

**EU Development Response towards Politically Fragile
Countries
Operational Guidelines for the Implementation of Article 11 of
the Cotonou Convention**

*Sophie da Câmara Santa Clara Gomes – ECDPM
Andrew Sherriff – International Alert*

With the Contributions of

*Jean Bossuyt
Terhi Lehtinen*

ECDPM- International Alert Summary Paper

This Summary paper is the conclusion of a two year Research, led at first at the headquarters of the major Development and Humanitarian Agencies present and active in Politically fragile Countries. As a second phase we carried out 6 countries case-studies: Burundi, Congo DRC, Guinea Bissau, Rwanda, Somalia and Sudan. This paper is a summary of these six experiences, but each one has been the subject of a single discussion paper.

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Sophie da Câmara Santa Clara Gomes

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I Background

1. *Facts on all donors responses, instruments*

	Burundi	Congo	Guinea-Bissau	Rwanda	Somalia	Sudan
Root cause of fragility	Difficulties in Arusha Peace process/ volatile political situation/ armed rebellion	Structural crisis/inter-communal tensions/division of country/ foreign interventions	Political instability/ role of army/ cross-border instability (Casamance)	Post-genocide state/war in Congo and cross-border intrusions.	State collapse/ regional entities	War in the south/ division of country
Main Donors	Belgium France EC/ECHO UN agencies World Bank	EC/ECHO Belgium Sweden Canada USA UK France UN agencies ICRC	Portugal France EC UNOGBIS since 1999 (Sweden withdrawn)	UK Belgium EC Germany USAID Netherlands Sweden Canada UNDP	EC Italy USAID UNDP	EC/ECHO USAID Netherlands Germany UK UN agencies
Aid flows	Collapse of aid flows after 1993 crisis, donor conference in December 2000 (pledging 400 M USD), 74 million USD in 1999	EDF test period 120 M euros,	High aid dependency (over 50% GDP)/ ODA 52 million USD in 1999	High aid dependency, massive aid flows after 94, sensible decrease since 97 (considered end of emergency)	Rehabilitation programmes	Mainly humanitarian aid funding, progressive move towards "humanitarian plus"
Basic approaches of donor community	Positive instruments (Belgium, EC, World bank)/ Wait-and-see (most other donors)	« Post-conflict » support to Kabila's government (EC, Belgium)/ wait-and-see: results of inter-congolese dialogue (UK)	Divergent foreign policy interests (France/ Portugal) EC as balancing force	Cooperation with GoR (UK, EC (budget support)/ Wait-and-see (France, Belgium). EC as balancing force between France and UK	Support to transitional GoS (UNDP) / Wait-and-see, programmes in regions (EC, Italy)	Dialogue with GoS/ "Constructive engagement" (EC, UNDP) / Support to Southern opposition groups (USAID)
Main	Implementati	Humanita-	HIPC,	Budget	Rehabilita-	Humanita-

instruments	on through NGOs, rehabilitation programs	rian plus, humanitarian aid, in Eastern Congo		support (SWAP education), extensive use of Technical Assistance	tion programmes	rian plus, humanitarian aid, food aid, implementation through NGOs
Main Coordination mechanism	OCHA coordination	Government coordination/informal donor contacts; ECHO in Goma	UNDP Round tables	PRSP (Poverty reduction Strategy) process	SACB (Somalia Aid Coordination Body)	OLS (Operation Lifeline Sudan) (Southern Sudan)
Regional dimension	Arusha and Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium	SADC/ conflict spillover from neighboring countries. Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium, UK	PALOP/ ECOWAS/ UEMOA	Arusha and Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium	IGAD Partners Forum	IGAD Partners Forum

2. Main dilemmas, weaknesses

Working in conflict affected countries raises dilemmas linked to conflict environment, choices of adapted strategies, interactions with all actors, implementation choices and institutional ones.

The environment

Working in conflict affected countries (CACs) is highly challenging. There are several specific concerns linked to the conflict environment:

P Security concerns. Due to high volatility of the political and military environment, the state of insecurity is, extremely variable, unpredictable and irregular, going very swiftly to stability to clear danger (**Congo, Burundi, Sudan, Rwanda**). The challenge for development agencies is to find a balance between remaining in the field and coping with the risks. Contrary to NGOs, most development agencies are poorly equipped to respond to the insecurity deriving from working in conflict affected areas: lack of communication means, tensions among the groups in presence, presence of opposition armed forces, presence of landmines...

