

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Towards better coordination  
of development cooperation policies and operations  
within the Community

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The most effective possible use of aid resources remains one of the constant concerns of donors.

This concern for effectiveness is essential where the beneficiary states are concerned, since they should feel a real impact on their development from the efforts of donors.

It is also essential for the donors who, today perhaps more than ever, are accountable to public opinion for the rigorous and effective use of the aid resources they are called on to administer.

Maximum effectiveness is to be achieved by better coordination of aid, which is the only way of making sure that cooperation activities are consistent with one another and complement one another better.

This coordination concerns all bilateral or multilateral aid, but first and foremost aid from "Europe", i.e. from the Community as such and from the individual Member States. Taken together, aid from these sources represents a very significant proportion of world aid.

On the basis of average payments in recent years, aid from these sources in the Community accounts for 33% of world official aid (29% from the Member States and 4% from the Community). If only aid to Africa (ACP+MMI) is considered, the figure rises to 53% (45.5% from the Member States and 7.5% from the Community).

The Commission itself has always been aware of the necessity for such coordination and has endeavoured to achieve it.

At the instigation of certain Member States and the Commission, the Council approved, in 1974 and 1976, two resolutions which, starting from a certain de facto collaboration between Member States and the Commission, advocated that coordination within the Community be stepped up.

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The first part of this paper takes stock of the present state of coordination as it results from the implementation of the Council resolutions.

The new development policy guideline advocated by the Community, which makes dialogue and support for sectoral policies a central feature of cooperation activities, calls for thought to be given to how coordination could be adapted and improved.

With this in mind, the second part of this paper will propose a plan of action geared to the practical and operational aspects of coordination.

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#### I. The state of coordination

The coordination of development cooperation policies within the Community has made considerable progress since the adoption by the Council of a first resolution in July 1974 and then a second in November 1976.

1. The trend has been particularly satisfactory in the general aspects of cooperation policy, particularly since it was necessary for the Community to express coordinated, or even common, positions in certain international conferences dealing with development problems.

Community coordination in the context of the North-South Dialogue within UNCTAD, or in the shaping of common positions at the Conference on International Economic Cooperation illustrate this trend.

This type of coordination takes place on the sidelines at these conferences and, more generally, at Council meetings (Development Ministers) and in the context of work by Council groups which prepare those meetings.

2. Coordination has also been developed in the harmonization of development policies, as regards both overall policy and the geographical and sectoral aspects of cooperation. The work in the Council groups dealing with development (GCD, ACP, ACP-FIN, Mediterranean) permits this level of coordination, as do the ad hoc meetings of the heads of development administrations or the meetings between Member States and the Commission which precede and accompany numerous international meetings organized on a geographical or sectoral basis: UNDP round tables, IBRD consultative groups, sectoral meetings of the ECA and other bodies of the United Nations family.

3. Lastly, efforts to improve harmonization within the Community have been intensified since the 1974 and 1976 resolutions, at the level of operational coordination between Member States and the Commission.

This coordination is carried out in different ways:

(a) Through the establishment of a system for exchange of information on the projects identified; thus the Commission regularly communicates to Member States the sheets identifying projects for which financing has been requested and which are about to be appraised.

Outside the Programming Committee, however, few Member States comply with the text of the Internal Agreement on the financing and administration of Community aid to ACP States. This text obliges them to notify to the Commission bilateral aid granted or contemplated and to update this information periodically.

(b) Through periodic general coordination meetings with each bilateral aid agency from the Member States. Generally speaking, the purpose of these meetings is, first of all, to exchange information on the state of implementation of the respective financial and technical assistance programmes, then to look for ways of making cooperation more active and more effective and, lastly, to study projects or programmes of mutual interest.

(c) Through meetings at frequent intervals between Commission delegations and Member State representatives in the field, though the situation differs from one country to another as regards the number of Member States represented and the frequency of meetings.

(d) By organizing meetings on the sectoral aspects of aid, in which Member States and the Commission learn the lessons of past operations (ex post evaluation) so as to fix, in the context of drawing up the basic principles agreed with the beneficiary states, the general guidelines for projects to be financed in the future. These guidelines essentially concern Community aid. There should be nothing to stop the Member States - who have participated in drawing them up - from taking account of them in their bilateral approach.

Meetings of this type have increased in number in recent years, and have dealt with numerous sectors and instruments of Community aid: rural development, education and training, road infrastructure, village water supplies, livestock production, health, technical assistance, microprojects, food aid and Stabex.

(e) Via participation of Member States, alongside the Commission, in cofinancing operations. Under the Lomé Conventions, 44 projects have been cofinanced with Member States, accounting for an overall amount of about 3 500 million ECU, while 29 projects are at the identification stage.

Between 1976 and 1982, 23 projects were cofinanced with Member States under the heading of aid to non-associated developing countries.

(f) Pursuant to two resolutions adopted by the Council in 1977, operational coordination procedures for emergency aid operations and food aid have been brought into play through an appropriate exchange of information and the implementation of joint action to provide effective and rapid help for countries affected by natural disasters and other comparable circumstances.

