects were still very high.

1.1.3 Central Asia Area

1.1.3.1 Short reminder and current context of the development policy

The Tacis programme is the instrument of the EU for the New Independent States. The contractual relations between the EU and the NIS countries have changed. The links between the UE and the NIS were reinforced in 1998, with the entry into force of Partnership and Co-operation Agreements (PCAs) with Ukraine and Moldova. During the same year, the European Parliament gave its consent to the conclusion of agreements of partnership and co-operation with Armenia, Azerbaijan and Kazakhstan. Such an agreement has already been signed with Turkmenistan, Georgia, Armenia and the Kyrgyz Republic for trade. They benefit from measures of accompaniment, come into effect since December 1998.

The signature of these agreements gave a new dash to the Tacis programme and a new political framework for these actions. At the end of 1999, for each Tacis country, PCA had entered into force, except for Belarus and Tajikistan. The relations were tense with Belarus, because of a political situation of non-observance of the State of right and continuous violations of human rights in 1998.

Aid was concentrated on a small number of countries. Taken as a whole, the main beneficiary was the Russian Federation which received 30 per cent of the Tacis Budget, followed by Ukraine with 10 per cent. About 30 per cent were allowed to regional programmes.

The priority sector was economic infrastructure, which represented 30 per cent of the commitments in 1996-98 and particularly nuclear safety (60 per cent). The second sector was social infrastructure and services. Education, which is one of this component, decreased to 5 per cent during the period 1995-98.

In 1998, Tacis resources reached 507 million euros. The major recipient remained Russia (139.7 million euros), and far away Ukraine (44 million euros), Uzbekistan (29 million euros) and Azerbaijan (26.8 million euros). The regional co-operation represented 155 million euros.

The new programme for 2000-2006 has the objective to target thoroughly the development co-operation by means of a restricted number of fields of intervention (three at the most by country), and a different approach according countries. It retains democracy and investment, as central elements of any strategy.

1.1.3.2 List of projects financed since January 1998

List in annex 1.

1.1.3.3 Focuses on some countries

In 1998, key sectors remain nuclear safety and environment, which represent about 23 per cent of the total amount (507.24 million euros), followed by public administration reform, social services and education (14.4 per cent).

Kazakhstan

For the 1996-99 period, the NIP was established on four priorities: Privatisation and restructuring (over 50 per cent of the total amount), supporting growth in agriculture, energy and telecommunication. During 1999, some projects were implemented (for instance, reform of the government), mainly in structural and institutional fields (legal reforms 1 million euros), or in transports (transit corridor 2 million euros), agriculture (support oil production and agricultural producers for a total amount of 2 million euros).

Kyrgyzstan

In 1999, the Kyrgyz action programme defined key sectors, firstly like institutional reforms (support for enterprise and trade development), agriculture and agro-industry, and infrastructure development (transports and telecommunications).

Energy sector still existed but had been relegated to a secondary position. During 1999, an action supported the PCAs implementation (1.5 million euros), projects in private sector development (SME - 1.5 million euros), in agriculture (seed development - 1.5 million euros) and in transports (rehabilitation road - 1.4 million euros).

Russian Federation

The 1998 Action Programme determined a series of key sectors in accordance to objectives of the NIP 1996-1999, which were to assist and to accelerate socio-economic and democratic reforms (social protection), support enterprise (business climate, investment, restructuring enterprises, support SME) and human resources development (education, public administration reform, law). Other elected sectors were food production, transports and telecommunications, environment and energy. The financial amount for this programme was 112.2 million euros. The breakdown was: Human resources development and social protection (32.5 million euros), Enterprise restructuring and development (31.5 million euros), transports and telecommunications (11.5 million euros), environment and energy (18.5 million euros), and food production, processing and distribution (5 million euros).

Tadjikistan

Concerning the situation in Tadjikistan, Tacis programme activities had been suspended in 1997, and has not been renewed in 1998. Only humanitarian and food assistance had been continued.

Turkmenistan

In 1998, Turkmenistan signed a PCA. The Tacis programme defined three priorities: structural and institutional reform, development of agriculture and agro-industry, and building of a capacity in the energy sector. In 1999, agriculture and energy remained priorities. Two projects were launched in agriculture (cotton sector 1 million euros) and agro-industry (food 2 million euros), two others in energy, development of energy sector (1.5 million euros) and another in oil and gas sectors (1.5 million euros).

Uzbekistan

The four priority sectors still stay agriculture, public administration, investment in enterprise and bank sector, development of energy and telecommunication networks. In 1999, a project continued the institutional reforms (land registration) and another one began a support to the civil aviation authority.

1.1.4 Mediterranean Area - the Middle and Near East

1.1.4.1 Short reminder and current context of the development policy

The Conference of Barcelona in 1995 took shape of a new Mediterranean policy of the European Union. It constituted a turning point towards new objectives: gradual installation of a free trade area from now and 2010, political stability and democracy, social, cultural and human development. Aid to Mediterranean and the Middle East grew from 400 million euros in 1986 to 1,300 million euros in both 1997 and 1998.

The main recipients were East and Southern Mediterranean countries (Maghreb and Mashraq), and the main beneficiaries were Egypt (25 per cent), Morocco, Palestinian Administrative Areas, Algeria, Turkey and Tunisia. The development co-operation results mainly in the MEDA programme, which benefited from an amount of engagements of 947 million euros in 1998. (3,475 million euros over the period 1995-1999). 90 per cent of the funds of the MEDA programme are of bilateral nature, 10 per cent remaining finance regional actions.

In 1998/99, links between Europe and the Mediterranean were consolidated and the committed partnerships were continued with the signature of the last Convention-frameworks of financing.

The action undertaken in favour of the process of peace in the Middle East continued in spite of difficulties due to the stagnation of the Agreement of Oslo and the Agreements of Wye Plantation, as well as the actions concerning human rights and development. Relations with the South East European countries continued on the basis of the principle of conditionality. Cyprus, Malta and Turkey enter in the process of adhesion.

During last months, The Mediterranean area had to face a deterioration of the economic situation because of three factors: the fall of the price of oil, a world-wide and unfavourable regional economic situation, and national economies of which structural rigidities block the projections. The financing of the 1995-1998 programme, were mainly devoted to traditional projects of development (42 per cent of the total of commitments), to the support for the economic transition and the development of the private sector (38 per cent), the support for the structural adjustment (9 per cent) and regional projects (11 per cent).

1.1.4.2 List of projects financed since January 1998

List in annex 1.

1.1.4.3 Focuses on some countries

Egypt

Egypt is by far the first recipient of the MEDA programme. It has perceived nearly 40 per cent of the Phare financing in 1998. NIP 1997-1999 (755 million euros on the whole) defined two priority sectors: support to transition (45 per cent of the total amount) and support to socio-economic balance (48,3 per cent). Moreover, some actions were undertaken in the sector of environment, representing 6 per cent of the funds allocated.

Four agreements of financing within the framework of the NIP were signed in 1998: the programme of industrial modernisation for SME (250 million euros), a support to the programme of reform of the health sector (110 million euros), a social fund for development - Phase II (155 million euros), and programs to improve education (100 million euros). Actions of the MEDA programme were financed or supported by the EIB, among which operations on venture capital (29 million euros) and concerning allowance of interest rate (7.8 million euros).

Jordan

Since 1996, the priority of the MEDA programme (1996-98) was to support the economic reform and the development of the private sector, for an amount of 125 million euros (including 100 million euros for the support of the structural adjustment, that is to say 79.8 per cent), to support the economic transition (17 euros million -13.5 per cent) as well as projects of socio-economic and environmental development (8.24 million euros - 6.7 per cent). In 1998, Jordan profited from 33 million euros. The support to industrial modernisation remained a priority, as in 1999. Moreover, other actions were financed in 1998 within the framework of ECHO (1.6 million euros), of MEDA democracy (1.5 million euros), Meda TEAM (0.735 million euros), NGOs (0.26 million euros), food security (UNRWA 12.35 million euros), allowance of interest rate (8.24 million euros) and Institute of Diplomacy (7.2 million euros).

Morocco

Co-operation with Morocco continued in 1998 with a total amount of engagement of 218.9 million euros, conferring on it the second place among all the recipients. NIP 1996-98 put down the three following sectors as a priority: support to the structural adjustment (26 per cent of the whole of the funds), support to the economic transition (31 per cent) and reinforcement of the social balance (43 per cent). During the year 1998, actions undertaken in favour of this last sector have increased.

Saudi Arabia and Syria

No detailed information are available concerning Saudi Arabia and Syria for 1998 and 1999.

Tunisia

The Euro-Mediterranean agreement of association concluded with Tunisia in January 1998, came into effect in March 1998. This agreement envisages a regular political dialogue, the progressive establishment of a free trade area, measurements relating to freedom of establishment, liberalisation of services, freed movement of capitals, rules of competition, reinforcement of the economic co-operation, and co-operation in the social, cultural and financial fields.

Turkey

Relations between Turkey and the EU worsened during the year 1998, because of the refusal of the Council of Luxembourg to accept this country in the process of enlargement, and the refusal of a political dialogue (human rights, Kurdish problem, Cyprus). Over the period 1996-98, Turkey profited from the MEDA programme of 236 million euros, of which in 1998, 132 million euros for projects of development.

1.2 The EU and the DAC Strategy of Development Cooperation

From the list of projects financed by the EU and details included, it is not possible to define what kind of project is a joint action or not, and in which sector it is implemented. Because there is of a lack of information concerning the project description, the nature of the project is not always detailed and most of the time isn't exist. In many cases, only the name of the project, the amount financed and the sector concerned. An incomplete information, and a better visibility of the EU actions were two of the reproaches formulated by the DAC in its last evaluation of the EU development aid. But it seems that this point hasn't been improved yet.

After the examination of the EU policies and strategies of co-operation at the end of 1998, the DAC has recommended to the EU to adopt a series of principles in order to improve the development co-operation on the framework basis of the Maastricht Treaty. The three principles are:
co-operation on partnership, between donor and beneficiaries and ownership by the recipients of the programmes,
coordination with development partners of aid based on the strengthen of local development strategy,
and coherence between aid policies and others policies (which impact on developing countries).
These principles, called the 3Cs, suppose a reinforcement of the dialogue between the EU and developing countries, between local authorities and civil society, and between external partners.

In this framework, recommendations to the EU can be resumed by policy coherence, national and « country by country » strategies, poverty reduction, aid coordination, aid efficiency and aid management. To improve efficiency of the development aid, DAC purposed to encourage locally owned initiatives or strategies; to engage commitments of adequate resources; to strengthen the coordination between international fora and on the ground; monitoring and evaluation; new donors countries to expand the basis of the co-operation, and the coherence of policies.

Since 1998, the EU has taken into account some of these recommendations. The nature and scope of the efforts can be partially seen in the changes of the framework of the development programmes. The year 2000 constitutes a decisive turning point with the end of the Lomé Convention, the renewal of Phare and Tacis programmes and the definition of new strategies and new programmes in CEECs and NIS for the 2000-2006 period. These have provided the opportunity for a wide-ranging review of new programmes which have just begun or are still in process. In the new ACP agreement, Phare and Tacis programmes, some common elements of changes have been introduced, due to the new EU political views.

In this new development policy, partnership constitutes one of the main elements by the adoption of a participative approach. It is based on an implication of non-governmental actors in development strategies and policies, on access to financial resources and implementation of projects and programmes of development.

In the proposals for the new agreement between the EU and ACP countries, partnership would be extended to all the actors of the development co-operation. In policy dialogue as well as in the definitions priorities. An illustration of this, is for instance the fact that representatives of the civil society has been invited to the meeting in Brussels in November 1999. They participate to the negotiations and it gave them the possibility to be heard and listened. Although the civil society has no real power in the decision process, its participation in the dialogue would be a real progress. Four axis have been concerned: information and consultation on strategies and policies of development, access to financial resources, involvement in the implementation of projects and programmes of co-operation.

It is sure that a strengthened dialogue and an increased implication of local actors in development co-operation should build more efficient partnerships, and contribute to a reinforced ownership of programmes and projects by the local actors (government, political authorities, civil society, beneficiary populations).

The renewed Phare and Tacis programmes have followed the same evolution. The new Tacis agreement made the relationship between the EU and the NIS evolve enshrining Partnership and Co-operation Agreements, which commit to new level of political, economical and cultural dialogue. The implementation of the assistance will move from a « demand-driven » to a « dialogue-driven » programming. The definition of new programmes lead to the introduction of a stronger political partnership, what means for the EU the necessity to improve the policy dialogue contract rather than conditionalities.

In terms of management of aid and as recommended by the DAC, the EU has reinforce the principle of « good governance » and its according place in development policies. It constitutes a fundamental element of the new agreements. For the EU « good governance » is seen as precondition of the development and of the development assistance. It is defined in the framework of a political and institutional environment which respect human rights, democratic principles and rules of law, as a transparent and responsible management of human, natural, economic, and financial resources for a sustainable development.

Others criticisms have been made against the EU programme which suffers from a dilution of the financing aid, from an insufficient focus and visibility, from a multiplication of small projects, from a slowness in implementation, and from cumbersome tendering procedures. In the DAC evaluation, it has been considered that the EU could ameliorate its results in term of efficiency.

To improve the efficiency of its actions or programmes, the EU has now adopt a differentiated approach, and it focuses on a limited number of priorities for each country (a three maximum).

In 1999, efforts have been made with a reflexion leaded to the creation of mechanisms, in order to promote a new management rule more targeted on results, with a control process and a common evaluation. During 1999, realisations or perspectives of evaluations of development programmes had been multiplied in the aim of drawing many lessons concerning dysfunctions, in the aim to ameliorate the results of the programmes, and leading to a higher appropriateness between the objectives and the instruments. Important reforms are envisaged, like the allowance of aid on performances, an increased support to the private sector, a « *slide* » programming.

Simultaneously the EU engages a large process of reform to improve the management of the EU external aid programmes. From the reorganisation of its directions (DG) and services, progresses have been expected and should contribute to maximise the EU aid efficiency, by a tentative to reduce institutional restrains. The new organisational structure of the EU, composed of one General Direction in charge of the external assistance is one example and could be the expression of substantial gains in term of aid efficiency.

Moreover, this reform leads to the creation of the SCR (Common Service Relax) in 1998, which had been operational only at the end of the same year. It is an evaluation unit for the whole General Directions of the EU, created in an aim of clarification and rationalisation of the EU actions, for a better coherence in mechanisms and a higher transparency for the actors. The SCR had two priorities for 1999: at first to reduce the number of valid invoice waiting to be paid for external assistance programmes. From 1,600 invoices unpaid at mid 1999, they remain only 306 at the end of the year. Secondly, a reduction of the number of the procedures for external aid contracts, from 40 to 8. A harmonisation of procedures, and the introduction of standard contract for subsidies were also implemented.

Although the EU took into account DAC recommendations and made some efforts to clarify the concept and promote the complementarity through policy and operational coordination. But this transition to new roles and new ways of

management takes time. But few progresses have been achieved in practice and many difficulties still exist. The main problem could be the difficulties that the EU and the Members states encountered in the improvement of coordination of their development policies. As if each one would like to keep it as a personal field, because of competing political interests, bureaucratic resistance and conflicting implementation strategies. On this point of view, the EU position is the 16th Member State. Perhaps the trend reduction of the aid budget and a rationalisation of their commitments will invite the EU and the Members States to work more closely and if possible, to agree with the best placed to do what in development in co-operation.

PART TWO

Assistance to Practical and Economic Transition in Eastern and Central Europe

Since the end of the cold war in 1989, the enlargement of Europe to the East became an important element of the development strategy of the European Union. The process of enlargement to Eastern and Central European Countries (CEECs) and to Cyprus, is one of the major events of these last years. It constituted a key of the economic development by the passage of a centralised economy to a market economy, and a guarantee of political stability by the reinforcement of peace and democracy in these countries.

At the end, enlargement could modify the future European development policy. It is also a growing factor of heterogeneities between Member States, heterogeneities which the sectoral and regional adjustments have to reduce. So that, interests of Member States and countries applying for adhesion, converge in the closest way that exists, measures have to be undertaken, called the « strategy of pre-accession ». Phare constitutes the central instrument of the pre-accession strategy aiming at preparing ten of these countries to become full members of the European Union, while the purpose of the Tacis programme is to help the NIS to succeed in the economic transition and to reinforce democracy within their companies. Principal priorities of financings in Phare and Tacis are common to all countries where they intervene, although they are located at different levels of transformation.

In order to support CEECs in their process of economic and political transition, various programmes and instruments were set up. Adoption of the strategy of pre-accession and the Phare programme are the two principal elements. Assistance with pre-accession co-finances operations undertaken by the EIB and the international financial institutions. In 1998/99, the IFI profited from 1.55 billion euros while Phare, which just covers a small part of needs for the applicant countries, profited from 250 million euros.

2.1 Reinforced Strategy of Pre-accession

2.1.1 Concept

The strategy of pre-accession was elaborated from the reflexions of the European Council of Luxembourg in December 1997. It combines a series of specific priorities with a financial assistance and the preparation of negotiations via the analytical examination of the « acquis communautaire » of each applicant country. The strategy of pre-accession comprises two aspects: the first consists of the introduction of a free trade area followed by an integration to the Single Market ; the second is the promotion of a constructive political dialogue between the European Union on the one hand, and the CEECs on the other hand.

Criteria of adhesion were defined in 1994: market economy, democracy, capacity to integrate European rules and to subscribe for the objectives of the European Union. But each adhesion is founded on the retaking of the « acquis communautaire » by the applicant countries. However, application of the asset, requires primarily a reinforcement of institutional and administrative capacities for a putting in conformity to community standards.

In March 1998, negotiations of adhesion were opened with five of the ten CEECs (Hungary, Poland, Czech Republic, Slovenia and Estonia). Each country is now brought to set up a national programme of adoption of the community legislation. At the end of 1998, in spite of significant progresses, none country filled the whole

of the criteria conditioning an adhesion. The negotiations with other applicant countries would have waited that they fulfil the conditions of accession. But to reduce the delay the EU decided in March 1999 to intensify work with these applicants (Bulgaria, Latvia, Lithuania, Romania, Slovakia), and adopted a reinforced preparatory programme to adhesion.