P Non-linear crisis. While most of the mandates and programming instruments are based on a linear sequence of events from crisis to post-crisis stabilisation, the crisis faced by the 6 countries, as many others, is not linear at all: there is a general trend towards stabilisation (**Rwanda, Bissau, Burundi**) with many hiccups such as coups attempts, recrudescence of violence or a clear-cut open conflict (**Congo, Sudan**) with periods of calm. One of the major dilemmas, then, in planning an appropriate intervention in **Bissau, Burundi, Congo, or Sudan** is to anticipate on the needs and the status of the targeted areas in advance. The other difficulty is the limitation in mandates to pass from one status to another and back again from emergency to stability.

*P***Closed political space.** There is a clear link between conflict and lack of political freedom, as well as there is a clear link between peace-building and democratisation. In complex emergency situations, however, support to governance, civil society strengthening and media is seldom the donors' first priority. However, there have been a few attempts to intervene in the governance area as part of immediate post-conflict social reconstruction in **Congo** (Lusaka, inter-Congolese dialogue), **Burundi** (Arusha), **Bissau** (elections) or **Rwanda** (justice).

⇒*The absence of legitimate interlocutor, presence of armed interlocutors.* Under normal circumstances, development interventions require working with the government. Under Cotonou, the government is the privileged partner but the population is the targeted recipient. For development interventions to reach the targeted recipients, agencies need to find means to compensate the lack of representativity of the authorities. Out of the 6 case-studies, **Guinea Bissau** is the only country where the Government was elected. In order to provide support to the people, development agencies have to cooperate with governments installed by armed actions (**Congo, Rwanda**), illegitimate political force or coups (**Sudan, Burundi**); or even absence of government (**Somalia**).

In **Sudan, Congo DRC, Somalia** or **Burundi**, there are large portions of the population in need present in opposition-controlled areas. At this point, it remains largely an unsolved issue for the EU, for the Partnership is signed from Government to Government –with the notable exception of **Somalia**- and non-governmental powers in place are not recognized. In occupied **DRC** or in **Burundi**, some of the occupying armed groups are signatories to international Agreements, providing them with somewhat more legitimacy as interlocutors. But there is no mechanism of direct Political Dialogue. Moreover, how is the delegation supposed to reach the insecure zones where the government itself has no control? How could it work there if funds still need to be pledged in co-decision with the central government? For example, the EC Delegation conducts political dialogue with the **Sudanese** government, thus recognising its legitimacy as a state authority. In parallel, ECHO refuses to negotiate SPLM in the south, although it is the de facto authority in the south.

⇒*The highly tensed political environment, where everything is political.* On donors' side, the interference between foreign affairs interests and development cooperation is much greater than elsewhere. For EU Members States, the dilemma lies often in either acting as Member States (working under the EU umbrella) or acting as individual States, protecting a bilateral agenda. The divergence of opinion and approaches among EU member states on the most appropriate development and political engagement in **Sudan, Somalia, Burundi, Congo, Rwanda** and **Bissau** severely hampers the political clout they would have talking as one. On the recipient side, mistrust reigns on any interventions' actual political meaning.

*P***The capacity of absorption.** Due either to the high instability (**Burundi, Bissau**), occupied zones of the country (**Sudan, Congo**), very limited capacities of the state (**Rwanda**) or conflicted parties and interests (**Somalia**), the degree of aid absorption tends to be very low in conflict affected countries. While donor conferences may pledge high amounts of ODA, as the **Burundi** case shows, the money can remain paradoxically unspent for months, in spite of very acute needs. This underlines the crucial lack of appropriate financial instruments to address development needs in instable countries.

*P***Polarized society.** In crisis or conflict affected situations, all the actors involved in development interventions, no matter which end they come from -Non-governmental, governmental, international or local- take a part in the complex political game of the country.

How to implement a differentiated approach inside one country, often resulting of conflicts linked to ethnicity, without appearing to take sides in a conflict, interfere in State matters, or to favour a category of people? In **Rwanda, Burundi, Sudan** or **Somalia**, any chosen partner, local NGO, civil society group can be associated with a party in the crisis or seen as defending its constituency's vested interests.