(g) Lastly, there is operational coordination of analyses and operations carried out with all or some Member States for certain problem regions or priority sectors. Examples particularly illustrative of this level of coordination are the cooperation which has grown up on the problems of southern Africa or on the planning of complex "transport corridors" in eastern Africa. But it is above all in establishing food strategies in test countries where they are being tried out, and deciding the back-up to be given to them, that operational coordination has shown itself at its best.

Concepts of how a strategy is to be implemented must be cohesive, and this entailed effective operational coordination between the donors involved. This cohesion was achieved in or around specific working groups set up for this purpose on the spot. In these groups, countries with strategies can meet donors to exchange the necessary information, to search jointly for the most appropriate means of pursuing the strategic aims, and to prepare the decisions which have to be taken.

This work in the field is completed and backed up by meetings in Brussels between representatives of Member States and the Commission.

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4. The facts mentioned above show that substantial progress has been made in coordinating aid, and the Commission welcomes this. But the situation should not be considered as perfect. There are still weaknesses, no doubt due to the cumbersome administrative procedures involved in a high degree of coordination. Improvements are necessary, and because of the specific nature of the different national approaches to cooperation and the different sensitivities and motivations of each Member State, these improvements will essentially have to allow a greater degree of cohesion and complementarity of cooperation activities to be achieved.

The coordination achieved on the back-up to be given to food strategies meets this concern. It is with this in mind that the Commission intends to propose some guidelines to make coordination more operational and more effective.

## II. Guidelines for strengthening operational coordination

The guidelines proposed by the Commission concern all recipients of Community cooperation: the ACP States, the southern and eastern Mediterranean countries and the non-associated developing countries. They need to be tailored to the specific role played by the Community in these different parts of the world, and to the characteristic features of its cooperation (its contractual nature, the existence of the Commission delegations).

There can be no doubt that the strengthening of coordination vis-à-vis the ACP States must come high on the agenda, not only because of the highly diversified nature of the Community's relations with those States, but also because the renewal of the Lomé Convention offers an opportunity in this connection.

The support for sectoral policies which should result from the dialogue advocated by the Community will have reasonable chances of success only if there is close coordination and harmonization of views between Member States and the Commission.

Where a convergence of views between Member States and the Commission on the analysis of a sectoral policy manifested itself in the intention of one or more Member States to provide joint or complementary support, the ACP States would have an even greater incentive to commit themselves to dialogue and to accept the consequences of it.

What is more, unity of views between the Community as such and its Member States would add weight to coordination extended to other bilateral and multilateral aid.

As the Community is obviously interested in ensuring the success of the new approach to development it advocates, it must make every effort to see that this coordination, which is the essential condition for success, is organized.

Whatever the destination of the Community aid, such coordination must be organized pragmatically. It is not a question of more institutionalized or formal coordination, but rather "a la carte" coordination which must be adapted to the interests and particular sensitivities of each Member State in respect of specific regions, countries or sectors.



This is the line the Commission intends to take in its proposals, which will be based on three practical and operational aspects of coordination: improving the exchange of information; strengthening coordination in the field; and making more systematic use of co-financing.

1. Improving the exchange of information

The organization of mutual exchange of information on aid policies and activities, whether already decided on or under consideration, is clearly a precondition for any operational coordination between Member States and the Commission, since it is the only way to ensure the necessary cohesion and complementarity between Community action and bilateral operations by Member States.

By transmitting its reports on countries during the phase of programming aid, by periodically publishing its statistics on actions for which financing decisions have been taken, and by regularly sending Member States its identification sheets for operations which could be financed, the Commission discharges its responsibility for information as laid down by the Council Resolutions of 1974 and 1976.

On the other hand, Member States, or most of them, send the Commission only information which is too sporadic or fragmentary to ensure its effective use. The information they give to one another is even more fragmentary.

To improve this situation and to gain the best possible knowledge of development activities financed by the Community, five types of measures could be considered:

- (i) where Member States have prepared country reports, they should communicate these to the Commission;

- (ii) Member States should communicate to the Commission their periodical statistics on the progress of their cooperation;
- (iii) protocols concluded by certain Member States at the end of programming missions - or similar activities - which they carry out in developing countries should be communicated to the Commission;
- (iv) Member States should communicate to the Commission, as laid down by Article 15 of the internal financial Agreement relating to the second Lomé Convention and the equivalent provisions in the Mediterranean agreements, periodically updated information on aid they intend to grant to one or other of the ACP States. Such information, of a prospective character, is essential to the search for complementarity which should motivate the implementation of cooperation. It could be ensured by sending the Commission sheets identical to those sent by the Commission to Member States when projects are identified;
- (v) informal contacts between the Commission officials responsible for geographical areas and their counterparts in national administrations should be established and maintained. Exchange of detailed establishment plans between Member States and the Commission would doubtless make such contacts easier.

Such measures have a pragmatic character, are not in themselves spectacular, and should become automatic.

If they were to be adopted they would make a useful addition to the range of information on the aid activities of Member States and the Commission, without which there can be no effective coordination. And they would not represent any additional administrative burden. They would also enable the Commission to present a regular, accurate picture of "European" aid.