2.1.2 Instruments of Pre-accession

2.1.2.1 Partnership for adhesion

Partnerships for adhesion were created in 1995 by the EU in order to fulfil the requirements of the pre-accession strategy. They constitute one of the elements of the pre-accession strategy. Partnership for adhesion takes the form of national programmes of preparation of the applicant countries to become Member States of the EU. Partnerships register and co-ordinate the various sources of assistance available in that field.

A set of priorities is drawn up for each applicant country, generally in fields such as democracy, economic stabilisation, nuclear security, resumption of the «acquis». The respect of these priorities, conditions the financial assistance of the EU.

2.1.2.2 Association agreements

European agreements are the essential legal instruments of the EU- CEECs relations as far as trade and political dialogue are concerned, and relate to the support to the transition process. The objective is to encourage the access to the community market for products coming from the CEECs, thanks to the establishment of free trade agreements between the EU and these countries. Since 1991, European agreements of association have been reinforced, with an aim at creating necessary conditions for a progressive integration of the countries applying for accession. Their role was intensified after the European Council of Luxembourg (1997) because they have now to follow the progress made by each applicant country in the adoption and in the implementation of the «acquis», and to take care of the respect concerning priorities of the agreements of adhesion.

For countries which signed the «European Agreements», Phare is identified as one of the two sources of financing, especially created to help CEECs to achieve goals of these agreements: the EIB is the other one. Phare brings assistance and the EIB identified as the financial instrument of the pre-accession strategy of the European Union, grants loans. These specific agreements, intended to prolong the action undertaken within the framework of Phare, are mixed-type agreements covering fields of national and community competencies which have for principal characteristics: an unspecified nature, a preferential character, political dialogue, free movement of workers and exchanges, economic, financial and cultural co-operation. Moreover, agreements of association must lead to the establishment of a free trade area for the beginning of year 2000.

2.1.2.3 Participation in community programmes

This programme aims at informing and familiarising the applicant countries with the community mechanisms, with policies and working methods of the EU.

2.1.2.4 TAIEX

This office of technical aid (Technical Assistance Information Exchange Office) created in May 1995, was primarily intended to help and inform the CEECs on the legislation concerned with the Single Market. It is now open to all the applicant countries. It is charged with the census of the community legislation. One of the most important priorities is to bring laws together and the TAIEX's role is essential

in the process of evaluation of the conformity of the applicant countries legislation to the community legislation. The « screening » is a process of analysis of the applicant countries legislation, sector by sector, in order to determine with precise details which legislative acts must be adopted or modified to respect the « acquis » related to adhesion.

2.2 Financial Instruments of the Transition

The advancing of the process of adhesion requires instruments of support and financial assistance. To succeed, assistance for pre-accession will be doubled from year 2000, thanks to a decision of the Council of Berlin, and two new instruments with a specific matter will be created to complete the Phare programme, which are the Structural (ISPA) and Agricultural (SAPARD) Instruments of Pre-Accession. They will be respectively endowed with a budget of 1,040 million euros and 520 million euros.

2.2.1 The Phare programme

The Phare programme contributes to democratisation, economic and social transformation of the Central and Eastern European Countries (CEECs), and it encourages investment and transfer of know-how. The Phare programme is the financial instrument intended for the implementation of the pre-accession strategy of the CEECs in the programme of enlargement of the European Union. Today it accounts fourteen partner countries, among which Croatia is currently excluded. The Phare programme represents the most interesting assistance aspect of the policy of the European Union as a whole.

2.2.1.1 Evolution of the Programme

At the creation of the programme in 1989, assistance for transition was focused on a transfer of know-how or a contribution of technical aid and humanitarian aid if necessary.

The principal objective to reach, was to reorganise economy, to join the level of development of the EU and to establish political and economic relations with Western Europe. Only Hungary and Poland profited from it.

After the European Council of Essen¹, the programme knew a turning point at the end of 1994, with the adoption of the pre-accession strategy concerning the applicant countries for the EU, having for final goal the adhesion of the ten associated countries.

A major reorientation² took place, after the publication of Agenda 2000 (in March 1997) and led to the intensification of the enlargement process and to a concentration on the pre-accession strategy for the applicant countries.

2.2.1.2 Volume and distribution of the funds

Today, Phare constitutes the central instrument of this strategy and intervenes in the economic and legal policy fields. It represents the most significant aid programme to the CEECs. The plural commitments rose to 6.636 billion euros at the end of 1996 in the form of grants. Poland is the main recipient of the Phare programme with 1,388 million euros over the period 1991-96, that is to say approximately 20 per cent of the total allocated amount, followed by far by Romania (726 million euros), and Hungary (684 million euros). Around 3 billion euros remain to be committed over the 1998-1999 period.

¹ December 1994.

² « Nouvelles orientations pour le programme Phare dans le cadre de l'assistance de pré-adhésion », Communication, Commission européenne, 1998 .

The Phare programme covers a certain number of priority sectors which can vary from one country to another, according to the content of the bilateral negotiations. However, we always find, more or less the same dominating lines: namely the development sector and assistance to companies (23.5 per cent of the total envelope), education, health, training and research (14 per cent), humanitarian and food aid (13 per cent), reorganisation of agriculture (11.5 per cent), environment and the nuclear security (9 per cent), expenditure of infrastructure in energy, transport and telecommunications (9 per cent), social development and employment (6.5 per cent).

2.2.1.3 Phare Objectives

The main objective is to bring the applicant countries to adhesion what leads the programme to two priorities :

☐ The institution building: national administrations of the applicant countries will have to be able to apply the «acquis communautaire» (acquisition of community standards by companies, by institutions, by infrastructures via measurements of investment). Moreover, national or regional administrative authorities (administrations, organs of regulation and control) will have «to familiarise themselves with the objectives and the procedures of the Community».

☐ Community standards: to draw up basic industry and infrastructure on the community standards by mobilising necessary investments. They are related to environment, transport, industry, quality of the products, working conditions...

With the implementation of Agenda 2000, the programme takes the form of structural funds in favour of the economic development. Consequently, a major part of investments will also be financed by other organisations (the World Bank, BERD, EIB), requiring a local co-financing.

2.2.1.4 Programme Description

The Phare programme relates to two categories of countries, countries which apply for accession and countries which do not apply.

Concerning the applicant countries, the programme has two major objectives:

On the one hand, it is a question of preparing countries applying for accession, in the logic of resumption of the «acquis communautaire», by an institutional support (a third of the Phare budget):

☐ To support and reinforce the administrative and institutional capacities of the applicant countries (democratic institutions and public administrations)

- Support to democracy and civil society.

- Actions of valorisation of human resources, development in the social field and of health.

☐ And to satisfy a series of economic and political criteria for the creation of a market economy:

- Support to efforts of privatisation: privatisation of public goods, partly by an adjustment of institutions, support to development of strategies and massive privatisation, and by a direct support to companies for their development and their management

- Support to banking reorganisation and to companies by a technical aid: solution to problems concerning bad credits and reorganisation of public enterprises, setting up of legislative and statutory frameworks of the market economy: development of markets and structures of regulation of markets (market of goods and services, markets of factors of production - land markets, labour market, capital market -)

- Reduction of direct intervention of public authorities in the economy in the economic decision-making (public administration, tax policy, monetary and

financial policy, assistance to customs and statistical services). ex: institutional strengthening, training, equipment

- Privatisation or decentralisation of the control of the means of production.

And in addition, the promotion of development and investment (two thirds of the budget) in the field of the «acquis communautaire» (environment, transport, quality of the products, working conditions):

- Development of the private sector and investments in private companies, to improve their situation

- Reorganisation of agriculture and rural economy

- Reorganisation of the infrastructure sector (public infrastructure)

- Development of the human and social capital to support the implementation of financial systems and capital markets.

In other countries (Albania, FYROM¹ and Bosnia)

In the three non-candidate countries, Phare is continuing to provide support in their transition to democracy and market economy. The action is concentrated on the initial objectives of Phare.

Phare provides and supports a range of different instruments to strengthen the reform process in these three partner countries:

- Know-how

- Investment support

- Investment in infrastructure.

The intervention remains concentrated on the initial objectives of Phare and doesn't have the same guidelines, except for these kind of countries (Albania, FYROM and Bosnia): investment and creation of infrastructures (transport, environment, energy in particular power stations, telecommunications, and development of the private sector), increased cross-border co-operation (transport, environment, agriculture, human resources and economic development, formation, administration and development of socio-economic structures), assistance to systems of public administration (for a harmonisation of standards and rules of these countries, assistance to public administration, to justice and to national affairs, education and health). The financing of investments is subject to financial partnerships with the EIB, the BERD and the World Bank.

The characteristic of the Phare programme is to be centred on the request coming from the CEECs which give a significant weight to the recipient country, in the determination of the objectives of the financed projects. The financial assistance granted, takes primarily the form of a non-repayable aid, and to a lesser extent of loans. This help is granted directly by the Community by means of co-financing, established with Member States, with the EIB, Third countries or other organisations of the recipient countries. For each project, a financing representing at least euro 10,000 and at the most euro 200,000 is granted. It can cover until 60 per cent of the total cost of the project in case of EU-East projects, and can reach 80 per cent within the framework of East-East projects.

2.2.2 Instruments of the Phare programme

2.2.2.1 National Programmes

National programmes constitute the essence of the Phare programme, with 78 per cent of the whole of commitments between 1991 and 1996. If the programming system of Phare has annual at the beginning, it is programmed for a period of four to five years now, and is called indicative pluri-annual Programme (PIP). In the pre-accession, the instrument used is the partnership for each applicant country,

¹ FYROM : Former Yugoslav Republic of Macedonia

from which are added national programmes for the adoption of the «acquis» (PNAA). Assistance takes the form of an individual partnership established with each applicant country, from which are added National Programmes for the Adoption of the «acquis» (PNAA).

For each country, a Country Operational Programme (COP) is annually agreed; this describes the components for which funds are to be committed in a specific financial year. COP is followed by Sector Operational Programmes (SOPs), which detail for each sector, the components to be implemented, including activities, timetables and budget breakdowns.

COP and SOPs are submitted to the Phare Management Committee to have its opinion. Upon formal approval by the EU, a financing Memorandum is signed with the partner country for its respective COP. The financing Memorandum contains the formal commitment of the EU to finance measures described there in.

2.2.2.2 Programmes of co-operation between countries

⇒ Programmes of Cross-border Co-operation (CTF, Cross-country Co-operation Programmes): They support the installation of networks between border regions of the EU and the CEECs since 1994. They promote co-operation between countries and regions along borders of the EU and the CEECs as a key part of the pre-accession strategy. Cross-border co-operation programmes have focused essentially on financing infrastructure and environmental projects. They are primarily projects of infrastructure (frontier passages) and related to the environment, but also pertaining to the fields of tourism, trade, human resources.

⇒ Multinational Programmes or Multi-country Programmes - called regional programmes until 1994. They aim at stimulating the co-operation between the CEECs on common subjects and problems. They consist of the implementation of similar programmes in a certain number of countries. We find here ACE, COSINE, Tempus, JOPP, and SIGMA programmes.

⇒ Programme JOPP launched in 1991 and continued in 1999. This programme is the subject of a more detailed development in the section concerning the common programmes to Phare and Tacis.

Although most programmes are national, agreed bilaterally with each partner country, many problems affect more than one country and require co-operative solutions. Phare has provided a issue through a range of multi-beneficiary programmes which involve several partner countries at the same time. Multi-beneficiary programmes have focused on environment, telecommunications, energy, transport, nuclear safety, customs and fight against drugs.

2.2.2.3 Horizontal Programmes

On the one hand, there are regional programmes launched by the EU itself and not centred on the request of the CEECs, like multinational programmes, and on the other hand, there are programmes launched in fields of common interest for the EU and the CEECs. As a result of the pre-accession strategy, certain actions that the EU considers like essential for the strategy's success are now undertaken, even if they are not requested by the partner countries. Such programmes are known as horizontal programmes and have traditionally accounted for about 5 per cent of the Phare's budget. Horizontal programmes are initiated by the EU and partner countries are invited to participate. They primarily concern areas of common interest for the EU and the CEECs, requiring consistency in implementation or justifying a common work mechanism.

Examples of projects are in annex 2.

2.2.3 Results of the Phare programme of assistance

From a global point of view, the Phare programme provided a real assistance to the process of transition committed in the CEECs. It adopted a flexible programming, allowing a fast reaction towards the changes of objectives and priorities. New ways of thinking, new processes, new mentalities were also introduced and are not easy to measure. On another side, the programme lets appear certain weaknesses due to the conception of the programme itself: the blur and the extent of priorities and criteria of selection of the programmes, have diluted available resources for a country on a too important number of sectors, a decentralised step which led the EU to preserve only competencies of the administrative and financial areas and to lose the control of the impact of the programmes.

From a sectoral point of view, results vary strongly from one sector to another. Privatisation of the means of production and reorganisation of public enterprises, constituted the essence of the programme and its intervention in this field appeared rather effective. The development of goods, services markets and factors of production, continued with the adoption of new legislations and regulations. But land markets still meet many obstacles concerning their implementation. The reduction of the role of public authorities, is one of the fields which has obtained significant results. The development of the private sector continues, but meets many reserves on behalf of the governments of certain countries. Education and training of many countries have engaged reforms in order to adapt themselves to the dynamic economic realities. Initiatives undertaken in the field of democracy and civil society have led to the realisation of a huge progress in these fields.

2.2.4 The future Phare programme over the period 2000-2006

Phare will remain the principal financial instrument intended for the CEECs, but it will be renovated. The programme will pay particular attention to the preparation of the applicant countries for accession in the logic of resumption of the «*acquis communautaire*», and financing of the investments. The institution building aims at the reinforcement of the administrative and institutional capacity of the applicant countries, and represents approximately 30 per cent of the budget of Phare for these countries. The share of financing of investments corresponds to the 70 per cent that remain. Investments financed within the framework of ISPA and SAPARD are excluded from this station.

This programme benefits from significant financial amounts that really increased. From now and year 2000, they should reach 1,560 million euros. During the year 2000, new instruments will be created over the period 2000-2006, and next months, methods of management of the programme will be modified:

- projects will be concentrated on priorities programmed by partnerships of adhesion in the implementation of the asset
- budgetary execution will be improved
- size of the projects will radically increase
- decentralisation of the management towards the recipient countries will continue
- projects will be concentrated on priorities in the implementation of the asset programmed.

For countries, which do not claim to adhesion, the programme will be maintained in its initial orientations of assistance concerning the transition towards the market economy and democracy.

2.2.5 The Structural instrument of pre-accession (ISPA)

The budget of the ISPA rises to 520 million euros per annum from now and 2000. Assurances relate to the following fields: improvement of the transformation, channels of marketing and the quality control of the foodstuffs. These measures will be taken on the basis of national programmes and they will also allow the

financing of targeted projects of integrated development intended for the support of local initiatives.

2.2.6 The Agricultural instrument of pre-accession (SAPARD)

It is intended to sustain the modernisation of agriculture and food industries, thanks to the support of the process of transformation, marketing and quality control, and to the supplying of an assistance as far as rural development is concerned. Moreover, a support will also be brought to the infrastructures investments in fields of environmental protection transports' networks and environment. The objective is here to bring the applicant countries closer to the community standards. This structural instrument for pre-accession will have a budget of 1,040 million euros from 2000.

2.3 The Economic and Political Transition of the NIS

2.3.1 TACIS - the current programme

The TACIS Programme (Technical Aid to Community Countries of the New Independent States), created in 1991 provides a non-refundable assistance to the economic reforms in progress in the New Independent States (NIS) and in Mongolia, to lead them to succeed in their process of transition towards the market economy and democracy. The objectives of the programme are to enable the establishment of favourable conditions for private investment, to encourage the development of the NIS inter-state economic links and trade flows, to encourage the social dialogue between partners.

Today, Tacis constitutes the instrument of co-operation and assistance of the EU for all the NIS and takes the form of Association Agreements and bilateral co-operations (EU-NIS) in political, economic, commercial and cultural fields. The objective of these agreements is to encourage the exchange of knowledge and experiences between organisations of the NEI and their counterparts in the EU, and to facilitate their passage to the market economy. But just like Phare, Tacis is a programme of technical aid, which results in intellectual services: exchanges of know-how, expert appraisal, engineering...

The countries concerned with this programme are: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgistan, Moldova, Uzbekistan, Federation of Russia, Tadjikistan, Turkmenistan, Ukraine, and Mongolia. It is the largest programme of this kind, operating in the region. Over the period 1996-99, the total amount allocated was 2.224 billion euros. Over the period 1991-97, Russia was the principal recipient with 1,061 million euros, followed by Ukraine with 363 million euros. In this programme, funds have been shared out among: nuclear safety and environment: 654 million euros, public administration reform, social services and education: 502 million euros, restructuring public enterprises and private sector development: 319 million euros, energy: 319 million euros.

The Programme is managed by the General Direction for External Relations (GD1A) of the EU: Europe and the New Independent States, Common Foreign and Security Policy as well as External Service.

2.3.2 Privileged Aspects of the Programme

- Technical assistance in the following fields:
 - Development of human resources (education and training, reform of the public administration, advice concerning macro-economic policy, reinforcement of the civil society)
 - Reorganisation of public companies and development of the private sector (support for the development of SME, conversion of industries of armament, privatisation, financial services)
 - Reorganisation of networks of infrastructures in transport, energy including nuclear safety and telecommunications
 - Production, transformation and distribution of the foodstuffs (by the development of the agricultural sector)
 - Environment: legislation and training, reinforcement of the institutions.
 - Assistance to the cross-border co-operative development and projects of infrastructures to facilitate the passage at the borders between the NIS themselves and the rest of Europe
 - Industrial co-operation and creation of joint enterprises (financing and participation in SME)
 - Purchases of supplies necessary to the technical aid.
- In parallel, the Tacis programme contains subdivisions intended to implement particular and precise actions: PCC (partnership and co-ordination programme:

exchanges between civil companies the EU and the NIS), Tacis-City Twinning (twinning of cities in administering) and Tacis-Bar (emergency assistance to micro-projects)

2.3.3 Instruments of the Tacis programme

The Tacis programme consists of three principal instruments: National country programmes (representing more than a half of the volume of the financing of the three instruments joined together), Regional and Inter-states programmes (30 per cent) and Small projects programmes (approximately 10 per cent). Examples of projects are in annex 2.