P Limited capacities of implementation partners. One of the key constrains in working in conflict affected countries is the generalized lack of capacities and specialist knowledge to deal with the needs in a timely and sustainable way: from the government (sometimes in acute shortage of knowledge and capacities like in **Rwanda**), for the local actors, as well as a for the INGOs and the donors themselves, most of the time extremely poorly equipped to deal with complex emergencies and polarized societies (see **Congo, Sudan**). The other issue is the lack of staff on the ground or the very limited choice of potential implementing partners (**Bissau, Burundi, Congo, Somalia**).

The Strategies

There are several strategic considerations, which are specific to dealing with conflict affected countries:

P Find balance between critical and constructive engagement. There are mainly two approaches: maintaining a critical engagement or using a peace-dividend approach based on incentives to bring the country out of the crisis (**Burundi, Somalia**). Working with the government versus maintaining critical engagement is a dilemma most agencies are facing in countries involved in violent conflicts requiring altogether some critical distance and an open political dialogue. Most of the time the answer is to refuse to engage in a long-term programme to avoid taking a political risk (**Congo, Rwanda, Burundi, Sudan**). This critical engagement can take the form of using the leverage of pledged funds to the country to express concern as issues arise.

P Difference between technical support and political support, a fine line. Following the path taken by Humanitarian Assistance, donors are starting to provide development aid to countries in spite of strong political disapproval. Sudan is a clear example of pragmatism, and in **Burundi, Congo** or **Rwanda** Members States have overcome their own bilateral politics to give way to EDF funds to be voted. In Rwanda, despite their political cautiousness due the ongoing war in Congo, some bilaterals are providing technical assistance in crucial sectors (Switzerland, Belgium...) but the balance is particularly difficult to maintain and some donors constantly threaten to retrieve.

P Programming time-frames. It is extremely tricky to set an adapted programming cycle in countries where the needs are very unequal depending on the sectors, and also can change swiftly (**Bissau, Burundi, Congo** or **Sudan**). Due to sometimes fast-evolving situations, the use of long-term or mid-term programming cycle might jeopardize the relevance of the intervention. Planning and programming is altogether necessary, to establish a mid-term or even long-term engagement and offer some sustainability, but nearly illusory. This has led to unfit Long-term country strategies. On the other hand, short-term cycles lack the sustainability, the commitment and impede long-term visions. The other major constrain is to find programming mechanisms allowing taking the local differences in account: **Congo, Burundi** and **Sudan** require differentiated approaches ranging form sustainable development (in stable areas) to emergency (in warring zones).

P **Framework approach.** Although each agency seems to be working under its own specific procedures there are mainly two extremes in programming: in full detailed activities foreseen, based upon precise expected results, or in broad framework based upon general goal to achieve. The framework approach matches better the requirement of an evolving environment, allowing to review the priorities during the course of the programme or to transfer budget allocation (see the Netherlands intervention in **Rwanda** or Canada in **Congo** and **Rwanda**).

P **From funds “diversions” to sustainable interventions.** Sustainable interventions are extremely difficult to get funded in conflict affected countries, the level of risks is such that most donors prefer to stay on safe shores and fund short-term or mid-term projects. The result has been, in **Sudan, Burundi, Somalia** and **Congo**, the “diversion” of emergency or rehabilitation funds for sustainable projects, such as kilometers of roads being built under “Humanitarian plus” ECHO budget in Eastern **Congo**.

⇒ *Regional strategies.* In taking into account the regional causes and consequences of most crisis, ranging from refugee flows to arms trafficking, there would be a need for integrated regional strategies (**Sudan, Somalia, Bissau, Congo, Burundi** and **Rwanda**). The vast majority of donors have a country-specific program of intervention, as opposed to a regional one. Even regional plans are either at very early stage or non-operationnalized. Some donors make no use of their presence in all the countries of the region involved in the sub-regional war, while recognizing that some issues can in no means be seriously addressed in a country-specific framework (demobilization for instance).