## 2. The strengthening of coordination in the field

This is a vital requirement. It calls for more than mere improvement of the informative function of coordination, however necessary that may be.

It involves turning away from the sort of coordination that might be called "passive", i.e. aimed at avoiding duplication of effort, and towards "active" coordination, i.e. one which allows cooperation actions to complement one another. This implies a dynamic approach, i.e. joint reflection and real consultation on the sectoral objectives of the beneficiary country and on the best ways to achieve them.

(a) The informative function of coordination in the field

There are three aspects involved in strengthening it:

- (i) intensifying contacts between Commission delegations - where they exist - and the representatives of Member States in the field; these contacts modelled on those already existing in political cooperation, should be institutionalized;
- (ii) collaboration in the preparation of an annual synthesis of external aids, in particular those of Community origin (Community proper and Member States) received by each beneficiary country;
- (iii) the organization, in the same spirit as that in which information is given by Commission officials on mission to the representatives of Member States in the field, of systematic meetings with the Commission delegation and the other Member States represented, on the conclusion of high-level missions, in particular programming or project identification missions conducted by a Member State.

(b) The dynamic function of coordination in the field

This is the central function where cooperation with the ACP States is concerned. Support for sectoral policies is inconceivable unless Member States are associated at a very early stage in the process of implementing cooperation. The notion of ongoing dialogue, which should characterize relations between the Community and the ACP States, should be based on a thoroughgoing analysis of those sectoral policies it is considered advisable to support.

In the Commission's view, an analysis of this kind, which is decisive for the progress of subsequent programming phases, should be conducted by the Commission delegate in collaboration with the representatives of Member States on the spot. It will be supplemented, where necessary, by the geographical desk officer, in liaison with his counterparts in the Member States chiefly interested in the country concerned or the sector envisaged.

Starting from the guidelines which emerge from the analysis, the dialogue should be given a permanent local context in which it can express itself. For this purpose a joint programming unit could be considered; it would continue to exist during the whole time the cooperation was being implemented. Based on the sort of unit that exists in the field of food strategies, it would permit the essential exchange of information between beneficiary country, Commission and the Member States concerned, as well as the joint search for the most appropriate means of servicing the sectoral policy to be supported and the preparation of decisions to be taken. Obviously such a unit would have to be able to include other, non-Community, aid donors, whether bilateral or multilateral, since they can participate substantially in the operations to be undertaken under this heading.

### 3. More systematic use of co-financing

The place which should now be taken by support for sectoral policies in implementing cooperation with ACP States will often lead to participation by several donors because of the extent of the needs. This participation, which follows on quite naturally from the phase of joint dialogue, can take the form of individual actions which are separate but complementary since they serve the same objective: the success of the sectoral policy. Such participation must also take the form of co-financing operations which, without being an end in themselves, will, when appropriate, express better

than any other formula the cohesion of the Community - Commission and Member States - not only in the analysis of a sectoral policy but also in the practical support that can be given to it.

This is the line taken in the Council's negotiating directives to the Commission for renewing the Lomé Convention, which state that the Community shall propose that more extensive use be made of co-financing.

A similar guideline exists for financial and technical assistance to non-associated developing countries. The relevant regulation lays particular stress on co-financing and stipulates that a substantial part of aid is to be channelled through co-financed operations. Application of this guideline has made co-financing a major component of the Community's presence in the countries concerned.

Co-financing thus emerges as a key factor in Community development policy and one of the main aspects of coordination. The different procedures used by each donor place a very severe strain on the administrative resources of the beneficiary countries, however, and frequently slow down operations. In this connection it is a paradox that at the level of harmonization of procedures the Commission has obtained much better results with non-Community donors (World Bank, Arab Funds) than with the Member States. The fact that over 90% of projects co-financed with the Member States in the non-associated developing countries constitute cases of parallel financing speaks volumes in this regard.

The Commission therefore recommends that preference be given to joint co-financing; this implies the use of one type of procedure only where such a formula proves to be possible and feasible and where it ensures that the action considered will be more effective.

A more ambitious and doubtless more rational formula would be to conclude, with the Member States that so wished, global co-financing agreements of the same type as some of them have concluded with the World Bank.

These agreements should state the amount to be made available, the duration of application, the way in which projects are to be chosen and monitored, and the types of co-financing to be considered.

The Commission confirms that it is prepared to conclude such agreements with Member States which so desire.

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In the concept of coordination which has been set out above, the purpose is not to achieve a common overview of all Community aids in the context of development policy or, a fortiori, establish a common policy of development cooperation.

The Commission's approach is stamped with pragmatism. It presupposes an increased willingness to collaborate and concert action on the operational aspects of coordination.

There is no question of imposed coordination, but rather of a free discussion from which everyone benefits for the greater good of the Community as a whole, in the search for the best possible result in development terms.

The Commission's concern is that cohesion be ensured, and that cooperation actions be truly complementary, in the service of the sectoral policies to be supported.

This is the real challenge of coordination and the direction that should be given to it.

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