2.3.3.1 National programmes

National programmes represent more than a half of the financings as a whole (approximately 60 per cent). They are programmed on the basis of multi-annual Indicative Programmes (IPs) and annual or biannual Action Plans (APs). Co-ordination between each country and the EU are ensured by a Unit of Co-ordination (CU) in each country. In countries where exists a delegation of the EU, the role of CU is more limited. It has the specific task to collect proposals of interventions entering within the framework of the Tacis programme for the organisations of the public and private sectors, and to consolidate them in order to be in adequacy with the wait of the EU departments concerning the implementation of the IPs and APs' programmes.

2.3.3.2 Regional programmes

These programmes represent a third of the Tacis budget and are selected annually with units of co-ordination representing the NIS from proposals expressed by the recipient countries. Decisions of financing must be unanimous. But this process of decision tends to be difficult because of the divergences of interest and political weight, between members of the NIS.

Regional programmes include programmes of inter-state co-operation, cross-border co-operation and programmes of nuclear safety. Inter-State programmes are addressed to countries encountering an identical problem and to which a similar solution can be brought. Interventions are concentrated on the three following fields: networks (energy, transport and telecommunications), environment, justice and internal affairs. Since 1996, a more rationalised and strategic approach of the programming was adopted. It focuses on three projects: TRACECA (transport), INOGATE (energy), Information Infrastructure Study (telecommunication).

The Cross-border co-operation is based on lasting relations between close countries, and is made up mainly of transfers of knowledge and projects of infrastructure on a small scale.

National and regional programmes have two components:

At the beginning an **Indicative programme** is established for each country, for a period of 4 years (1996-99). It identifies priorities and key sectors, and it is a planning document over the period and the budget is thereby defined.

The second instrument of planning is the **Action programme** established every year for Russia and Ukraine and every two years for other countries, partners of Tacis. It consisted of projects and actions which should allow the realisation of the objectives previously defined (in the indicative programme). This programme can take two forms: national or regional programmes (Inter-State co-operation, Cross-Border Co-operation, and nuclear safety).

2.3.3.3 Framework programmes or small projects programmes

Facilities are intended to answer a specific problem concerning a particular population. Principal axes of intervention of small projects are: civil society, education and training, support to enterprises, international standards. Amounts are granted within the framework of the facilities. It is a very flexible instrument, made up of targeted projects, whose installation requires a short term. Allocated amounts do not exceed 300,000 euros.

2.3.4 Results of the Tacis programmes

The EU/Tacis Programme lacks a clear identity with respect to the specific policy objectives for which it stands in the countries and to priority fields identified for support. Moreover, coherent strategies to promote the two Tacis Programme's objectives (market oriented reforms and reinforcement of democracy), are largely absent. The relevance of Tacis is limited by shortcomings in terms of implementation efficiency, by some aspects of transparency and by an increasing emphasis on accountability and financial control.

But Tacis is making a relevant contribution to its programme objectives. This leads, thanks to progresses in the NIS, towards more democratic systems and market-oriented economic systems even if progresses were slower than expected and less important than desired.

The programme can be credited with a positive record on the efficiency of the project, for achieving the intended objectives. The large majority of projects have almost achieved their planned programmes, and are likely to achieve the targeted objectives.

2.3.5 The New Programme 2000-2006

A new Tacis programme will cover the Tacis period from January 1st, 2000 to December 31st, 2006 (seven years). The preparation of the new regulation has provided the opportunity for a wide-ranging review of the programme - a review which has included both a reflexion on the past and of the future discussion. This new programme was prepared after different consultations inside the EU and in some NIS. The EU adopts a different approach, a programme more focused, and restricted to three areas of co-operation. These modifications are due to criticisms made against the previous programmes: insufficient focus on visibility, too many small projects, slowness in implementation, cumbersome tendering procedures. For 2000-2006, the new regulation anticipates the stressing of the differentiation of the programmes in the different countries and concentrates on the technical aid.

In response to the context evolving in the NIS, new objectives of the programme primarily concern:

- Democracy and the rule of law (good governance of public affairs by support to the decision-making processes and to key institutions, legal and statutory frame, propitious climate for national and international investments),
- Private sector and economic development (objectives to create a market economy and perspective of adhesion to OMC),
- Support for the reorganisations and privatisation,
 - economic development: support to private companies, industrial co-operation, joint ventures NIS-EU
 - cross-border and regional co-operation.

Assistance will then be implemented by the following instruments:

- An intensification of the twinning operations (between regional and local administrations, professional organisations...)
- Transfers of know-how (traditional technical aid, training of the civil servant)

- Industrial co-operation (transfer of competencies between companies of the EU and the NIS)
- An increased access to financing, management training and a promotion of investments.

It presents the new following priorities for assistance: greater concentration of the assistance to allow a maximum impact, clearly differentiated country programmes, support to the objectives of Partnership and Co-operation Agreements (PCAs).

These objectives will be promoted through an improved implementation of the assistance, notably by: a move from «demand-driven» to «dialogue-driven» programming, an increased promotion of investment ; an increase in the number of available instruments for assistance, including an increased use of twinning between the EU and NIS institutions, and industrial co-operation, and the improvement of the quality of the assistance, notably through the creation of an incentive scheme.

Within this new framework of the Programme, an essential element was introduced. It concerns a research of the quality in the undertaken actions and a research of the results, which were missing in the old programme. On the other hand, a decentralisation of the management of the projects is not considered (as it is the case for the Phare programme). But the principle always rests on an increased association of the participants in the preparation and the execution of the projects, on the simplification of the procedures of signing of markets (SCR). Moreover, a new name should be allotted to the programme.

2.4 Common Instruments to Phare and Tacis Programmes

Phare and Tacis programmes developed partnerships on action plans, belonging to targeted fields. The most significant are the LINK, ACE, Phare and Tacis Democracy Programme, Tempus II and JOP programmes.

- **LIEN** (LINK/LIEN Inter European NGOs - J.O C 337 of the 1/12/94). This programme, is intended for disadvantaged populations, through operations of social support to these urban or rural populations in difficulty, which have a restricted access to other forms of assistance. Recipients are formal structures, NGOs of the EU or countries covered by Phare and Tacis and involving at least two NGOs coming from a Member State or a State or several States covered by Phare or Tacis. (in 1998, Mongolia could not profit from this programme). If the EU is responsible for projects, external experts are charged with the evaluation of the candidatures, with the execution and the appraisalment of the performance of the projects.

If this programme aims at improving the integration of the targeted populations in a context of marginalisation, and exclusion, it also aims at improving conditions of women, and bringing a medical and social help. In 1998, two priorities were particularly stressed: assistance to disadvantaged women, to social rehabilitation and promotion of durable health, social contribution to the marginalised groups. Granted subsidies vary from 10,000 to 200,000 euros with a maximum threshold of co-financing of 80 per cent of the total cost of the project. And the duration of the projects lies between 12 and 24 months. In 1995, the budget was of 15 million euros, 10 million euros were given to Phare and 5 million euros to Tacis.

- **ACE** (Community Action for the Co-operation in Economy). It is a horizontal instrument intended for countries concerned with Phare or Tacis programmes. This aims at supporting the process of transformation and economic reforms in Central Europe and in the NIS. Means implemented from priority axes, are the followings:

- to support the economic potential of the partner countries, in particular their human resources and the capacity of their institutions to implement an economic policy;
- to improve dialogue and communication between the EU and the partner countries in the field of economic policy, in order to complete the structural dialogue. As an indication, endowment of the ACE programme rose each one to 10 million euros in 1996 and 1997.

- **Phare/Tacis Democracy Programme.**

In February 1997, the Tacis Democracy programme was integrated within the Phare Democracy programme. Actions focused on the development of NGOs, independent media, human rights, elections and rule of law.

- **Tempus II.**

It concerns university and school exchanges between the EU and CEECs/NIS. Tempus permits to create a bridge between higher education institutes in the EU and in CEECs/NIS countries. Universities can propose common projects on specific topics, in Economics, Law, International Relations, European Studies, Social Sciences or University Management.

- **JOP Programme (joint-ventures).**

It is implemented in countries, included in Phare or in Tacis, in order to promote productive investments in the development of joint companies. JOP Programme helps the investors of the European Union who want to establish joint companies (SME) in one of the countries of the Phare programme. The capital of these companies is held by two partners at least, including one in the EU and another in the CEECs. Partners of the EU and the CEECs must hold at least 75 per cent of the CEECs. The whole of the productive sectors are eligible to the JOP Programme for the constitution or the development of joint companies except for the sector of financial services. A priority is allowed to companies which have less than 1,000 employees, permanent assets of less than 150 million euros, and whose a third maximum of the capital is held by a large company.

The programme contains various components:

- Organisation of demonstrations and seminars, information in direction of investors, for a maximum amount of 100,000 euros;
- Free loans intended to help the realisation of pilot project and feasibility studies, with a maximum amount of 20,000 euros for pre- feasibility studies and 75,000 euros for feasibility studies;
- Intervention in the capital of joint companies, in the form of subscription of own funds;
- Reinforcement of human resources in the joint companies by the co-financing of specific measurements of technical aid and by the transfer of know-how for a maximum amount of 250,000 euros. For all these phases, total amount represents at the most 50 per cent of the eligible expenditure, except for the third component, for which this percentage is brought back to 20 per cent.

This programme is implemented by the EU, but in fact, financial intermediaries associated with the programme, ensure the link between the EU and the companies. Since 1991, it thus allowed the establishment of 250 small and medium-sized enterprises. The budget of JOPP is approximately 20 million euros per annum for almost 250 to 300 projects.

Among the various programmes implemented in the transition assistance, at a political and economic level, the Phare programme seems to be the most significant concerning the volume of the funds distributed, as well as the number of different sectors of intervention. A centring had become more than necessary. Despite financial efforts carried out, no country satisfy today all the required criteria necessary to become member of the European Union. However some countries have made enormous progresses. The road towards the market economy is quite long and the extent of the task is considerable. The status report of these reforms is variable according to the countries and the sectors considered. Recently, the process accelerates with the opening of negotiations of adhesion. Nevertheless, in the long term, it seems that the enlargement of the European Union with the CEECs has got

an impact on the policy of the development co-operation of the European Community. Some questions can be raised concerning the upholding of the current level of financing, concerning the existence of possible consequences of the integration of the CEECs, on trade and foreign direct investments. A diversion of these flows is possible in favour of the applicant countries and to the detriment of the other developing countries. Therefore today, the policy of enlargement constitutes a central aspect of the policy of co-operation taken as a whole, it appears appropriate to ensure that it does not enter in conflict with the policy of development in direction to other geographical areas.

PART THREE

Democratisation/Human Rights/Good Governance

3.1 Africa

3.1.1 Introduction

The European Union's development assistance policy dates back to the sixties. Subsequently the Maastricht and Amsterdam treaties have made development co-operation an integral element of the EU's common security and foreign policy. The Lome Convention signed in 1975 was a key point in the development approach. The revised version of the IV Lome Convention (March 1990- February 2000) adopted in Mauritius in November 1995 included respect for human rights as a "political condition"; and the new Commissioner Poul Nielson affirms that "Good Governance" is one of the more touchy areas in the process; nevertheless during the Brussels Ministerial Conference of 29-30 July 1999 (EU-ACP Negotiation) the parties did not agree to include the EU's proposal of good governance.

Consideration of human rights, respect for the democratic principles and the rule of law included in the revised version of the IV Lome Convention has increased in step with the European Community's evolution towards a political entity. At the same time the Convention provides an opportunity for appropriate measure to be taken in the event of persistent human rights violations or the interruption of democratic process. For this purpose there are specific mechanisms to encourage consultation between the parties on a joint equal basis. Such provisions represent the success of 10 years of evolution with ACP states making a start on the democratic process and setting up reforms involving in depth reorganisation of political systems.

All these processes have been supported by the European Community through the granting of finance from both the EDF (European Development Fund) and the Communities general budget. In addition actions focusing on the exercise of public authority and strengthening of civil society has been supported. Community support has been given to preliminary measures (preparation of electoral code, electoral rolls, awareness campaigns, civic education etc.) and to basic equipment and flanking measures (technical assistance for National Electoral Commissions or election observers) Over the years, progressively larger amounts have been spent on actions aimed at consolidating democracy and strengthening the rule of law, including reform of the justice system – the cornerstone of any democratic structure and supporting newly-elected parliaments.

As for action aimed at strengthening civil society, the Community has been able to support awareness campaigns and educational projects in the area of human rights and has also helped vulnerable groups, legal assistance and psycho-social aid for people affected by conflicts it has also helped local human rights associations gain a higher profile and mounts campaigns. Support has been given also to independent, pluralist and responsible media and for the improvement of legislation on press freedom and the structure of the media world. The projects supporting Democratisation and Human Rights in Africa and financed during the 1998 were around 170 with a total budget of 60 million euros (see annexed "Liste des actions DDH finances en 1998").

The total funds available for 1999 for DDH actions in the third countries amount to a total of 70.3 million euros.

The Lome Convention is expiring in the year 2000 and the relationship between the European Union and the ACP countries is entering a new phase. The time has come for partnership and co-operation between equals; political conditions for free elections respect for human rights and good governance will be the essential in order to receive donor aid and technical assistance.

LOME CONVENTION AFRICAN COUNTRIES



3.1.2 Current Policy

Legal Basis:

1. Revised IV Lome Convention (November 1995)
2. Amsterdam Treaty, art.11 human right in the frame of PESC promotion of human rights, new regulations art. 308 (ex 235) and article 177 (ex 130), concerning activities to promote human rights and democratisation.
3. Vienna Declaration
4. Common position of 25 May 1998 –OJ. L 158 2.6.1998-
5. Council regulation (EC) No 975/1999 -OJ. L 120 8.5.1999

The Lome Convention links 15 members states of the European Union and 70 ACP countries (attached map n. AHRn.1)

The convention represents a permanent link between the Community's development policies and those of the EU Member States and covers nearly all the factors that could sustain development in ACP countries. The promotion of Human Rights and democracy in general is one of the "pillars" of EU action in external relations and co-operation for development. Good governance was introduced in the art.5 of the revised Lome Convention as an "objective of co-operation for sustainable development but it is not an essential element of the Convention" Com(1998)146 final.

The Council Regulation N° 975/1999 of 29 April 1999 indicates the objectives (chapter 1) and the procedures for the implementation of aid and operations (chapter II and III) until 31 December 2004.

EU INITIATIVES AND ACTIONS:

Co-ordination of EU politics; this co-ordination is made possible by the working group "Human rights". Moreover EU deals with questions related to Human rights in the frame of political dialogue with third countries or regional groups and it is co-ordinating its action with multilateral bodies and contacts with other governments (see annex organisation of Italian foreign policy). Political dialogue and co-operation is strengthening the EU actions.

By the Vienna declaration (3) 10 December 1998 the EU has strengthened its instruments and it has identified six operational points concerning the protection and promotion of human rights;

- 1) enhance the capacity to jointly assess the human rights situation in the world by closer co-ordination and otherwise ensure that all pertinent means for action are available within the framework of the Union, including through the possible publication of an annual EU human rights report;
- 2) further develop co-ordination in the field of human rights, such as education and training activities, in co-ordination with other relevant organisations, and ensure the continuation of the Human Rights Masters Programme organised by fifteen European universities;
- 3) reflect on the usefulness of convening a periodic human rights discussion forum with the participation of EU institutions as well as representatives of academic institutions and NGOs;
- 4) strengthen the capacities to respond to international operational requirements in the field of human rights and democratisation, such as through the possible establishment of a common roster of European human rights and democracy experts, for human rights field operations and electoral assistance and monitoring;
- 5) foster the development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms in third countries, in particular through working towards the earliest possible adoption of the draft regulations, currently under consideration in the EU framework, on the implementation of co-operation operations;
- 6) ensure all means to achieve the coherent realisation of these goals, including through the consideration of strengthening relevant EU structures.

Human rights are one of the elements included in the foreign policy strategy; EU grants can be suspended if there is a violation of these rights.

The EU Common actions, common position and common strategies at international level:

Some of these instruments are focusing on human rights and democratisation while others are substantial elements of these two last aspects:

Common actions:

EU participation in the structure established for consolidating pace and electoral process;

Support to the process of democratisation in Nigeria;

Support to the process of democratic transition in the democratic Republic of Congo

Common positions:

Human rights, Democracy and Good Governance in Africa.

Human rights in the framework of Association Agreements or Partnership Agreements and co-operation.

The respects of human rights and democracy are a pre-condition for economic collaboration and bilateral co-operations agreements. Additionally the EU is obliged to integrate human rights in all its partnership agreements and regional partnership agreements.

Elections:

This action is financed by EU budget and mainly participates in the actions of international organisations (OSCEUN) (Cambodia July 1998)

EU is supporting the mechanism of the UN and of the High Commission of Human Rights, it has specific initiatives and it is supporting the initiatives of foreign policy of the Member States, it is co-ordinating and harmonising the positions of the associated countries and of the main partners.

Human rights, Democracy, Good Governance actions financed by the EU budget.

The revised IV Lome Convention makes respect for human rights, democratic principles and the rule of law an essential element of the convention. These new provisions give the economic, social and commercial content of the IV Lome Convention an added institutional and political dimension: human rights, democratic principles, the rule of law and good governance are now areas of common interest and fundamental elements of the dialogue between the parties and as such an integral part of co-operation policy. In order to take account of these provisions, article 3(2) of the Financial Protocol to the 8th EDF earmarks incentives financing of 80 million euros from the Regional allocation. This amount is intended to finance "institutional and administrative reform measures, with a view to democratisation and the role of law" Art.224 (m) programmed by the ACP states and financed from their National Indicative Programme (N.I.P.) or the Regional Indicative Programme (R.I.P.).

This incentive financing is in addition to the appropriation in the general budget of the European Communities for positive measures in support of human rights and democracy.

In the Chapter B7-70 "European initiatives for Human Rights and Democracy" the European Parliament has designed specific funds for the promotion of human rights and democracy in the countries outside the EU.

The Commission in July 1997 tabled before the Council a new draft legal basis for all human rights budget lines of Chapter 7-7. The 1999 is a transition year in the implementation of the budget chapter B7-70 since the pending adoption of the Human Right Regulation (Council Regulation n. 975/1999. Adopted only in April 1999.).

The Commission's inter-departmental Human Rights Co-ordination Group, which includes the administrators of the B7-70 budget headings, highlighted the priorities directly related to the implementation of operations to contribute to the consolidation of pluralistic democratic procedures and practises as well the rule of law with a view to supporting the overall process of political reform. The management will follow the common principles. Within the services of the European Commission a Steering Committee has been set up which brings together all the Commission services dealing with human rights issues to facilitate the overall coherence of Commission activities in this field. In 1999 the Commission will finance activities identified as responding to Community priorities.