The actors

There are several specific challenging in dealing with different actors in conflict affected countries:

P **Taking the political risk to comply with Cotonou provisions.** While the framework of the Cotonou agreement remains largely a Partnership with the governments (as most current cooperation systems) it has created an important space for the “New Actors of development”. In both cases, the modalities of operationalisation of inclusive partnership will be extremely delicate in conflict affected countries: working with fragile States where the State is equally a part of the problem than partner of the solution can be as challenging as engaging with polarized civil society groups or local authorities. But brokering an inclusive political dialogue is absolutely necessary as a way to open the political space.

In **Congo, Burundi, Sudan, Bissau, Rwanda**, the political space is rather restricted. Under such circumstances, what does it mean to involve “non-state actors”, and who will they be?

	The Government	Local authorities	Civil society and communities	Rebel Armed forces
Who to talk to? Political interlocutor	-Privileged interlocutor for Political Dialogue. -Avoid legitimising unlawful powers or neglecting parts of the population not represented in government or even out of government	Can be used as “second best” interlocutors when seeking distance from government, but high risks of fuelling the conflict or unbalancing power forces. Burundi and direct	Extremely difficult to engage in an inclusive dialogue, lack of instruments. Two main risks: recognised “civil society” can be instrumentalised by the government, or the groups can have	Sometimes a mere matter of pragmatism, if one wants to reach population in rebel-controlled areas. INGOs maintain contacts for their own safety, official agencies tend to

	<p>control (occupied territories: Congo, Sudan).</p> <p>-Constructive dialogue often more effective than unilateral sanctions.</p> <p>-Somalia, Burundi, and recently Congo as examples of peace-dividend approach.</p>	<p>dialogue with provinces.</p> <p>Sometimes sole interlocutors, as in Somalia (but lack of recognition of informal administrations).</p>	<p>a part in the conflict. Talking with communities can also be seen as taking sides and fuel the conflict (Sudan or Somalia). The degree of independence of civil society may vary a lot. (Congo vs. Rwanda)</p>	<p>maintain dialogue to strict minimum.</p> <p>Congo, Sudan, Burundi.</p>
<p>Who to work for? Targeted recipient</p>	<p>Two main approaches: work within government framework, or besides it. If people are the targeted recipients, need to support the government to provide the most basic services to its population. EDF is channelled through government with large parts spent in direct budgetary support, even in countries involved in armed conflicts (Burundi, Rwanda, Congo)</p>	<p>Decentralised cooperation and direct support to local authorities seen as best channel towards addressing local needs and achieving local development. Compensate successfully the lack of government services and capacities. But often flaws in local elections (when any) and lack of representativity of local powers. Also one of the only way to compensate differentiated areas or unmanageable territories (Congo, Sudan)</p>	<p>Humanitarian Plus and rehabilitation programmes have attempted to target local communities. Not many instruments available and danger of being seen as taking sides. Extremely limited use of participatory approaches in complex emergency. (Burundi, Congo, Somalia)</p> <p>Civil society strengthening still far behind the priority agendas in conflict affected countries.</p>	<p>Usually net refusal to work “for” armed forces, apart from some notable exceptions of bilateral direct support in Southern Sudan.</p>
<p>Who to work with? Implementing partners</p>	<p>Risks of mismanagement, diversion of funds for belligerent purposes, corruption. Need to dissociate technical support and political approval and imagine control mechanisms.</p> <p>But importance of capacity building and sustainability/stability, if government able to perform on basic needs provision. In Rwanda, mechanisms to hand-over programs to government for sustainability. For the EU often supported by a “cellule d’appui”.</p> <p>Rwanda, Bissau,</p>	<p>Same need for capacity building then government, same risks. Have to be included in implementation, but often more acute shortage of capacities. Problem, still few tailor-cut capacity building programs for local processes and needs assessment.</p> <p>Sometimes higher degree of polarisation than national level.</p>	<p>The soundest understanding of local needs, the inventive response and projects to address them, but no management capacities. In Burundi and Rwanda, very few funds for local organisations, seen as part of the political game or too close to one or the other ethnic groups. In Somalia, local communities and organisations are the obvious privileged partners. Bissau and Congo prove they can be serious partners. In Eastern Congo and Burundi,</p>	<p>Never considered as possible implementing partners, but have their own “NGOs” or “Red Cross” sometimes difficult to avoid (Sudan, Congo), need their visa to provide support in certain areas.</p>