Thematic priorities for the period 1999-2004 as identified by the Council Regulation 975/1999 (5).

1. Promoting and defending the human rights fundamental freedoms proclaimed in the Universal Declaration of Human Rights and other international instrument concerning the development and consolidation of democracy and the rule of law (for more details see Chapter1 art.2 of Council Regulation (5)).
2. Supporting the process of democratisation, this priority includes good governance art.2, 2(d) "promoting good governance, particularly by supporting administrative accountability and the prevention and combating of corruption"(5).

Budget line B7-7020: Human rights and democracy in the developing countries, in particular the ACP countries.

A total of 17 million euros is available, 35% of which is expected to be earmarked for the call for the proposals.

Geographical coverage: developing countries especially ACP countries.

This line seeks to support inter alia:

- a) Measures to promote human rights and democracy, including good governance, the strengthening of civil society and conflict prevention.
- b) Technical advice on the rule of law, respect for human rights, institution building, gender equality, electoral procedures, observation missions, training and media.

The measures supported will be closely linked to the EU's development co-operation policies in ACP countries. Priority will be given to ACP countries.

- a) More information on the subject in: Civil Society and Political Partnership in Post Lome. Brussels 8-10 of July 1999, "Corruption et Droits Humains".

Budget Line B7-7021: Human Rights and democracy in the southern African Countries.

A total of 4 Å million is available , 35% of which is expected to be earmarked for the call for proposals.

Geographical coverage: Angola, Botswana, Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania and Zimbabwe.

Strengthen democracy in the countries concerned through measures supporting inter alia: Good Governance, Development of civil society, promotion of gender equality, conflict prevention.

Budget Line B7-7022: Special programme for democracy and good governance in Nigeria.

A total of 4 million euros is available 35% of which is expected to be earmarked for the call for proposals.

Geographical coverage: Nigeria

This line seeks to support:

- a. development of democracy, peace and respect for human rights;
- b. respect and implementation of internationally agreed norms;
- c. rule of law;
- d. strengthening of civil society, especially pro-democracy groups, women's organisations trade unions, local organisations, religious and human rights organisations;
- e. conflict prevention in Nigeria and in the sub-region;
- e. fulfilment by Nigeria of its international obligations to uphold human rights;
- g. protection of the rights of minorities and of vulnerable groups;
- h. humanitarian and legal aid to political prisoners and their families.

Budget Line B77-704: Grants to certain activities of human rights organisations.

A total of 15 million euros is available, 75% of which is expected to be earmarked for the call for proposals, composed of 40% for projects to support victims of torture and 35% for other projects.

Geographical coverage: Global. Where a geographically or thematically specific line exists, it would normally be used in preference to this budget line.

Projects pursuing, inter alia, the following objectives may be supported:

- a. promotion of community and international initiatives aimed at abolishing the death penalty in all countries;
- b. training of people responsible for enforcing human rights (judges, lawyers, civil servants, those responsible for the training of police and security forces, teachers' etc.);
- c. reinforcement of respect for the rights of the child;
- c. promotion and protection of women's human rights, including measures to fight against the trafficking in women;
- e. reinforce respect of indigenous peoples' human rights world-wide;
- f. promote training with organisations specialised in the defence of human rights;
- g. human rights education and training.

Funds may be available to support the establishment and the maintenance of centres for the rehabilitation of torture victims as well as other organisations that offer practical help to the victims of human rights violations. Specific attention will be paid to children who are the victims of human rights violation. Priority will be given to applicant organisations with scientific expertise in the field of medical rehabilitation of primary and secondary torture victims, which have extensive knowledge of and direct contact with existing rehabilitation services for torture victims world-wide, and which have experience in the field of torture prevention, awareness-raising activities and advocacy.

Budget Line B7-706: support for the activities of international criminal tribunals and for the setting up of the International Criminal Court.

A total of 3.3 million euros is available, 30% of which is expected to be earmarked for the call for proposals.

Geographical coverage: global.

Projects pursuing, inter alia, the following objectives may be supported:

- a. Provision of technical assistance to the existing criminal tribunals (Rwanda etc.).
- b. Provision of financial support for the preparatory work for the setting up and the functioning of a permanent International Criminal Court.
- c. Training for the staffs of the tribunals, including in the field of gender mainstreaming.

In order to be considered, applications must include a written statement of support from the Register of the International Criminal Tribunal.

Budget Line N7-709: support for, and supervision of electoral process.

A total of 2 million euros is available, 50% of which is expected to be earmarked for the call for proposal.

Geographical coverage: support to electoral processes in the countries outside the European Union.

This budget line will be used to fund horizontal activities in the following fields: it will not be used for electoral assistance measures in specific countries that can be funded in the framework of other co-operation instruments. Specific attention will be paid to increasing the visibility of the EU in international observation missions. Priority will be given to projects presented by organisations with experience in the field of electoral observation, which involve more than one country.

The following measures may be supported inter alia:

- a. Training of personnel taking part in electoral observation missions.
- b. Constitution of a European pool of expert in the field of electoral observation.
- c. Access to the media during electoral campaigns.

The European University degree in Human Rights and Democratisation is a research programme supported by the EU and financed by the budget line B7-70

The Commission services in Brussels will proceed to a public call for proposals in 1999 for a part of the global funding.

Another part of this amount will be used for projects already under preparation on the basis of proposals made in 1998.

A further part will be used for projects to be implemented under the co-ordination of specific institutions as established international organisations that because of their nature cannot be the subject of call for proposals.

Funds will be available for urgent actions (Echo Office actions).

Finally funds will be available for actions which decision making process have been devolved to the Delegations of the Commission in the beneficiaries countries. These grants are awarded under budget lines B7-700 and B7-701, in order to give support to non-governmental organisations (art. 2 of the Regulation 975/1999) for which micro projects will be managed by the Commission delegations in the countries concerned (grant from euros 3.000 to 50.000).

Following the Council Regulation n. 975/1999 Chapter 2 art.4. (2) the partners eligible for financing are regional and interregional organisations, national, regional and local authorities and official agencies, community – based organisations and public or private-sector institutes and operators. To be eligible for Community aid the partners referred to in art. 4 must have their main headquarters in a third country eligible for community aid or in a Member State of the Community.

The call for proposal of the **European Initiative for Democracy and Human Rights** will be published in the second quarter of 1999, the project should be within the geographical and thematic areas covered by the budget lines as described in the next section. Applicants will have around two months to submit proposals.

Minimum amount of grant: 500.000 euros. However, a limited number of proposals for small (50.000 euros - 150.000 euros) and medium-sized (150.000 euros - 500.000 euros) actions will be considered for funding by up to 30%. The overall objectives will be to award grants for no more than 140 actions. Maximum project implementation :36 months.

Monitoring and evaluation of the operations:

Performances indicators are output indicators (measuring activities used) and impact indicators (measuring performance against objectives).

All projects are evaluated in terms of technical, logistical, administrative and financial capacity of the organisation presenting them. There is a provision within the budget line to support monitoring and follow up.

Administrators of Chapter B7-70 are responsible for examining the intermediate and final financial report that all the recipient organisations have to present before receiving the next tranche of funding.

The Commission's authorised agents visit granted organisations to check the state of projects, the reports of such missions are used by the budget administrators to verify the management of project finance.

The complete project cycle management method is in Annex 3.

3.1.3 Future Policy

Basic documents: that provide the legal basis which are the current legal texts for the sections current policy are as follows:

- 1 Guidelines for the negotiation of new co-operation agreements with the Africa, Caribbean and Pacific (ACP) countries
- 2 Com (1998) 146 final communication from the Commission to the Council and the European Parliament: "Democratisation, the rule of law, respect for human rights and good governance: the challenges of the partnership between the European Union and the ACP States".
- 3 Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century.

The IV Lome Convention expires in February 2000.

The proposed negotiating timetable for future ACP/EU relations is as follows:

1998-2000 Negotiation of framework agreement

- Presentation of proposals by the EU and ACP for the future agreement (done).
- Agreement on medium and long-term objectives of economic partnership and agreement on the approach for achieving these objectives (under negotiations).

2000-2005 Negotiation of regional economic partnership agreements.

2004 Assessment of progress in the negotiations.

After 2005 Implementation of regional agreements.

While the negotiations are running the Commission is adapting its structure to respond to the European Union Development Policy: portfolios and tasks of Prodi's Commissioner have been modified (annex 6).

The Member States have two years to ratify the agreement. In other words, the new accord's effect will not be fully felt until 2002. Between now and then the amended Lome Convention will continue to govern ACP-EU co-operation. The more important issues of the next agreement are the fight against corruption, good management of public affairs (the good governance) and free trade agreements. These main principles have been rejected at the first negotiation by the ACP group but they have been taken up in full in the European Union-negotiating mandate.

Instead of a blanket accord, the EU is offering separate agreements with each country, the same system that the Barcelona process has introduced with the Med-countries seems to be accepted for the ACP countries as well.

A potential risk is envisaged for development assistance: the creation of a distinction between the last developed countries (LLDCs) and intermediate developing countries (IRDCs).

The European Union has defined its commitment to encourage and support the ongoing democratisation process in Africa respecting the following principles:

Protection of human rights (civil and political, and social, economic and cultural);

Respect of basic democratic principles including:

- a) The right to choose and change leaders in free and fair election.
- b) Separation of legislative and judicial powers.
- c) Guarantees of freedom of expression, information, association and political organisation.
 - The rule of law, which permits citizens to defend their rights and which implies a legislative and judicial power giving full effect to human rights and fundamental freedom and a fair, accessible and independent judicial system.
 - Good governance, including the transparent and accountable management of all a country's resources for the purposes of equitable and sustainable development. (ref. Council Regulation 975/1999).

Negotiations to renew the partnership between EU and ACP countries have been under way since September 1998.

The institutional framework of the new agreement will consist of: The Council of Ministers, Parliamentary Assembly and the Committee of Ambassadors; the agreement will lay down the composition and the functions of these institutions.

Ministerial meetings, ministerial conferences, workshops are running to discuss the main topics of the future agreement. In February 1999 guidelines enabling the negotiators to move on with their work have been adopted. The first ACP/EU Ministerial meeting took place in Dakar (Senegal) on 8-9 of April 1999. Working groups (ACP countries and EU Ministers) work to draft key sentences on some topics and exchange views between the parties – to start

drawing “key sentences” was a decision taken during the Dakar meeting. During the Brussels Ministerial Conference of 29-30 July 1999 the Central Negotiating Group which deals with political and institutional matters and is in overall charge of the negotiations approved the draft text drawn up jointly in negotiation conducted at Ambassador Commission level. The text lay down the foundation of a **new participatory form of partnership** that will take account of the party’s international commitments and will focus on reducing poverty in a consistent way with ACP countries sustainable development and gradual integration in the world of economy. There are still differences between them, the definition of good governance is not yet accepted and agreement on this subject has not yet been reached among the parties (EU-ACP Negotiation, information memo N° 8).

EU proposals for the **future agreement** focus on **five main areas** and among them the first is **political dialogue**; it will play a more central role in EU –ACP relations to ensure consistency between CFSP (Common Foreign and Security Policy) and development co-operations objectives. Emphasis will be placed on consolidating democratisation processes, reforms necessary to strength peace and security and respect for human rights and democratic principles. In addition partnership agreements will deeply involve non-governmental organisations (EU-ACP Ministerial negotiations, 29-30 July 1999). The new partnership will be open to new actors in order to establish new form of participation’s (some synergies with JICA might be envisaged).

New measures are necessary in order to implement the future partnership agreements where the co-operation will focus on reforms agreed with the partner countries.

The management system of EU aid should be changed in order to simplify and speed up the procedures; simplification of existing instruments and adaptation to circumstances and to changing of needs are considered necessary.

At the moment the Commission services are under a new process of reorganisation:

The recent reorganisation includes the set up of SCR (Common Service for External Relation) in charge of the implementation of the projects in the third countries.

Reorganisation of the Relex services will be undertaken to provide for a better co-ordination of the several activities concerning the domain of external relations and the adaptation to the needs of the Agenda 2000 for a better reallocation of the Commissioners’ duties in the new Prodi’s Commission.

At the moment new measures are under discussion:

- The setting up of an European Agency for the implementation of aid to the third countries;
- Unification of the project cycle in one structure, its centralisation should provide a better preparation and implementation of programmes and avoid duplication of aid donors;
- Adoption of simplified procedures for financial and technical management: ad hoc task force, working groups, inter directional groups, top-down process, down-top process, the system of T.A.O.
- Information, communication and transparency.
- Mobilisation of human resources in order to provide for the financial resources of the EU. foreign policy implementation (human resources are not in line with the increase of financial resources for the aid), providing for eventual decentralisation towards the beneficiary countries and the EC delegations.

3.1.4 EU Aid in the Context of International and Bilateral Action

European Union policy and programme development to support democratisation, human rights and good government in Africa is in a period of re-appraisal to enable the provision of a framework for action for the next five years, specifically:

- ✓ Strengthening action to meet thematic priorities
- ✓ -promoting and defending human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights and other international instruments.
- ✓ Placing “potential dialogue” as a key area for agreement.

- ✓ Implementing the principle of establishing separate accords with individual ACP countries.

Clearly this period of transition in future EU programme development is one of opportunity in reviewing initiatives with other international partners within the context of multi national donor organisations and bilateral negotiation and co-ordination, potentially to encompass JICA.

The European Union and the United States have already established a framework for reviewing and co-ordinating action through the joint EU-US Action Plan one of the goals of which is to undertake joint action in the promotion of democracy. This provides the basis for preparing a joint policy framework for each organisation to develop joint or complementary action at the regional or county level. The Action Plan sets out in the context of development co-operation that the EU and US will co-ordinate policies in relation to democracy and civil society. This Action Plan is reviewed at government level through the regular EU-US Summits, and involves consultation, bilaterally and within the framework of the relevant bodies of the UN, particularly the UN Commission on Human Rights. The focus of action is in countries where there is a serious violation of human rights, in order to co-ordinate policies and, as appropriate to develop joint initiatives, involving:

- ✓ Support for joint human rights activities, reinforcing the office of the UN High Commissioner for Human Rights and the Centre for Human Rights and following upon UN conferences on human rights.
- ✓ Specific priorities in respect of democratisation centred on the recent restoration and monitoring of civilian democratic values in Nigeria and instances such as UN/OAU sponsored conference on the Great Lakes region.

The US has supported international human right institutions (UNHCHR, UN Voluntary Fund for Victims of Torture, International Tribunals) in their African programmes, specifically in Rwanda and Burundi.

The United States bilateral assistance programme is underpinned by the acknowledgement of the fundamental link between democracy and human rights which was adopted by the United Nations Commission on Human Rights (27 April 1999). The Programmes and Funding are implemented by the Agency for International Development (AID) and the National Endowment for Democracy through a series of themes.

- ✓ Support for democratic transitions; AID has supported elections in South Africa and Nigeria.
- ✓ Support for local NGOs (i.e. Women's Literacy and democracy groups in Senegal).
- ✓ Supporting accountability – truth commission in South Africa.

The UN- Africa Ministerial blueprint for a US-Africa Partnership for the 21st century identified specific action in respect of Democracy, Governance and Human Rights.

African and American participants agreed on the mutually reinforcing nature of economic development and promote economic growth, democracy, and respect for worker and human right. In this vein, the U.S. announced a new programme to work with Africa to combat child labour. Participants touched on all aspects of good governance, and they agreed on the need to strengthen judicial systems and governmental checks and balances, introduce simple and clear regulations, and ensure accountability. Participants recognised the obligation borne by public institutions, notably including budget ministries and central banks, to be transparent and accountable in their handling of public funds. To this end, participants noted their interest in following current standards of public accountability, including the IMF's Code of Good Practices on Fiscal Transparency. The United States, for its part, agreed to support technical assistance, both bilaterally and multilaterally via the international financial institutions, to enable African governments to meet these standards.

While Africa is not the only place harbouring corruption, participants agreed that corruption wastes Africa's scarce resources and impedes its full integration into the world economy. Corruption's negative impact is magnified in poorer countries, compounding development

problems. Participants agreed that tackling corruption requires co-ordinated action – both national and international, including improved investigatory tools, better institutional and human capacity-building, and protection for anti-corruption advocates. African participants requested U.S. assistance with these efforts. There was general agreement that African countries should accede to a binding African anti-corruption convention. The U.S. encouraged this, noting progress made thus far.

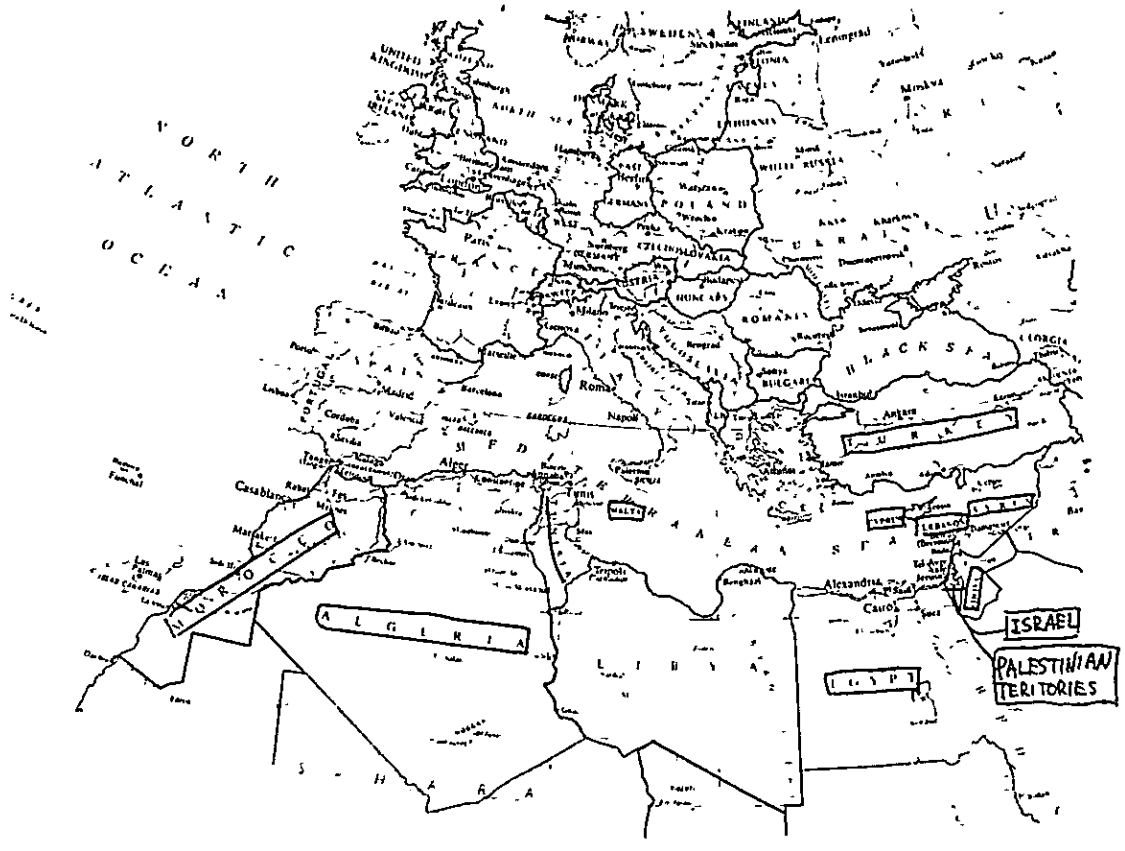
There was general agreement on the need for greater international co-operation to strengthen the rule of law and democratic institutions. African participants shared lessons learned and success stories on how to implement strong reforms in these areas. They welcomed the Great Lakes Justice Initiative, which seeks to break cycles of violence by building credible, impartial justice systems and by bolstering ethnic reconciliation at the grassroots level. Another U.S. initiative in this field is Radio Democracy for Africa, which will work with African and American media to disseminate news responsibly through the region.

The United Kingdom Government (**Department of International Development**) had framed its programme of support in relation to Human Rights and Good Governance in Democracy in the context of its White Paper on International Development (1997). This emphasises that its approach is one of Partnership with the International Community, particularly the United Nations, European Community and Commonwealth and genuine partnerships between countries. DFID has prepared an Institutional Strategy Paper on working with OHCHR (the United National office of the High Commission for Human Rights). This sets out the basis for a three year partnership between DFID/OHCHR through strengthening OHCHR management capacity, enhancing its ability to mainstream human rights across the UN system and strengthen its capacity to promote human right issues, building partnerships at the individual country level. This is reflected in action in relation to a number of themes.

- ✓ Community support for Children – including the Uganda Society for disabled children (NGO)
- ✓ Discrimination and Groups
- ✓ Election and Democracy
- ✓ Elimination of Poverty; support for enabling policies and programmes (training programme for the judiciary/civil service), support for sustainable and basic services (educational sector in Tanzania and Zambia) and empowerment of poorer people.
- ✓ Freedom of expression
- ✓ Human rights awareness
- ✓ National Human Rights Institution and Ombudsman
- ✓ Rule of Law and Justice (re-assistance to the Kenya Chapter of International Commission of Jurists)
- ✓ Security (responsible and accountable police services in Lesotho and South Africa)
- ✓ Equal opportunities for Women (Women in Public Life project in Ghana)

DFID has highlighted that its action under these themes in relation to human rights centres on “working with the world” through the UNHCR, EU and International Tribunals and Courts.

EURO - MEDITERRANEAN PARTNERSHIP



3.2 Middle East

3.2.1 Introduction

One of the main objectives of the EU CFSP (Common Foreign and Security Policy) as enshrined in the Maastricht Treaty is to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedom. This also reflects the CFSP approach towards the Mediterranean countries.

The Barcelona Declaration, adopted on November 1995 at the Euro-Mediterranean Conference of Ministers of Foreign Affairs, laid down the foundations for the Euro-Mediterranean Partnership based on equality between the countries involved. The partnership is a joint venture of 27 partners present at the Conference of Barcelona –(the Members States of the EU and 12 Mediterranean Countries and Territories: the list of the countries is in the foot note of the Peace and Conflict issue) and its overall aim is to forge lasting links in all fields of common interests: including human issues (see Barcelona Declaration). The same basic principles providing for partnership agreements launched in the Mediterranean Countries have been taken into consideration in the new agreements for ACP countries.

The Council Regulation 976/1999 of 29 April 1999 provides for the implementation of Community operations in the framework of Community operational policy for human rights and fundamental freedoms in third countries for the period 1999-2004.

3.2.2 Current policy

Legal basis:

Barcelona Declaration

Association Agreements

MEDA Framework Convention

MEDA Regulation

Council Regulation n.976/1999 of 29 April 1999.

The above mentioned Council Regulation provides the objectives and procedures of EU current co-operation policy:

OBJECTIVES:

The principle of Human Rights is included in several other instruments such as the MEDA Regulation, the MEDA Programme for Democracy, the Association Agreements between the EC and Mediterranean Countries.

The Barcelona Declaration states that human rights are considered to be a subject of mutual concern, informational exchange and dialogue. Its principles serve as a common ground to discuss human rights issues with the Mediterranean Countries; The Barcelona Declaration recognises also “the right of each of the partners to choose and freely develop its own political, and socio-cultural, economic and judicial system”.

Bilateral Association Agreements: are the follow up of the Barcelona. These include a human rights clause defining respect for Human Rights as an essential element of the agreements and they represent an internationally valid legal commitment by each MEDA country to respect Human Rights. These texts express the will of the 27 partners to include this dimension formally in their relation from November 1995. Reference is made to international instruments such as: the Universal Declaration on Human Rights and to other international instruments as the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, The Convention against Torture, the Convention on the elimination of all form of discrimination against women etc. and to regional instruments such as the European Convention on the protection of human rights and fundamental freedoms, the African and Arab human rights Conventions and the Islamic Chapter of Human Rights.

The Agreements are binding international treaties on a bilateral level between the EU and each MEDA country.

Progress on Association agreements is set out in Annex 6.

MEDA Framework Convention: The conventions which has been concluded bilaterally between the Community and each individual MEDA partner country, provides the bilateral legal basis and technical details of any grant or EIB loans under the MEDA Programme.

MEDA Regulation: forms the legal basis for the International Community competence with regard to support measures in the field of human rights and democracy in the Mediterranean countries in particularly the MEDA DEMOCRACY PROGRAMME (MDP). It states explicitly the respect for human rights and fundamental freedom (art.3) and that "support for achieving a better socio-economic balance shall include in particular strengthening democracy and respect for human rights" (Annex II).

3.2.2.1 MEDA Democracy Programme

MDP is designed to support the development of democracy, of the constitutional state and of civil society as well as to establish new inter parliamentary relations. The Regulation on the development and consolidation of democracy and the rule of law, respect for human rights and fundamental freedoms has set out rules for the management of all human rights financing for which is the responsibility of the Commission.

MEDA democracy programme was launched in 1996 with the intention to promote human rights in the twelve Mediterranean partners. 62 actions were supported in 1996 for a total budget of 9 million euros; 58 actions were supported in 1997 for a total budget of 8 million euros and 166 actions in 1998 for a total amount of 10,075,000 euros (see annex 7).

Created at the initiative of the European Parliament, the programme provides subsidies to non-profit making associations, to implement operations, which aim mainly at the promotion of democracy, the rule of law, freedom of expression, freedom of assembly and of association and the protection of vulnerable groups. From 11 May 1999 the requirements for the implementation of these operations are laid down in Council Regulation n.976/1999

The activities financed under the MDP must conform to:

1. International Human Rights Acts.
2. Barcelona Declaration on Euro-Mediterranean Partnership.
3. EU's policy and related acts.

Areas covered encompass: support for structural adjustment; economic transition and private sector development, strengthening the socio-economic balance and strengthening civil society.

Geographical Areas covered: are the signatory states of the Barcelona Declaration, there are some limitations for Turkey, Cyprus, Malta and Israel.

Eligible beneficiaries: include private, semi public and public organisations.

3.2.2.2 Financial Instruments

The MEDA PROGRAMME for DEMOCRACY is financed under the GENERAL BUDGET LINE HUMAN RIGHTS B n. 7-7050 with approximately 10 million euros per year.

There has been no financing of measures to promote human rights under the MEDA Regulation.

Preparatory measures and emergency measure can be financed with the resources of the CFSP, BUDGET LINE B8-010 to 015.

Actions financed under MEDA programme are set out on Annex 7.

3.2.3 Future Policy

The European Commission adopted the MEDA II proposal last October 1999 and during the presentation of MEDA II, the responsible Commissioner Chris Patten (see annex 4) said that relations with the Mediterranean partners are becoming closer but that MEDA II needs to be geared up to reflect this. "This proposal addresses the need to maximise the impact of EU financial assistance on the basis of sound procedure".

The MEDA II proposal will introduce two complementary types of change to the existing Council regulation on the Meda Programme. It proposes to reform the decision making processes and focus co-operation on preparations for free trade.

Under the proposal the Commission would no longer present individual project proposals for the opinion of the MED Committee, but instead would present indicative programmes and annual financing plans. This will allow better definition of multi annual strategies and monitoring of results. Other streamlining measures include replacing the regulatory committee with a management committee and improving co-ordination with the FBI.

3.2.3.1 Future of Meda Democracy Programme

Given that the democratisation process in most MEDA-countries still has a long way to go the MDP will remain an important element of the Mediterranean-partnership.

Other donors supporting human rights and democracy activities are mainly European and American NGOs and foundations. Member States themselves only distribute small funds through the local embassies and seem to avoid direct financial involvement in human right projects on a government level with a few exceptions.

Co-ordination with other donors takes place sporadically on the level of the local diplomatic community, in particular where several donors fund the same project. There is however no institutionalised co-ordination on strategy and priorities for NGOs and human rights and democracy assistance between the various donors (Commission, Member States, foundations). The MDP is complementary with Member States policy in the field of human rights & democracy in the sense that objectives conform to the foreign policies principles of the Member States (who are the contracting parties to the Association Agreement and the signatories of the Barcelona Declaration). As regards complementarities with Member States activities in this field, the few cases we were able to learn about showed a satisfactory degree of complementarities.

One idea to enhance co-operation and complementary will be to instruct Commission Delegations with a view to establish at least an informal information sharing with Member States, Embassies and other donors representatives in each country regarding NGOs and human rights assistance. This new attitude seems to be the same in the future plans of development in ACP countries.

3.2.3.2 Project Management Cycle for Meda Programmes

Projects are implemented by the European Commission in collaboration with the relevant beneficiaries by means of a system called the Project Cycle Management (see annex 5). The "Project Cycle Management" comprises different phases:

Identification: this involves seeking a project which may correspond to the priorities sectors and overall objectives laid down in the National Indicative Programme of the Mediterranean Partner concerned or in the Regional Indicative Programme. Contacts between the Commission and the Beneficiaries are particularly useful in helping to identify the different envisaged activities.

Planning: A feasibility study is often necessary to examine the technical, financial and administrative aspects involved when implementing a particular project. A logical framework analysis is especially useful in helping to check whether a project is in line with the pursued objectives, to plan the different implementation phases and to evaluate risks.

Funding: the decision to commit the required funds is taken by the Commission subject to the favourable opinion of a Committee composed of the member States.

Finance is delivered, in most case by the head office of the Commission upon request of the beneficiary, subject to the presentation of supporting documents.

Follow-up: responsibility for implementing the project lies with the beneficiaries or the project co-ordinator. Nevertheless the Commission, by virtue of its role as a donor, must follow up the financial and technical administration of the different activities of the project. This kind of supervision will be carried out in particular by the Commission Delegation.

Assessment: the Commission and the beneficiaries will ensure that an assessment is made separately from the implementation of the project. Each project is assessed at the mid way point and upon the final deadline established for its implementation.

Ex-post impact studies as well as a sectoral assessment are also undertaken on the basis of a pre-established assessment programme. Results of this assessment will be taken into account through successive phases of project programming, identification and planning.

DECISION MAKING PROCEDURES

The instruments provided by the Barcelona Declaration work programme provide basis for putting into practice the principles of the declaration itself:

- a) The political dialogue is conducted by Senior Officials of all the partner countries. It should be up to these officials to agree on appropriate means for putting the political principles of the Declaration into practice. A consensus is necessary. Several meetings have been held between the 27 Senior Officials and a series of confidence building measures have been introduced involving an exchange of information on the application of international human rights instruments and the establishment of a centre for co-operation between foreign policy institutes in the regions.
- b) Bilateral Association Agreements have institutionalised the political dialogue on all subjects of common interest. All the conditions are examined.

Decision making procedures depend on the instruments under which measures are to be taken. The EU Council may adopt appropriate financial measures (MEDA Regulation). The EU Council and the Commission of the EC may take appropriate measures concerning other forms of co-operation in accordance with Community law (Association Agreements).

3.2.3.3 Weakness and Strengths

The third Euro-Mediterranean conference in Stuttgart reaffirmed:

- The necessity to concentrate all the priority areas through the updated Regional Indicative Programme.
- The importance of local and regional authorities to be more closely associated.
- The role of NGOs.

3.2.4 EU Aid In The Context Of International And Bilateral Action

EU-US joint action in respect of democratic human rights and good governance in the Middle East has centred on political action (i.e. parallel envoys) to move forward the Wye River memorandum, specifically support for Palestinian self-government measures including Palestinian elections which contributes to the Palestinian democratic development.

United States aid has also provided specific humanitarian assistance programmes for the West Bank Gaza to support the Middle East peace process.

US bilateral programmes initiatives in the Middle East have centred on a twin track approach.

- ✓ Support for the UN High Commissioner for Human Rights Institutions (UNHCHR), UN Voluntary Fund for Victims of Torture and International Tribunals.
- ✓ Bilateral initiatives, involving the theme of support for democratic transition, support for local NGO's, supporting accountability, support for the right of the disenfranchised, including country reports on Human Rights Practices and reporting/advocacy on religious freedom issues.

The United Kingdom (DFID) bilateral assistance programmes have been built upon partnerships that are possible. The framework for action includes the Human Rights Policy Department of the Foreign and Commonwealth office. A geographical human rights strategy has been prepared for individual countries and these form the basis for much of the work undertaken, ranging from institutional support and capacity building, technical assistance, legal and other training and exchanges of academics institutions, NGO's official bodies.

In relation to the priority themes of DFID Middle East initiatives to support democratisation/human rights include:

- ✓ Security, support for better policing; in Turkey the funding of a pilot project with the Turkish authorities to examine the setting up of an independent police complaints authority.
- ✓ Torture; a visit by a special rapporteur team on the initiative of the Turkish Government.
- ✓ Women; sponsored action by the Turkish Association for supporting and training women candidates (KASER) to boost the number of women parliamentarians from all parties to at least 10% of the particularly membership from the current level of 2%. In Jordan DFID helped to establish a Family Protection Unit, the first of its kind in the Arab world dealing with cases of rape and child abuse.
- ✓ Demining; DFID is supporting demining and unexploded ordinance clearance in Northern Iraq.

As with African policy and programmes DFID project initiatives have been developed with the context of a clear understanding and support for international effects by UNHCHR, EU, International Courts and Tribunals and strong thematic priorities and individual country partnerships. In the context of the latter where partnership with government is not possible then approaches linked to civil society are developed. For example development assistance in Iraq has been provided through NGO's.

PART FOUR

Conflict Prevention, Resolution and Peace Keeping

Definitions and categorisation used by the European Commission

- A: Conflict prevention is defined as:
Actions undertaken over the short term to reduce manifest tensions and /or to prevent the outbreak or recurrence of violent conflict.
- B: Conflict management is defined as :
Actions undertaken with the main objective to prevent the vertical (intensification of violence) or horizontal (territorial spread) escalation of existing violent conflicts.
- C: Conflict resolution is defined as :
Actions undertaken over the short term to end violent conflict.
- D: Peace building (including post-conflict peace-building) is defined as actions undertaken over the medium and longer- term to address root-causes of violent conflict in a targeted manner.

The following are considered as root causes:

- Imbalance of political, socio-economic or cultural opportunities among different identity groups (ethnic, religious, regional, social etc.);
- Lack of democratic legitimacy and effectiveness of governance;
- Absence of effective mechanism for the peaceful conciliation of group interests (including democratic structures), and for bridging dividing lines between interest groups;
- Lack of vibrant civil society.

List of Official Documents on Conflict Prevention in annex 8.

4.1 AFRICA

4.1.1 Introduction

“The EU is heavily concerned by the issue of conflicts in Africa. The existence of violent conflicts is increasingly challenging the achievement of its declared policy goals. Fostering peace, stability, democracy and human rights under these conditions of conflicts is a nearly impossible task” (Communication from the Commission to the Council Peace-Building, Conflict Prevention and beyond). The question of how to respond effectively to violent conflict in Africa involves several international organisations such as UN, the OAU, the AECD, the G7 and the EU. The NGO community also plays an active role. With the Common Position and Council Conclusion adopted by the General Affairs Council “Conflict prevention and resolution in Africa” on 2 June 1997 the EU agreed a comprehensive strategy for conflict prevention and resolution in Africa. The document is the basis for activities ranging from peace building and early warning to preventive diplomacy, peace-keeping and post-conflict reconstruction. Since the beginning of the 1980’s structural adjustment and democratisation have been the key strategies in this regard. But these strategies have not been successful in creating a new basis for political stability and economic growth. The experiences of last 15 years have clearly demonstrated that development can only take place under suitable political conditions and that peace-building is the key for an effective response.

The previous EC Commissioner responsible for the relations with the ACP countries de Deus Pinheiro has set out six principles:

The first is the principle of ownership that means that Europe will not deliver ready-made solutions while the EU will help to create the environment in which effective ownership is possible and OAU the (Organisation of Africa Unity) has a key role to play concerning conflicts in Africa.

The second principle is the need to vigorously enhance the effectiveness of assistance in Africa and the main challenge is to set up priorities.

The third principle is the necessity to focus on the prevention of violent conflicts and first of all peace-building: the prevention of violent conflicts at a very early stage, even at the stage where tensions are not yet obvious. The key challenge for the international community as a whole is to overcome the culture of reaction and to develop a culture of prevention.

The fourth principle is that development assistance should form the basis of a policy of peace-building and conflict prevention. Deploying assistance effectively with the goal of peace-building needs to re-think the objectives of the EU aid. Peace-building is not a priority sector it is a yardstick that should help to set priorities.

The fifth principle is coherence: the root-causes of violent conflicts need to be identified and addressed in a coherent manner overcoming the institutional and functional dividing lines between different policy instruments.

The sixth principle is co-ordination and the role of NGOs is crucial.