	Burundi have a NAO, Congo and Somalia haven't had an NAO for long.		local organisations team up with INGOs to implement ECHO programs in areas where no one else goes for security reasons.	
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P **Centralised and decentralised cooperation.** There are three ways of channelling aid: through the government, the local authorities or the local organisations and communities. In conflict affected countries, the tensions and polarisation is present at all levels but mostly representing divergent interests (**Burundi, Sudan, Bissau, Somalia**). Maintaining support to the central government in a fragile state in order to avoid unbalancing the situation or weakening the state further is crucial, and supporting local entities is the only way to address specific local needs (in particular in divided states such as Congo and Sudan). While most bilaterals have the set-up to do both at the same time depending on the needs, the EC's procedure to work with decentralised and non-governmental actors remains through the NAO¹, which represents a very high risk of government control over civil society and local groups.

The implementation

The implementation of programmes is challenging in conflict affected countries. The following issues should be taken into account:

P **Funding mechanisms.** Intervening in CACs requires rapidity, flexibility and variety in amounts and recipients; in **Sudan Congo** or **Somalia** it also requires other channels of disbursement than the government. Too often, adaptive strategies are not followed by matching funding procedures.

Major dilemmas faced by donors for adapting funding mechanisms to specific conflict environment are the following:

- Over-centralised decision making processes, depending on the headquarters (EC) when swift response may be required. Examples in **Rwanda, Somalia** and **Bissau** show that locally managed envelopes can be very efficient instruments.
- Spending pressure from the headquarters, taking no account of the absorption capacity or the potential risks to spend large amounts at a time. **Burundi** has absorbed insignificant amounts of the total 400 M\$ pledged in December 2000. In **Sudan, Somalia** and **Bissau** small grants have had greater impact than large amounts.
- Use of direct budgetary support², where the risk of funds diversion to warfare purposes is high and existing control mechanisms inefficient, sometimes due to absence of other instruments. While States need liquid assets to function, the decisions to channel money through budgetary support remains very arbitrary (**Burundi** and **Rwanda** but not **Congo**), lacks serious control systems and is not enough used together with other channels to compensate and complement.
- When it is a way to address different recipients needs (and cope with polarised environment) there is a reluctance to channel funds via a variety of mechanisms, in spite of having the necessary instruments: budgetary support, project funds, grants and direct funds. Using parallel funding procedures creates more strain on institutions but also allow for adaptive time frames of responses (short to long-term).

¹ National Authorising Officer, most of the time, the Minister of Finance

² See Communication of the Commission to the Council on *ACP Countries Involved in Armed Conflicts* (1999)

- Co-signing disbursement with the NAO is a very significant gesture and the retrieval of signature (or hand-over) is considered a crucial stake (**Sudan, Somalia, Congo**). A fine-tuning has to be found between involving the government through the NAO system, and coping with the polarised and closed political environment. Either all EU funds go through the NAO and are targeted to the state, or there's a need for a new mechanism of direct funding such as small grants, for local actors.

P Monitoring. The two major difficulties in monitoring impact of development assistance in conflict affected countries are: measuring the intangible, and accessing instable zones. The impact of interventions in democratisation, decentralisation, reconciliation, conflict prevention, social reconstruction... will require long-term attention and funding to have a measurable impact (**Rwanda, Burundi, Bissau**). In **Burundi, Sudan** and **Congo**, donors fund project in "dangerous" areas where their own security measures forbids them to be and thus to monitor progress. One finds itself in **Burundi** in a situation where there is a physical impeachment for donor agency to monitor or evaluate the actual work being done, for safety reasons.

P Coordination. Coordination in CAC sis even more crucial, especially when there are issues of security involved, but ever more difficult to achieve due to competing foreign affairs agendas. UNDAF, PRSP, CSS, NIP, Country needs assessment provide only a frame for it to happen, when they are shared and circulated. In principle, the core responsibility of donors' coordination should lie with the government itself, and many agency hide behind the government incapacity to take on one such a responsibility (**Congo, Rwanda, Sudan**). The other difficulty is to combine humanitarian coordination and development one, while there is no formal correspondent to OCHA in development assistance (**Burundi, Congo, Sudan**).