The new Commissioner POUL NIELSON addressed conflict prevention, arms control and the involvement of NGOs as main topics for the integration of developing countries during his hearing.

Special attention is addressed by the EU to prevention and fighting illicit trafficking in conventional arms, the resolution of the Council in this case recognises a devastating impact of the availability of small arms in conflict areas.

Issues such as the introduction of preventive diplomacy, arrangements for broader political co-operation and ongoing political analysis are the objectives of a comprehensive strategy to achieve “structural stability”.

4.1.2 Current Policy

Legal basis:

IV revised Lome Convention.

See the list of the Official Documents in annex 7:

The Communication from the Commission to the Council Sec.(96) 332 final outlines the Commission’s approach to peace building and conflict prevention.

The main points of the Commission’s approach are:

- Africans are primarily responsible for conflict prevention, management and resolution in Africa.
- The necessity to engage Africans at a regional, sub-regional and national level in the prevention and resolution of violent conflicts at an early stage is a fundamental priority. To this end, there should be better linkage between the EU’s and African efforts, the EU will deepen the dialogue with the OAU and sub-regional organisations on concrete possibilities of support for their efforts in the field of early warning, preventive diplomacy, peacekeeping, as well as awareness-raising concerning the importance of human rights, the rule of law, pluralist society, democratic institutions and practices, and of a culture of tolerance and peaceful existence. Civil society organisations and women’s organisation can play an important role in this respect.
- Peace-building conflict prevention at a very early stage should be at the centre of EU. efforts. An effective policy of peace-building should identify the root causes of violent conflict and address them in a targeted manner.

There are four categories of structural root-causes of violent conflict (1) the political and cultural legacy of colonialism, (2) the inadequate distribution and allocation of resources, (3) imbalance of opportunities and (4) inadequate governance.

In most cases there is a complex set of structural, historically developed and closely inter-linked causes for violent conflict – not a single root cause. Source: EU training programme on Peace-Building and Conflict Prevention in Africa, European Commission DG VIII.

The challenge consists of establishing, together with the people concerned, a “realistic vision” of how viable states could be build.

- To identify root-causes of violent conflict there is a need to enhance the capacity for systematic political analysis of the key trouble spots of the different countries and regions concerned whereby the focus should lie in particular on the political system and the distribution of power and resources between different identity groups. Commonly recognised as root-causes are: (i) an imbalance of political socio-economic and cultural opportunities between different identity groups; (ii) a lack of legitimacy and effectiveness of government; (iii) absence of a vibrant civil society; (iv) absence of mechanisms for the peaceful conciliation of group interests (including democratic institutions).
- To address the root-causes effectively, an appropriate combination of all available policy instruments (political, economic development etc), should be deployed in a targeted and coherent manner. The systematic deployment of development assistance, including the programmes within the framework Lome’ Convention, has a particular role in this respect. Such a holistic approach necessitates overcoming those dividing lines between different policy instruments and sectoral policies which have proved artificial or even counterproductive.

- The gap between analysis, early warning and action should be reduced through an early elaboration of scenarios and policy options, well in advance of a serious crisis as well as careful scrutiny of the respective procedures both within the Commission and the other EU bodies.
- More effective international co-ordination should be sought through an enhancement of respective information exchange mechanisms.

The Community and the Member States should find the way to exchange information on their bilateral aid programmes with a view to leading to better co-ordination between the different programmes. Consideration should be given to identify appropriate mechanisms to this end. The Community and the Member States should jointly undertake the identification of suitable measures for conflict prevention on a country-by-country basis whereby an adequate and co-ordinated combination of all instruments available should be considered.

4.1.2.1 General Policy Objectives

Definitions elaborated by the Foreign Policy Unit of the European Commission Directorate for Development:

Pre-conflict approach: the first and long-term objective of intervention is to assist in the creation of "Structural Stability". This term could be defined as a situation involving sustainable economic development, democracy and respect for human rights, viable political structures and healthy social and environmental conditions, with the capacity to manage change without resorting to violent conflict.

The international discussion on "early warning" is only beginning to take shape. Currently inter alia, three models are under discussion: one proposed by the UN Development Programme based on six "indicators of human security", one by the UN Department of Humanitarian Affairs and one by an international conflict consultant and former senior scholar at the US Institute of Peace (Michel Lund). The first claim to cover all violent conflicts, the second concentrates on antecedents of possible genocide. (More details in: "EU training Programme for Peace and Conflict prevention"1998), see Annex 8, page 12-16.

The prospects of intervention for the Commission/EU are regarded as most likely before or immediately after conflicts have developed, i.e. in the early evolution of conflicts and in the consolidation phase. In a pre-conflict situation development assistance can contribute to a reduction of structural conflict causes and can contribute to structural stability; in the de-escalation and consolidation phase it can contribute to limiting conflict and coping with its consequences.

4.1.2.2 Conflict Preventive Policy Objectives Within The Pre-Conflict Phase

Are:

- Developing a local early warning capacity.
- Balancing opportunities for different identity and interest groups.
- Improving the legitimacy and effectiveness of governance.
- Enhancing mechanisms for the peaceful conciliation of group interests and the development of a culture dialogue.

Main objective: developing non-violent means of confrontation between conflict parties

- Developing civil society.

Main objective: strengthening civilian control and broadening participation.

4.1.2.3 From Conflict Escalation To Open Conflict:

During the escalation of a conflict with increasingly open tension the scope for intervention of the Commission/EU is rather limited; but still exist. The policy objective is to contribute to a reduction of tensions and prevent the full outbreak of hostilities. In a phase of open conflict management is aimed at a reduction of the threat of vertical and horizontal escalation and, later, conflict resolution. The instruments available are few and their prospects or success are very limited given their dependence

on the political will of both Western governments and the conflicts parties.

4.1.2.4 OAU Mechanism for Conflict Prevention, Management and Resolution.

The OAU Peace Fund is the financial instrument of the OAU Conflict mechanism and it has received support from the international community. The EU has supported financially the OAU Observer Mission in Burundi 1.5 million euros and the enhancement of the OAU communication capacities (see case study : Other Joint Action of the European Union under the Common Foreign and Security Policy : Section 3.4)

- Conflict escalation.

Main objective: reducing tensions and preventing full outbreak of hostilities

- Open conflict

Main objective: conflict management and conflict resolution

4.1.2.5 Post-Conflict Approaches

In the post-conflict phase both the range of instruments available and the chances for successful intervention are increasing again. In the de-escalation sub-phase the policy objectives foster confidence between the conflict parties. Usually de-escalation and consolidation are inter linked, parallel processes. Though strictly speaking intervention in this phase is not conflict preventive, it is a significant contribution to the prevention of new violent conflict.

- Escalation phase

Main objective: fostering confidence between conflict parties

- Consolidation phase.

- Economic, social and ecological rehabilitation and reconstruction.

Main objective: rebuilding the material basis of the state.

- Demilitarisation.

- Refugees and internally displaced persons.

- Reconciliation.

- Supportive measures.

4.1.2.6 Budget

The simplified budget lines in 1999 for peace keeping and building and conflict prevention are those of **Human rights B7-70** where among the priorities are "Innovative actions in the field of conflict prevention and resolution in countries in crisis".

The priorities are common to the following budget lines:

B7-7020 Human Rights and Democracy in Developing Countries: total of 17 million euros. Areas covered: especially ACP countries.

B7-7021: Human Rights and Democracy in Southern Africa. total of 4 million euros. Areas covered: Southern African countries.

B7-7022: total of 4 million. Areas covered: Nigeria and sub regions.

B7-704: Grants to certain activities of Human Rights Organisations. Total of 15 million euros. Areas covered: Global

B7-706: Support for the activities of international criminal tribunals and for the setting up of the International Criminal Court. Total of 3.3 million euros. Areas covered: Global.

B7-709: Support for, and supervision of electoral processes. Total of 2 million euros. Areas covered: countries outside the EU.

The other budget line is that of (CFSP) Common Foreign Security Policy.

B8-0100: Support to the democratic transition and electoral process.

B8-0110: Special Envoys of EU.

B8-0113: Conflict prevention and support for the peace process.

B8-0150: Urgent actions

The Commission is monitoring the use of all funds provided under the different instruments of the Lome Convention as a matter of routine. Nonetheless, the outbreak of violent conflict increases the risk of diversion of funds for military purposes, notably those funds that are directly fundable within an overall national budget.

The allocation of Community funds for projects or programmes in the ACP countries is ruled by standard financing agreements negotiated between the EU and the ACP countries.

The outbreak of armed conflicts may make it necessary to temporarily freeze the implementation by withholding the conclusion of agreements and the disbursement of funds. The Government of the beneficiary country concerned will be informed of this measure and has the opportunity to explain the nature and objectives of its involvement in an armed conflict.

In cases where the UN Security Council has not decided upon sanctions the Lome Convention in its present form does not include a legal base which would allow for a reduction or suspension of development aid only because of unjustified involvement in an armed conflict. At the present the procedure applies only in case of human rights, democratic principles and the rule of law violation.

4.1.3 Programmes/Actions

The EU is pursuing its policy and actions within the appropriate political and legal framework (UN, OAU, sub-regional organisations as the Southern African Development Community (SADC), the Intergovernmental Authority for Drought and Development (IGADD), the Economic Community of West African States (ECOWAS) and in close co-operation with the relevant bodies.

Within this framework the EU has financed projects that include those set out in section 4.1.4.

4.1.4 Case Study

ACTION TITLE: Other Joint Action of the European Union under the Common Foreign and Security Policy

Budget Line:

B8-013

Legal Base:

Treaty of the European Union and in particular Title V as well as Articles J.3 and J.11
Common position 97/356/CFSP on Conflict Prevention and Resolution in Africa.

Description:

General objective of the action: Conflict prevention

This decision is aimed at the strengthening of the OAU "Mechanism for Conflict Prevention, management and resolution" by enhancing the communication capacities of the OAU Headquarters, OAU regional and national offices as well OAU field mission through the provision of the necessary equipment.

Total cost of the action: 860.000 euros.

Granted 100%.

This is a pilot action and will enable the EU to strengthen its co-operation with OAU and to support other projects submitted by the OAU.

Other actions financed by the EU.

Democratic Republic of Congo: Common action supporting the transition process till 30 June 1999.

Austral Africa: "Blue Crane" action supporting peace-keeping- Autumn 1998.

Sierra Leone: sanctions against the provision of weapons to non governmental forces. As a direct result of the Amsterdam Conference on conflict prevention (1997) A

European Platform on Conflict Prevention and Transformation was established. This platform hosted by the European Centre for Conflict Prevention, based in Utrecht, The Netherlands, is an open network of organisations in the field of conflict prevention and resolution in countries throughout Europe. Its mission is to facilitate networking and the exchange of information as well as the co-ordination among the participant organisations. In several countries national platforms have been established or are being set up. The Platform came into being at almost the same time as the **Conflict Prevention Network**, launched by the European Commission and with the aim to provide policy-makers with analysis of potentially violent conflicts and options for dealing with them. The two initiatives are complementary and can help translate early warning signals into preventive actions. (Source: Paul van Tongeren Executive Director of the Centre for Conflict Prevention).

On initiative of European Parliament which has made available 1 million euros in part A from the 1998 budget, the **EU Analysis and Evaluation Centre (EUAEC)** has been established on 1st January 1998. The centre is not an institutionalisation of the Conflict Prevention Network of the European commission (CPN) which will continue to operate under the roof of EUAEC. The new centre has been set up to make available to the European Commission analytical and policy-oriented reports in the field of peace building, conflict prevention and management and resolutions.

4.1.5 Future Policy

Council regulation (EC) n.975/1999

Common position of 25 May 1998 (98/350/CFSP).

There is not doubt that sub-Saharan Africa is undergoing major political upheaval that carries a tremendous potential for conflict. The European Union has to find ways to assist its ACP partners in this process and to manage the difficulties that may accompany this transformation. Firstly, action should focus on the prevention of conflicts and implementation of the recommendations contained in the several documents adopted on this subject.

The position concerning Human Rights, democratic principles and the rule of law and good governance adopted on 25 May 1998 is another important instrument to assist African Countries in steering through the current political changes.

Art. 2 of (98/350 CFSP) defines until 31 December 2004 the objectives of the Community Development Co-operation Policy and in particular point three defines the supporting measures to promote respect for human rights and democratisation by preventing conflict and dealing with its consequences, in close collaboration with relevant competent bodies, in particular:

- a) supporting capacity-building including the establishment of local early warning systems;
- b) supporting measures aimed at balancing opportunities and at bridging existing dividing lines among different identity groups;
- c) supporting measures facilitating the peaceful conciliation of group interests, including support for confidence-building measures relating to human rights and democratisation, in order to prevent conflict and to restore civil peace;
- d) promoting international humanitarian law and its observance by all parties to a

conflict;

- e) supporting international, regional, or local organisations, including the NGOs involved in preventing, resolving and dealing with the consequences of conflict, including support for establishing ad hoc international criminal tribunals and setting up a permanent international criminal court, and support and assistance for the victims of human rights violations.

"In order to make an effective contribution to peace and stability in developing countries, these root causes must be addressed in a targeted manner"

The CESD/ISIS Conference on "The Future of the EU's Common Foreign and Security Policy" set out potential new orientations for a policy of peace building and conflict prevention which would encompass the following initiatives:

- ✓ The Community and its Member States should include the concept of peace building and conflict prevention into current assistance programs.
- ✓ The EU. should establish channels of exchange of information and analysis with other relevant members of the international community with the aim to reach the highest possible degree of co-ordination of activities.(Some synergies with JICA's activities are foreseen).
- ✓ Exchange of regular information and analysis with other bodies and support four seminars and conference in African countries will be particularly important.
- ✓ Encourage the efforts of the UN for a more active policy in prevention/preventing diplomacy in Africa.
- ✓ Establish direct links with OAU.
- ✓ Engage a dialogue with African Sub-regional Organisations and to engage them in relevant activities.
- ✓ Advocate support by African states for the efforts of the OAU and other African Sub regional Organisations.
- ✓ Reinforce the dialogue with UN in accordance with the "New Transatlantic Agenda".
- ✓ Support and facilitate NGOs activities in the sector.

Major international actors are still relatively unprepared at the time when a crisis arises. The deficiencies lead to ad hoc responses whose main features are:

- A focus on symptoms rather than on the underlying causes of violent conflict.
- The deployment of inadequate means.
- The lack of effective co-ordination among the various international actors.

The key determinants for successful international responses to violent conflicts should involve:

- a. Interest of the conflict parties in a negotiated solution (often linked to a situation of a "mutually hurting stalemate").
- b. Interest of the international community to apply all available instruments in a targeted and co-ordinated manner.
- c. Participation of a strong civil society.

Choice of adapted, skilled and respected mediators and /or peace-keepers.

Commissioner Poul Nielsen recent observations on "The EU's role in conflict prevention" can be summarised as follows:

"We are ready to increase support to strengthen conflict prevention in Africa and elsewhere". The EU has been working with the OAU to support the creation of a conflict resolution mechanism. "Of course you can say that many of these conflicts are not regional but internal conflicts. But still, good neighbours are the best to support efforts to avoid those conflicts. It is the neighbouring countries which suffer most as a result of the conflicts". The emphasis is changed from humanitarian assistance towards the more future oriented development activities. "... so having an exit strategy from ECHO and an entrance strategy for the development side is very important, and we can contribute to the international discussion that is taking advantage of the close relationship between the two portfolios". Commissioner Nielsen is optimistic about the new structure of Prodi's Commission, which he believes

will bring all aspects of development co-operation policy together in the hands of one commissioner while separating the mechanism of implementation. (Source: The courier November 99).

The article of Michel Rocard (President of the European Parliament's Development Committee in 1998) "Towards a better prevention" points out the following:

... "At the heart of modern-day international relations is one basic principle – non-interference by any state or the international community in the internal affairs of another state ... for this reason the only avenue open to a particular state or international organisation wishing to bring about some effect inside an independent state is bilateral negotiation" ...

"What is now needed to make recommendations aimed at crisis-prevention more effective is, therefore, clarity and detail, private suggestions for intervention (co-operation, technical assistance humanitarian aid and mediation) and public suggestions for intervention (political conditions attached to IME and World Bank loans, pressure for internal reforms, the opening of negotiations between the parties involved or the acceptance of mediation, selective or global embargoes or the deployment of peace-keeping or even peace – imposing forces" ... "Africa has already the institutional means in place through the OAU ... and the countries of Africa must provide their own definition of the criteria they consider necessary for preventing and dealing with conflicts ... For now, since no EU procedures exist for a 'joint foreign and security policy', there still being no general EU interest in this field, any a concentrated policy of development aid and co-operation has led the EU to provide aid and co-operation to the nations of the Lome Convention, then to central and eastern Europe and finally to the Mediterranean zone. Assistance has undoubtedly been made available to many countries in situations of crisis and conflict. But the EU's level of authority and the nature of its expertise have caused such intervention, outside of development aid, to be limited exclusively to humanitarian aid. Regrettably, humanitarian aid only helps with the management of crisis". (The courier 1998).

4.1.6 EU Aid In The Context Of International And Bilateral Action

EU policy and programme development in respect of conflict prevention and peace keeping in Africa is based on a developing framework which sets out policy principles, policy objectives and mechanisms and programme actions which are being pursued with the OAU and appropriate sub-regional organisations as outlined earlier in this report.

The EU has recognised that action must be undertaken in partnership with key international organisations principally the UN, G7 and AECD and OAU. The latter has recognised the EU as having the key role in supervising the implementation of action in conjunction with the other international organisations and through sub-regional African organisations.

In the context of international co-ordination the EU and the United States in their joint action plan have identified a number of key priorities for shared responsibility in Africa in respect of conflict resolution:

- ✓ Jointly to assess the regional dimensions of the conflict in Rwanda and in Burundi jointly to identify and plan for transitional priorities and support African led regional initiatives to deal with these conflicts.
- ✓ Foster peace and economic reconstruction in Angola and Mozambique.

United States bilateral assistance programmes have reflected support to assist conflict resolution through effective humanitarian and economic development to alleviate policy. This has involved the restructuring of US Aid regional team (i.e. East and

Southern Africa to provide a “multi disciplinary team based platform” for managing and implementing integrated regional initiatives in respect of expanded humanitarian and transition programmes (i.e. Somalia, Sudan and Burindi), and thereby take advantage of increased opportunities for regional partnerships and impacts.