The institutions

Several institutional issues emerge when dealing with conflict affected countries:

P Capacity to understand and follow the crisis. The crisis faced by all 6 countries is complex and fast evolving. Most donors' field offices are too busy with daily demands to take the time for sound political analysis, and this, not only in the case of humanitarian agencies. Lacking the political understanding and vision can lead to wrong assessment, gaps, or counter-productive measures. The EC Delegations require not only more human resources, but also the right mix of experience and abilities so that they are mutually complementary, and able to deal with the diverse duties and complex environment. **Burundi, Bissau, Sudan** or **Congo** suffer from a severe staff shortage to cope with the complexity of the work.

P New venues of intervention. A singularity of **Bissau, Burundi, Rwanda** or **Congo** is that sectors always considered as sustainable development areas become emergency priorities. Engaging in reconciliation in **Rwanda**, is a mere question of supporting the country's chances of survival, as surely as engaging in land reform and food security. These countries require at the same time, interventions in unusual emergency areas (such as justice or education), but also still early recovery areas (housing, resettlement...) and even sustainable development areas (governance, macroeconomics...) leaving donors ill-tooled to respond effectively to the overall challenge. In such specialised political and development circumstance most donors are 'learning by doing', as there is no comparable experience to draw from (**Somalia, Rwanda, Sudan**) and no experience can be simply replicated.

P **Divided countries and field offices.** Some countries such as **Sudan** and **Congo** divided countries and therefore, most donors have offices abroad or separate offices. This creates major problems of countrywide coordination, as actors tend to take positions according to their geographical location. For instance, some donors cooperate with local authorities Southern **Sudan** without consulting Sudanese government, which creates tensions in the region.

P **Reconcile fast response and accountability.** Apart from few bilaterals and UNDP, most of the development agencies still work in a highly centralised manner: decisions are taken from the headquarters and disbursement depend on the later. In highly volatile environment, the need for fast response and available funds is higher, as well as a need for deep knowledge of the grounds reality to take appropriate and informed decision (conflict awareness). The need for institutional change towards much greater decentralised decision-making is undisputed but will also require flexibility on the accountability level expected. Fast reaction implies lighter and simpler decision procedures, at least ex-ante.

P **Lack of institutional memory.** Due to the harshness of the work and lack of incentives to go, **Burundi, Congo, Sudan, and Rwanda** suffer from an intensive staff turnover with regards to agencies, which has a real negative impact altogether on the sustainability of the interventions, the contextual understanding, the institutional memory and the general development aid’s credibility.

P **Transition phases.** Managing the transition phase from emergency to rehabilitation and development remains one of the most difficult parts of the interventions in conflict affected countries. The difficulty does not “simply” lie on moving from a stage to the next, but to define the steps (when to shift), and to apprehend several phases at a time. Built-in transition mechanisms exist, but they stumble on the lack of predictability of the environment. History, mandate and single-oriented expertise tend to make it extremely difficult for donors to cover all the range of interventions needed in **Sudan, Congo, Burundi, Rwanda** at the time: emergency, rehabilitation and sustainable development.

P **Adaptability, respect of given mandates.** For the above-mentioned reasons, mandates given to agencies fail to correspond to the reality of the field. The net result is a blurring of mandates where more humanitarian agencies move into the grey zone (**Sudan, Somalia and Congo**), rehabilitation programmes step into development (**Burundi and Bissau**) and development tackle uncharted emergency sectors (**Rwanda**).

P **Field-headquarters tensions.** Finally, not specific to conflict effected countries but evermore counter-productive, field-headquarters tensions are very common in complex interventions where politics and development collide all the time.

3. Facts on EU support

	Burundi	Congo	Guinea-Bissau	Rwanda	Somalia	Sudan
Status of EU-ACP cooperation	Suspension since 1997 due to security situation/ 1998	1992 Unilateral suspension of cooperation, 1995 reoriented to	Article 366a Consultations after coup d' état in 1999, leading to electoral	ECHO since 1993, Lomé Cooperation resumed since 1995 ECHO left	Article in Cotonou agreement for ACP states without Central	Unilateral suspension of Lomé cooperation in 1990