The U.S-Africa ministerial blueprint for a U.S-Africa Partnership for the 21st Century identified specification in respect of conflict resolution.

Participants agreed that violent conflict poses a great threat to African reform efforts. They further noted that, while essential security needs must be addressed, it also is essential that military expenditure burdens not be allowed to divert scarce resources from vital social and developmental programmes. Conflict saps resources and destabilises countries and regions, scaring off potential investors. Participants further agreed that the enabling environment necessary for political and economic reform stability derived from strong mechanisms that prevent or mitigate violent conflict and its profound and lasting effects. African participants stressed the need for U.S. support for conflict resolution and programmes aimed at integrating ex-combatants and demobilised soldiers in development efforts.

The participants agreed on the importance of building the capacity of African mechanisms to prevent and resolve conflicts. The OAU Mechanism for Conflict Prevention, Management, and Resolution could serve as one such mechanism, but participants stressed that carefully planned support for increasing its capacity was essential. Many of the participants cited ECOMOG's contributions towards mitigating increased violence in the sub-region, as well as collaborative efforts to build peace-keeping capacity, such as the African Crisis Response Initiative. They also expressed concern about the ongoing conflicts in Central Africa and their damaging effects on the development process, and they encouraged current sub-regional initiatives, such as COPAX, to prevent and resolve conflicts and to build confidence and peace. The United States and Africa agreed to continue to work together to strengthen African capacity in these areas. One such effort is the establishment of the U.S. funded African Centre for Security Studies and to look for a permanent location for the Centre as a means to foster increased military professionalism and civil-military co-operation.

The United Kingdom Government Department for International Development (DFID) through its White Paper “Eliminating World Poverty” identified the need for a consistent approach to conflict prevention. The paramount need being to understand the nature of conflict and help societies resolve their disputes without resulting to violence, the success of this approach will be essential to tackling poverty. DFID has prepared “conflict reduction and humanitarian assistance” and priority and the security sector policy statements. The former statement sets out a conflict reduction strategy which sets out an aim to support the implementation of international mechanisms for settling disputes and conflict. Explicitly in relation to Africa this should involve integrating conflict resolution approaches within the re-negotiated Lome Convention. In respect of security sector reform the nature of action in which DFID is involved aims to undertake activity designed to strengthen democratic accountability and transparency in the security sector, this encompasses:

- ✓ Reducing the prospects for conflict and increasing stability
- ✓ Training to strengthen conflict resolution and negotiation skills in government
- ✓ Increasing the democratic accountability of the security services
- ✓ Project initiatives in Africa have included:
 - ✓ A study of options for retrenchment and early retreat of the Tanzanian people defence forces.
 - ✓ Support for emergency demobilisation in Sierra Leone – some 3000 ex-combatants from the former armed forces of Sierra Leone.

Activity designed to strengthen the broad capacity to the uniformed security forces encompassing:

- ✓ Assistance in the development of post apartheid South African Defence Force

4.2 MIDDLE EAST

4.2.1 Introduction

In November 1995, the governments of the Euro-Mediterranean partners and the EU established the Euro-Mediterranean Partnership initiative and committed themselves to promote better mutual understanding and closer co-operation. Conflict and peace issues are included in the issue of Human Rights. During the Conference of Human Rights and Citizenship in the Mediterranean held in Stuttgart, 15-16 April 1999 the Ministers underlined the concept that the Barcelona Process is not intended to replace initiatives and activities of the Middle East Peace Process but to contribute to its success and to be complementary to the process. Ministers reiterated their firm commitment to the realisation of a comprehensive and lasting peace in the Middle East based on the faithful implementation of UNSC resolution 242 and 338 and the terms of reference of the Madrid Peace Conference on the Middle East including the principle of land for peace, the Oslo Accords and the more recent Wye River memorandum.

Ministers agreed that stability in the Mediterranean region requires a comprehensive and balanced approach in order to address common security concerns, strengthen co-operation and adopt measures conducive to stability. By enhancing comprehensive stability the Barcelona Process will furthermore contribute to the solution of tensions and crises in the area. A key factor to this end will be the elaboration of a "Euro-Mediterranean Charter for Peace and Stability" that will serve as an instrument for the implementation of the Barcelona Declaration where issues of peace and stability are concerned.

4.2.2 Current Policy

Legal bases:

Maastricht Treaty,

Barcelona Declaration,

Council Regulation (EC) n.976/99, O.J. L120 of 29/4/99.

One of the main objectives of the European Union as established in the Maastricht Treaty is to develop and consolidate democracy.

The Barcelona Declaration adopted at the Euro-Mediterranean Conference (27-28 November 1995) established the Euro-Mediterranean Partnership, a joint initiative by 27 partners'(1).

One of the objectives of this initiative was intended to support the realisation of a comprehensive and lasting peace settlement in the Middle East taking into consideration that peace, stability and prosperity requires a strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty and promotion of understanding between cultures. The definition of a common area of peace and stability through a reinforcement of political dialogue and security is the first of the three goals of the new partnership that is not limited to any particular economic and financial interests.

Imperatives of peace and security imply that the growing gap between Europe and the Mediterranean countries should be minimised; income differences, currently standing at 1 to 12, would increase to 1 to 20 by 2010 if no measures were taken to support the economic development of the Mediterranean countries, whose population will grow to more than 300 million by 2010.

In bilateral terms, the Euro-Mediterranean Partnership takes the form of a series of

Association Agreements between the Mediterranean partners and the European Union.

The Association Agreements are signed for an unlimited period and replace the Co-

operation Agreements

Two complementary approaches have been chosen to implement the Euro Mediterranean partnership.

On a bilateral level, the Euro –Mediterranean Association Agreements, which already exist or are in course of negotiation between the Union and each of its partners account for most of the financial resources. Whilst adopting all the principles underlying the new Euro-Mediterranean relationship, these agreements also reflect the characteristics specific to relations between the EU and each of the Mediterranean partners.

On a regional level, dialogue constitutes one of the most innovatory aspects of the partnership.

The 27 partners have adopted a work programme, which sets out the actions and priorities, which are implemented through regional, regular and global dialogue, relating to the political, economic and cultural fields. By this means, a permanent dialogue is established, with the Mediterranean as the central theme of the discussion.

4.2.2.1 The Middle East Peace Process

In June 1996, the European Council in Florence once again confirmed its support for the peace process in the Middle East, and recalled the “essential principles”, already expressed in the Venice Declaration in 1980, aimed at establishing a just and long-lasting peace; in particular “self-determination for the Palestinians” and “exchange land for peace, with everything this implies”. This latter principles was repeated in the Barcelona Declaration. Although separate, the Barcelona process and the peace process in the Middle East are complementary.

4.2.2.2 Working Procedures

The Euro Mediterranean Committee for the Barcelona Process, consisting of the troika of the European union and each of the Mediterranean partners, meets on average every three months to decide actions to be undertaken under the work programme. The European Commission prepares and manages the monitoring of all the regional partnership work. Every six months, two sectorial ministerial meetings and five meetings at expert level are held.

4.2.2.3 Budget

The Council and/or the Commission have two sources of financing at their disposal to specifically support conflict prevention and peace keeping and building measures:

- The MEDA programme for Democracy (Budget Line B7-705) with an appropriation of 10 million euros.
- The financial resources of the CFSP (Budget Line B8-010 to 015) support for peace process, preparatory measures and emergency measures).

Operations relating to the peace process in the Middle East have been financed under the CFSP budget heading (7.6 million euros for the preparation of the Palestinian Elections and 10 million euros for monitoring them).

4.2.2.4 Decision Making Procedures

In the context, depending on the instruments under which measures are to be taken the EU Council may, where the Commission so proposes decide by a qualified majority to adopt appropriate financial measures (MEDA Regulation). The EU Council and the Commission of the EC may take appropriate measures concerning other forms of co-operations, in accordance with community law (Association Agreements).

4.2.2.5 Peace Keeping and Building/Conflict Prevention

The instruments of Euro-Mediterranean partnership:

A forum for political dialogue and security.

A forum has been established for global and political discussions where for the first

time the Mediterranean is at the focus of discussion

The political partnership has set itself the goals of creating a sustainable climate of co-operation through the establishment of mechanism for preventing crises and for developing habits of dialogue and work in common. Such dialogue should improve the climate for resolving conflicts in the region without replacing other conflict resolution mechanisms already in force.

The Senior Civil Servants (Senior Officials) with responsibility for political and security dialogue regularly meet to discuss confidence and security building measures leading to the establishment of a Stability Charter.

The Senior Officials have met several times since 1995 and despite the difficult political context have started the preparation of the Charter, an instrument that it would be a political statement approved by the 27 partners (see Malta and Stuttgart). This work continued in 1997 and 1998 with the development of a series of concrete confidence building measures put in force as "Partnership measure": exchange of information on international conventions on human rights, disarmament, pilot project between civil protection services. At the ad hoc ministerial meeting June 1988 in Palermo the final statement considered the work in progress on "the concept of global stability and the need to develop common perceptions of the factors that contribute to it". At the Stuttgart Conference April 1999 "The Guidelines for Elaborating a Euro-Mediterranean Charter" (3) were submitted to the Ministers and annexed to the formal conclusion of the conference as an informal working document (3a). The Ministers committed themselves to the elaboration of a "Euro-Mediterranean Charter for Peace and Stability". Charter "will be approved formally by the Ministers as soon as political circumstances allow"(4). According to the Guidelines "the Charter will serve as an instrument for the implementation of the principles of Barcelona Declaration where issues of peace and stability are concerned." (4)

EUROMESCO: The Network of Foreign Policy Institutes.

In order to reinforce the work of the Senior Officials on political and security dialogue, the foreign policy institutes of the Euro-Mediterranean region established a network for intensive co-operation with the objective to provide the analysis of the institutes for the construction of an area of peace and stability. The network was established in June 1996 at Sesimbra under the co-ordination of Lisbon IEEI. "Two working parties were formed and specially the second one deals with confidence building measures, disarmament and conflict prevention and all the aspects of preventive diplomacy measure" 5. The network includes 34 members and 7 observers. It has held several meetings (March 1997 at The Hague, Tunis 1997, Bonn 1999, London 1999) Three EuroMeSCO papers were published. The EuroMeSCO Link is the Internet site for co-operation among the institutes and distribution of the studies.

Training of diplomats: Malta seminars.

At the first meeting in April 1996 of the Euro-Mediterranean Committee for the Barcelona Process was decided to set up a bi-annual training sessions relating to the Euro-Mediterranean partnership. These sessions - initiated in October 1996 take place twice a year in Malta- are open to diplomats from all the partner-countries with responsibility for dealing with Euro-Mediterranean questions.

The European Commission under MEDA programme financially supports this information and training programme. It intends to improve the understanding of diplomats and specifically about the aspects relating to the Barcelona Process, these seminars allow the establishment of informal contact between participants and intend to create a network of Euro-Mediterranean Diplomats. The Mediterranean Academy of Diplomatic Studies in Malta manages these seminars.

As a complement to this programme, the Mediterranean Academy of Diplomatic Studies established the "Euromed Internet Forum". The European Commission supports this initiative that allows consultation on the complete set of public document issued since 27 .11.1995 in the context of Euro-Mediterranean Partnership.

The MEDA programme:

The principal financial instrument of the EU for the implementation of the Euro-Mediterranean Partnership is the MEDA Democracy Programme (MDP). This initiative launched in 1996 mainly to promote democracy and human rights finances also actions related to conflict resolution. Budget Line B7-705.

The substantial share of confidence-building measures (29) projects has to be attributed mostly to the Israeli-Palestinian peace project, which represents 83% of all the projects in this category. However, the overall share of these projects in terms of total MDP grants has dropped from 25% in 1996 to 12% in 1997 with no such projects funded by the MDP in 1998.

Meda finance

The amount of the financial aid was of 4,685 million euros for the period 1995-1999.

These grants from the Community budget are accompanied by the loans from the European Investment Bank -EIB- and the total budget was approximately 2 billion euros per year.

Some of the resources allocated to MEDA are channelled bilaterally to the partners (6). The others 10% of the resources are devoted to regional activities: all the partners are eligible to benefit from these activities.

MEDA resources are subject to programming: three years national indicative programmes are drawn up jointly for the bilateral channel, and a regional indicative programme covers the multilateral activities.

The regional indicative programme complements and reinforces the bilateral indicative programme and foresees the implementation of activities in all three domains of the Barcelona Declaration. One of them is the political and security dimension activities in this domain will contribute to the creation of a region of peace and stability.

4.4.3 Future Policy

Working Document:

Guidelines for elaborating a Euro-Med Charter for Peace and Stability.

Meda Democracy Programme: evaluation 96-98.

Stuttgart Conference April 1999: Chairman Formal Conclusion.

The elaborations of the Euro-Mediterranean Charter for Peace and Stability will serve as an instrument for the implementation of the principles of the Barcelona declaration where issues of peace and stability are concerned. For this purpose the Charter will provide for an enhanced political dialogue as well as the evolutionary and progressive development of partnership-building measures, good-neighbourly relations, regional co-operation and preventive diplomacy. The primary function of the enhanced political dialogue will be to prevent tensions and crises and to maintain peace and stability by means of co-operative security. The Charter will be endowed with the appropriate decision-making mechanisms reinforcing the existing institutional framework.

Principle and undertakings of the Charter:

- a. Respect of the purposes and principles enshrined in the UN Charter;
- c. Recognition of the indivisibility of security in the Euro-Med Sphere and beyond;
- c. Acknowledgement of the concept of comprehensive security;
- d. Reliance on instruments of co-operative security;
- e. Non- interference in the settlement of current conflicts.
- f. Common and balanced approach to the issue of stability in the Mediterranean.

The focus of future development of the Charter should involve the following:

Regional co-operation activities, especially the systematic evaluation and their follow up.

Selection of priority areas;

Further involvement of actors outside central governments.

4.4.4 EU Aid In Relation To International And Bilateral Action

The EU strategy to strengthen support for the Middle East peace process through the Barcelona process and the evaluation of an European Mediterranean Charter for Peace and Stability is the framework for action in liaising internationally on conflict prevention/resolution and peace keeping in the Middle East.

In this context the joint EU-US Action Plan has sought to promote policy objectives which reflect the Association agreements with individual countries through the Euro Mediterranean Partnership in respect of:

- ✓ Continued support for Palestinian self government and economic development.
- ✓ Active role at the conference for economic assistance in the Palestine.
- ✓ Access to products from the West Bank and Gaza strip.
- ✓ Promote trade agreements between Jordanians, Palestinians, Israelis and Egyptians.
- ✓ Support joint infrastructure to foster regional trade and investment – road links, electricity grids, gas pipelines and other joint infrastructure.
- ✓ Joint efforts to promote peace between Israel and Lebanon and Syria.

This EU/US joint policy agenda clearly identifies the need to integrate conflict prevention and peace building with economic development measures to alleviate poverty and promote economic benefit for the populations.

As indicated previously in this theme the United Kingdom governments (DFID) approach to conflict reduction strategy and the relationship between security and poverty is set out in the policy statements which confirm the commitment set out in the White Paper.

The United Kingdom is committed to strengthening the role of international organisations (i.e. UN) and regional organisations to prevent conflict. In the first instance specific action has included a major conference in Cairo on Democracy and the role of Law attended by representatives from throughout the Arab World, Europe and Russia.

PART FIVE

Relations Between the EU and NGOs

In the last few years, Non Governmental Organisations (NGOs) became essential actors of the development aid policy in the European Union, as partners of the co-operation and in the area of humanitarian aid. Participation of NGOs is perceived like a complement of official and general development policies. Relation with NGOs shows a dual aspect. The EU represents for NGOs a supplementary source of financing for the realisation of their projects and NGOs are partners in charge of the execution of some EU projects of assistance.

In order to answer an increase in their financial needs, NGOs called upon public financing, proceeding in particular since 1976, from the European Community. Nowadays, approximately 20 per cent of the whole governmental aid of the EU forwards by the intermediary of NGOs.

Whereas these policies lead to a global approach of development questions, projects initiated by NGOs seem to be at a lower level and to have the characteristic of being more centred on recipients.

If the main outlines of NGOs' actions remain the fight against poverty in developing countries, the satisfaction of fundamental needs for poor populations or a good standard of living, policies they have recently undertaken, seem to evolve in stressing a participative development, an organisational support to South countries and the development of North and South partnership. The EU brings part of its financial assistance to this kind of operations but is also directed to NGOs which want to inform and to aware the European public opinion of problems of development. Moreover, the European Union supports some actions of reinforcement concerning co-operation and co-ordination between NGOs and Member States, and between NGOs and community institutions¹.

5.1 NGOs in the Development Strategy of the EU

Since July 1996, the Liaison Committee of Development NGOs (LCDNGO) constitutes the institutional representation of NGOs at the EU. It is the interlocutor allowing the dialogue between the EU and NGOs, and is officially recognised by three European institutions: the Parliament, the Council of Ministers and the EU. It takes upon itself a double duty: representation of NGOs beside the EU (approximately 900 NGOs), and the development of a space of dialogue and contacts between NGOs.

The composition of the LCDNGO follows these principles: in each Member States of the EU, one representative is elected by a national platform composed by NGOs, which means 15 representatives all in all. In the case of France, for instance, this platform gathers together 9 representatives of NGOs, which design the French NGOs' representatives in the LCDNGO.

Within the LCDNGO, few NGOs gathered together. VOICE is consisted by NGOs of emergency. Nevertheless, the LCDNGO is not the only reassembly of European NGOs. Other networks made up on political, philosophical or religious bases, are also represented at the EU; let us quote for example, CARITAS and CIDSE (of catholic confession), APRODEV (Protestant), EUROSTEP (laic), Eurodad (debt in the Third World), Euronaid (Food aid), Wide (women and development).

¹N° 1658/98 of the Council of July 17th, 1998. JO n°L213 of July 30th, 1998, p 0001-0005.

There is a tendency for the space of dialogue between NGOs and General Directions to extend. In the past, the LCDNGO maintained regular and structured relationships with DG VIII, more than with other DG (DG1A and DG1B). DG B1 hadn't any unit to take charge of the relationship with NGOs, or which offered a centralisation of accessible financing for NGOs. Therefore, access to budget lines was even more complex and difficult. Moreover DGVIII shown some flexibility on administrative forms.