	commitment for gradual resumption of aid/ EDF commitment and Stabex since December 2000	humanitarian activities (roads, health), 1997 gradual resumption, May 2001 test period for EDF cooperation. ECHO covering East from Goma	support and resumption of cooperation	and rehabilitation 2 finalised.	government	
EDF instrument	PREBU rehabilitation programme/ 6 th , 7 th EDF 40 million euros/EDF health and micro-project revived	Test period for EDF (120 M euros from 6 th , 7 th , 8 th EDF), 8 th NIP due to start 2002 (food security, road management urban sanitation, health)	8 th EDF signed in 1996, de facto suspension during civil war, Regional Indicative programme (PALOP, West Africa), 9 th EDF	8 th National Indicative programme since 2000, 9 th EDF concentration to rural economy	Rehabilitation programme from EDF funds	"Humanitarian plus" from EDF funds (6 th EDF) since 2001
ECHO	ECHO major humanitarian donor since 1993	ECHO major donor in East Congo, managed by Nairobi, regional humanitarian plus and rehabilitation efforts (roads, health)	ECHO in Dakar	ECHO since 1993, left in 97	ECHO	ECHO office in Nairobi/ Khartoum (withdrawal from South)
Budget lines		Budget lines since 1995 to reduce the negative impact of suspension, Human rights programme Support to justice sector	Absence of international NGOs Electoral support	Human Rights budget line for INGOs		Food aid Human rights NGO budget line
CFSP-initiatives	Close linkage between CFSP and development interventions/ support to peace process/ May 2000 GAC conclusions	CFSP declarations/ support to peace process/ Political dialogue since January 2001/	CFSP declarations/ EU support to CPLP and ECOWAS peace building efforts	Insufficient linkage between CFSP instruments and development interventions		Political dialogue since 1999/ Troikka mission in 2000/ Presidency Declarations in 2001
EU country strategy	Burundi strategy for 8 th EDF in October 2000	conditioned to success of test period		Rwanda Country strategy 8 th EDF, March 2000, 9 th EDF underway	EC adapted strategy to Somalia before transitional government in	

				(October 2001)	place	
Regional perspective	EU Special envoy to Great lakes	EU Special envoy to Great lakes since 1996/ Presidency mandate on Great lakes in May 2001		EU Special envoy to Great lakes	IGAD peace process	EC support to IGAD Partners' forum

II Innovations

1. Strategic innovations

The case studies have shown that some interesting innovations are experimented at strategic level. These strategic innovations involve linking political and development instruments, work with different actors, coordination, and regional perspective. The innovations are the following:

Linking Common Foreign and Security Policy (CFSP) and development instruments

The Cotonou Agreement calls for an *integrated use* of political, development and humanitarian instruments in dealing with ACP countries in conflict. This tendency to link development and the CFSP may be understood in the context of the structural management reforms of the EC's external assistance. However, the overall strategic priority areas identified for the CFSP are rarely in ACP countries. Therefore, the use of Community instruments remains the priority channel for the EU's response to crisis situations in ACP countries. The Cotonou Agreement offers an instrument for *structural cooperation* with ACP countries, with CFSP instruments complementing and providing a political impetus for more structural forms of support under the EDF and various budget lines. Several strategic and institutional innovations have improved the coherence of the EU approach to conflict countries:

⇒ *Strategic move towards constructive engagement.* At strategic level, the EU has recognized the limits of exclusive use of unilateral sanctions, which often harms the poorest population on the ground. Instead, the EU has moved towards a "constructive engagement", allowing a critical dialogue with state authorities and a combination of different EU instruments, which goes beyond sanction policies and pure humanitarian aid (**Burundi**).

⇒ *Institutional innovations in Brussels.* There are several institutional innovations in Brussels, aiming to link foreign policy considerations and development instruments more closely together:

- The General Affairs Council, composed of European foreign ministers, holds annual orientation debate on foreign policy priorities, including in developing countries. First orientation debate took place in January 2001.
- Since 2000, there is a tendency to discuss conflict situations in ACP countries in the General Affairs Council as a part of an overall foreign policy agenda. The question is: which body has the specific competence to implement the Cotonou Agreement in conflict situations?