Today, a better co-ordination between DG and NGOs is progressively setting up, as well as a joint approach in DG Relex. Progress should be made with the creation of a special unit in each DG, in charge of relationship with NGOs. To reach this aim, a joint Committee CL/CE (between the Liaison Committee of the NGOs and the EU) (DG8/A/4 and SCR) should have been created at mid 1999. The DG Development is the organ where NGOs submit their projects and it is also responsible for the process of financing requests. During the implementation phase, responsibility for supervision and execution of a project within the EU, removes from DG Development to SCR (Service commun Relex).

Parallel to the reform of the framework process of co-operation with NGOs, financing relations between NGOs and the EU have changed with the revision of the general conditions of co-financing, which should be put in concrete form by the adoption of a new text by the EU, planned for the end of 1999 - beginning of 2000. Reflections on political trends turn on: the specificity of the co-financing line, the coherence of NGOs programs and the EU policy, a clearer criteria of eligibility, simplified rules of management, new financial rules, introduction of programs contract, revision of levels of financing. The reflection led to the drawing up of new principles concerning financing contracts, for NGOs specialised in development, on the basis of Vade Mecum, dealing with the control of grants of money and with the definition of a standard contract (analysed in a following paragraph).

5.2 Activities of NGOs

Co-operation with NGOs takes place at two levels, by means of the co-financing or through a collaboration on particular actions or problems for which they have a certain experience and in which the EU cannot directly intervene. These fields square with actions relating to food and humanitarian aid, rehabilitation, human rights or environment. In 1998, NGOs' co-financing reached 180 million euros, shared out among 680 projects all in all, including 538 projects for developing countries and 142 for awareness-raising campaigns of the European public opinion. If the budget line B7-6000 is the main line of NGOs' financing, they have also access to other lines. On average almost 90 per cent of the allowance provided for the budgetary heading B7-6000, are devoted to the co-financing of development actions in Third World countries; and 10 per cent concern awareness-raising actions or support campaigns of the LCDNGO. In the meantime, aid shared out by NGOs taking place in programs and projects prepared by the EU, is not accounted like a financing granted to NGOs, but in the global aid provided to the recipient sector. Therefore, it causes a real difficulty to estimate the volume.

In 1997, interventions of NGOs in community co-financing - gathering the whole of the budget lines opened to NGOs - related to the followings (in euro million)

Co-financing of development actions in developing countries	150
Co-financing of awareness-raising actions of the European public opinion	20
Humanitarian Aid ECHO	306 *
Food Aid and purchase of basic food goods by NGOs	87
Actions of rehabilitation in developing countries	23.4
Actions of rehabilitation in Southern Africa	12.4
Refugees and displaced persons	35.4
Special programme for South Africa	21
Other lines accessible to NGOs	20 **

* except projects financed by EDF, ALA, MEDA

**evaluation

NGOs activities within this framework mainly relate to actions undertaken in the Least Advanced Countries, the Low Level Income Countries and for the most vulnerable populations; as well as they relate to actions of rehabilitation and to the reinforcement of the democratic process. Principal fields of co-financing concern agriculture (36 per cent), education and training (28 per cent), hygiene and health (21 per cent); whereas economic activities (including micro-credit and small enterprises support) and projects of social assistance represent less than 10 per cent each one.

5.3 Framework of Relations and Agreements of Partnership between the EU and NGOs

5.3.1 The Programme of Support to Cofinancing

A special service, the programme of support to cofinancing (PSC), was created in 1997 as part of the delegation of some administrative tasks and in a broader context of improvement of the cofinancing system. This programme aim at helping and informing any NGO, wishing to introduce a file of financing or which have already received such a financing within the framework of the budgetary heading B7-6000. The principal objective was to improve the quality of the documents presented by NGOs and to facilitate a better comprehension of rules and mechanisms in force. The matter was to allocate a responsibility for NGOs, concerning the preparation of the files and the process of the cofinancing requests, which were then submitted to the examination of the EU (master of the choice of the projects and judge of their quality). Recourse to this service managed by the LCDNGO and accessible to any NGO, did not automatically signify the obtaining of subsidies. Nevertheless, NGOs were not very enthusiastic concerning the creation of the PSC, judging that tasks entrusted with them were not within the competence of the EU. That's why this programme closed during summer 1999.

5.3.2 The Standard Contract

As part of the reforms engaged by the EU, a contract drawn up by the SCR and the Relex delegations, apply to whole of the subsidies granted to NGOs in the scope of assistance, food security, tropical forests, assistance with rehabilitation, human rights, assistance with the uprooted populations). However, concerning the budget line B7-6000, the application of this measure was discussed. at mid 1999. In the past, a NGO which obtained a financing, received a first advance limited to less than

50,000 euros and then various payments more or less spread out in time. Nevertheless, facing many criticisms related to the use of funds, the SCR tries to limit the number of withdrawals per project in an objective of rationalisation. It has been followed by the appearance of banking guarantees requested to NGOs for any financing and concerning a part or the entire budget of the project. This initiative involved a wave of protest in all European NGOs.

5.3.3 Separated Programme Contracts

Separated programme contracts were introduced under the new general conditions with networks of European NGOs, joined together on the basis of objectives and common political programme. They are intended for firmly established NGOs. This instrument falls under an optic of long-term co-operation, on the basis of a close connection, built on confidence between partners (EU/NGOs), in order to facilitate the dialogue and to bring up the content of the projects and ability of the partners. But beforehand, it supposes an agreement between NGOs as well as a capacity to implement wide-spreading projects.

5.3.4 Individual Contracts of Programs and of Networks

In parallel, individual contracts of programs and of networks were set up. Individual programs contracts have been created, with an aim of exceeding the approach project, for a strategic vision later on and for reducing administrative measurements (bureaucracy). They represent a real change compared to practices of the EU. The finality of contracts of programs and networks would be to give a specific European dimension to the mechanism of co-financing, and to encourage the emergence of stronger European NGOs structures. Networks could be built on the basis of specific topics, identical motivations, and NGOs implied in joined programming and executions.

5.3.5 Contracts of Partnership

These framework contracts of partnership concluded with certain NGOs, apply to actions undertaken within the framework of the ECHO programme, whose aim is to simplify and accelerate the proceedings related to the implementation of the humanitarian aid.

5.4 The Recording System of NGOs: Criteria of Eligibility

The EU established a series of criteria of eligibility intended to select NGOs liable to receive a community financing. Even if they are unsteady and function of the characteristics concerning the selected budget line and the kind of intervention carried out, they show basic common characteristics: NGO must be made up in a non-profit-making and autonomous organisation and must have settled down its seat in a EU Member State. It must also have got into a professional and financial reliability and have a capacity in administrative and financial management (capacity to support development actions, and to mobilise financial resources, resulting from previous actions carried out with the EU).

Because of the existence of particular criterias of eligibility for each budget line opened to NGOs and of the great number of these lines, we'll only retain principal criteria stated in the present case :

For *projects implemented in developing countries*, we'll retain: professional and financial reliability of NGOs; quality of the project presented, role of the South partner and quality of its relations with European NGOs; impact and viability of the project; multiplying effect of the project; role of the project in order to answer needs of under-privileged populations and to reduce poverty.

For *actions of growing the European public awareness*, we'll retain: capacity to involve new actors in the North; comprehension of the North-South interdependence by the public; European dimension for projects involving several Member States or concerning European topics.

For *humanitarian actions within the framework of ECHO*, we'll retain: technical and logistic capacity of NGOs compared with the action considered, their experience in humanitarian field, their results in previous actions implemented by this organisation, in particular with community financing; their liability to take part, if necessary, in the system of co-ordination established within the framework of a humanitarian action; their capacity and availability to develop the co-operation with other humanitarian actors and basic communities in the countries concerned; their impartiality in the implementation of humanitarian aid; their previous experiences in the Third Country concerned with the action undertaken.

If the NGO has the required qualities to obtain a financing, it is still necessary that the suggested project falls under the framework of interventions beforehand defined. The lasting effect of the project, the precise definition, will be taken into account, as well as the follow-up of objectives and indicators of realisation, and the coherence with other projects.

5.5 Financing of NGOs

It is possible for NGOs to finance their actions by the EU in the form of co-financing. Created in 1976, the co-financing is the oldest form of financing, and it is concretised by non-refundable aids, financed by the general budget of the EU. These co-financing are made up with various budget lines, each one intended for financing actions of different kinds. A NGO cannot obtain from the EU the entire financing of a project. The objective of the co-financing is to be a financial complement of other funds collected by public or private sources. Budget lines, open for one year and renewed according to needs, are destined for financing or cofinancing initiatives coming from NGOs. Since the 17th of July 1998, budget lines intended for cooperation with NGOs (and decentralised co-operation), are endowed with a legal base, thanks to the adoption of a regulation by the Council.

5.5.1 Budget Line B7-6000

It constitutes the main line of co-financing, and is aimed at NGOs of the EU in order to finance actions concerning social or economic development in developing countries. It is also intended for the poorest populations in developing countries (at 90 per cent) and for financing campaigns to sensitise the European public opinion on questions of development (10 per cent remaining). The amount of this line in the community budget came to 180 million euros in 1998. It is located in the previous DG Development. Characteristics of this line are changing because of the revision of the general co-financing conditions. This revision follows the introduction by the Council in July 1998 of a new regulation, which reaffirms the orientations of co-financing towards actions looking for the satisfaction of fundamental needs for the underprivileged populations (fight against poverty, improvement of the standard of living, endogenous development); awareness-raising and information campaigns of the European public opinion to problems of development, the reinforcement of the co-operation and co-ordination between European NGOs. Debates led to the drawing-up of a final project describing new conditions, which has been submitted to the Committee of the Member States at the end of November 1999. The definitive text should be available only at the beginning of year 2000.

General conditions listed in the final project, but certainly exposed to modifications, are the following ones:

- the duration of the co-financing is five years maximum
- the co-financing covers a maximum of 50 per cent of the whole cost of the project (in case of contributions in kind), knowing that it can reach 75 per cent (in the absence of contribution in kind).

Each NGO must contribute on its own resources to at least 15 per cent of the costs of the project.

Administrative expenses engaged for each project cannot exceed 8 per cent of the total amount (9 per cent in case of consortium or networks). This threshold is not identical in all European countries. For that reason, it raises difficulties since request is simultaneously presented to different backers for co-financing. Total amounts of the allocated financial contributions have been reconsidered. They vary according to the nature of the contract. In case of programme contracts, total amounts fluctuate between 2 and 10 million euros. For a project, conducted individually by a NGO, they oscillate between: 50,000 and 1 million euros, or if carried out by a consortium or networks between 250,000 and 4 million euros. For a donation, funds vary between 250,000 and 2,000,000 million euros and in case of small projects donations between 20,000 to 150,000 euros.

Donation is a financial instrument, which offers a great flexibility, intended to last two or three years, for small scale actions: purchases of equipment, minor jobs of infrastructure, assistance as far as formation is concerned. It concerns NGOs

already in relation with the EU, which have previously received co-financing from the EU during three of the last five years.

5.5.2 Other Budget Lines

Other sectoral budget lines (32 on the whole) are partially or possibly accessible to NGOs and to other decentralised organisations and/or governments of the EU or of Third countries. The allocated sums can be very different. Broad topics of actions concern: food and humanitarian aid, refugees, returnees and displaced persons, rehabilitation programs, South Africa; Health and AIDS, Environment and forests. These lines can be reached by NGOs coming from the South.

EDF Micro-realizations: Art.252-253 Lomé IV
Contribute to the refugees, returnees and displaced persons: Art. 255 Lomé IV
Actions in favour of community and non-community migrants: B3-4110
Action of integration of refugees: B3-4113
Support for actions of fight against racism, xenophobia and anti-Semitism: B3-4114
Food aid and actions to support food security: B7-200-201
Contribution to populations of developing countries and third countries victims of catastrophes (254-Lomé IV) (164 OCT) - (ECHO) -: B7-210
Contribute to refugees, returnees and displaced persons in the PVD-ALA non-associated with the Lomé Convention: B7-212
Humanitarian emergency aid to populations of the Central and Eastern European Countries (CEECs)- (ECHO) -: B7-214
Humanitarian emergency aid with populations of the independent States of the old Soviet Union (NIS) - (ECHO) -: B7-215
Humanitarian aid to returnees and displaced persons in developing countries- (ECHO) -: B7-217 Operational Support, prevention of disasters and humanitarian interventions - (ECHO) -: B7-219 Co-operation with South Africa (PERD): B7-320
Programmes of rehabilitation in Southern Africa: B7-321
MEDA- measures of accompaniment to the reforms of economic and social structures in third countries of the Mediterranean area Community: B7-410
Action for agreements of peace concluded between Israel and the PLO: B7-420
Training and awareness-raising of the European public opinion and education concerning development: B7-610
Integration of the questions of gender in the development co-operation (ACP and ALA/MED): B7-611 Environment in developing countries : B7-6200
Tropical Forests: B7-6201
North/South Co-operation in the field of fight against illicit drugs and drug-addiction: B7-6210
Actions in the field of VIH/AIDS in developing countries: B7-6211
Assistance in demographic policies and programs in developing countries: B7-631
Actions of rehabilitation and rebuilding in favour of developing countries: B7-641
Decentralised co-operation in developing countries: B7-643
Participation in actions in relation with anti-personnel mines: B7-661
Human rights and democracy in developing countries: B7-7020
Human rights and democracy in Southern African countries: B7-7021
Activities of organisations following the objectives of human rights: B7-7040
Support for activities of international penal courts and constitution of a permanent international penal Court: B7-706
Contribute to the economic rebuilding of the Central and Eastern European Countries (PHARE) and programme for the democracy in the Central and Eastern European Countries: B7-500 - B7-700
Special programs for democracy and good governance in Nigeria: B-710

These sectoral budget lines are not managed within the same entity but by specific units, what give rise to a difficult collaboration. In order to increase the flexibility of the system and the collaboration between NGOs, the creation of a head point concerning relations with NGOs is planned in each DG.

5.6 Mechanisms of Evaluation and Control of NGOs Actions

5.6.1 Process of Evaluation

Many evaluations of these projects either in progress or at the end of the exercise, are carried out in order to appreciate the results obtained. These evaluations, controlled by the SCR, are generally executed by third organisations, either at the request of the NGO itself, or on the initiative of the EU based on an individual analysis of the project. In parallel global analysis are regularly carried out according to fields of intervention or approaches of the development. The objective of the evaluation is to measure the impact of the project and to learn lessons for future actions. These evaluations can be brought into effect either in a specific way, or in a transversal way. When it concerns innovating projects or when they present risks during the execution, specific evaluations are carried out only during the implementation of the projects. Transversal evaluations are used to measure the impact of the projects financed by the EU and its action on a broader level. Evaluations compare the design and implementation of projects or programmes to actual outcomes. Criteria used are relevance (objectives to country needs), efficiency (providing inputs at least cost), effectiveness (in achieving planned outputs and immediate results), impact (objectives to which results should contribute), sustainability (inputs all been provided and external support stops).

5.6.2 The Process of Control

Various mechanisms of control were installed in order to take care of the use and the management of the allocated funds. The first mechanism of control is the *interim report*. Payments are unpacked according to a cutting out of the financed project. Each section gives rise to the establishment by the NGO concerned, of a report, which will condition the paying out. The second mechanism is the *final report*. This one is carried out at the end of each financed project. It is then submitted to the EU which check up that the achievements implemented are in conformity with the actions initially defined. In addition to these reports, two other points of control are composed by the accountancy of NGOs, as well as their actions in the field. In the event of non-respect of the agreements, the NGO can see its payments stopped and even been forced to refund the perceived sums. In extreme cases (ex: fraud) an exclusion of all future co-financing can be pronounced.

Control of accountancy. The EU, the Court of Auditors or of the external listeners can ask for an additional control of accountancy, in order to check up the budgetary execution of the project.

Missions in the field. These missions aim at examining the quality and the progress of a project. They can be ordered by the persons in charge of the co-financing, by the representatives of the financial control, by the Court of Auditors, or by representatives of the EU in the recipient countries.

5.7 Difficulties of the Process Development Cooperation between the EU and NGOs

If the mechanism of co-financing turned out a success, it remains some problems at the EU, concerning the management of the mechanism itself, in particular because of its sudden rise. Difficulties appeared because of the deep increase of its financial volume and of the number of projects to evaluate and reports to examine (1,500 projects and 1,000 reports in 1996). In addition, NGOs have expressed critics and reproached the mechanism of co-financing of the EU, for its too bureaucratic character. Moreover it has underlined the high number of criteria required and a too technical, long and expensive procedure in human resources, as well as non-fixed methods of partnership. By the revision of the financing conditions, the EU wishes to set up new methods, and to introduce a delegation of management responsibilities, allowing a reduction of the management costs of the assistance. The modernisation of the mechanism of co-operation as a whole supposes a new division of the responsibilities between the EU and NGOs. In this context, the EC would preserve the total authority for the decision process and the management of the budget lines. NGOs would have the advantage of a delegation of responsibilities on an operational level (for groups or networks of NGOs at national and trans-European levels). Thus, the part played by organisations such as the LCDNGO would be reinforced. The evolution of the EU mechanisms of co-operation with NGOs is in keeping with a current tendency of big financial backers, who pursue to reduce costs and to channel funds by collective mechanisms of disbursement (ex: local funds in fidéicommis: trust funds).

Today, a new definition of assistance and relations between the different actors is setting up. The co-operation of the EU with regard to the development aid, follows a movement of decentralisation of policies both in their constitution and their implementation. NGOs are get to play an increased role in this process. A turning point in their approaches of the development should start with dynamic relations with their partners, in particular through a better integration of their South partners, and a stronger dialogue.

The LCDNGO and the other groups of representation of NGOs at the EU, play a essential role concerning the reinforcement of the dialogue between the different actors. During the annual Conference and the 25th general meeting of the LCDNGO (April 15th, and 16th, 1999 in Brussels), three lines of reflection were defined, and follow this direction: reinforcement of the complementarity between actors, increase of efficiency and transparency, impact of the NGOs' interventions and responsibility of all the actors implied in the development.

The general pattern of the EU reform,-reveals the intention of a better collaboration and co-ordination between the DG Relex (ECHO and SCR included) and NGOs. It could take the form of a joint approach within the DG Relex by the creation in each general direction, of a unit dealing with relations to NGOs.

Through the wish to reform mechanisms of co-operation with NGOs, the essential objective to follow is to improve the relations between all the actors of the co-operation, for a better definition of the programs, an increased efficiency of the implementation, and a clearer and more transparent management.