- The organization of joint meetings among different Council working groups, namely the ACP, Africa, and Development working group, open new perspectives for the improved coherence of EU positions towards ACP countries in conflict.
- ⇒ *Improved coherence of instruments.* Special attention is paid to improve coherence between the EU's political orientations and use of technical instruments on the ground:
- In **Burundi**, EU foreign policy declarations have been regularly followed by actions on the ground, thus increasing the coherence of the EU approach to Burundi.
 - In **Sudan**, the EU has combined political dialogue with the design of the "humanitarian plus"-programme.
 - In **Somalia**, the EC has been very careful in its support to new transitional government in order to avoid destabilising relations among regional entities (Somaliland, Puntland). In contrast, in **Congo**, the international community has externally legitimized Joseph Kabila without conditions thus potentially undermining the inter-congolese political negotiations and equality of signatories of Lusaka agreement, signed in 1999. And in **Rwanda**, the condemning of the presence in Congo was not followed by any action.
- ⇒ *Targeted support to the critical areas of political dialogue.* In **Sudan**, the political dialogue with the GoS is linked to targeted support through EC budget lines to the areas of political dialogue, such as human rights, democracy, and demining.
- ⇒ *Support to initiatives creating conditions for peace.* There are several innovations in linking structural cooperation and active peace building:
- In **Guinea Bissau**, the EU initiated a 366a consultation process in 1999 following the deposition of president Vieira. However, as a result of consultations, the Guinean government engaged itself to « return » to democracy through elections, and the EC provided special support to elections, helping to *provide conditions* for democratic transition and to reinforce local capacities for resuming normal cooperation, instead of simply suspending cooperation. Cooperation was used to promote structural stability.
 - In **Congo**, several donors, such as EC and Belgium, saw a « window of opportunity » for moving towards *structural cooperation in order to support post-conflict transition* with the arrival of Joseph Kabila instead of waiting for total peace (i.e. peace dividend). However, some donors, such as UK, preferred to be careful not to interrupt the necessary process of inter-congolese political negotiations by resuming full cooperation with Kabila government.
 - In **Burundi**, strong support was given to the Arusha peace-process, including facilitation and serious aid support was pledged in December 2000 at a donor conference as a response to the signing of the peace accords in August 2000 *to help implement the transition to peace.*
 - In **Sudan**, EC has provided financial support to the IGAD partners forum's 'Planning for peace initiative', including consultations with stakeholders, and aiming to prepare a planning framework for structural cooperation to be implemented after the peace agreement is signed. The framework also includes actions *prior to* peace agreement.
- ⇒ *Specific political expertise to advise the design of development interventions.* The EC has set up a regional policy adviser in EC Delegation in Nairobi and appointed a EU Special Envoy to Great Lakes, but not to the other conflict regions. The question is: how to systematise the use of specific regional expertise?

Actors and participation

The Cotonou Agreement remains largely a government-to-government Partnership, with a specific clause defining the role of the “*new actors of development*” (civil society, local government and private sector). The convention foresees that these new actors will:

- Take part in the *political dialogue*
- Participate in the definition of development *policies and strategies*
- Participate in the *programming* exercise
- Take part in the *implementation*
- Have *access to the resources* (NIP, RIP) - up to 15% of the EDF

The EC delegations on the ground have a unique position to gather these groups around common development goals, such as the CSS or the indicative programme. But a few important questions remain: How to identify and select the interlocutors? What is the capacity of the actors to play this new role particularly in Fragile States? Are the governments ready to create the necessary political space? How can the commission broker this dialogue between existing authorities and these new actors? Can the EC delegations develop real partnerships with new actors while actively and rapidly implementing all development programs necessary in Fragile States?

Several innovations have taken place towards inclusion of all actors in the development process of conflict affected countries:

- ⇒ *Inclusive political dialogue*. The absence of government in **Somalia** has forced the donor community to seek new modalities through which designing interventions, requiring the flexibility and innovation in the design of interventions, in the methodology of planning and of implementation involving a dialogue with all interest groups and communities. In **Burundi** Members States have taken the initiative of inviting regularly parties to the Arusha talks to meet in Bujumbura. In occupied **Congo** ECHO maintains open dialogue with local association and forces, as opposed to Kinshasa where the EU has opted to support the current government and has no ongoing dialogue with other signatories of Lusaka.
- ⇒ *Informal technical dialogue, process-approach*. In **Rwanda** the delegation has just started to open the dialogue with local NGOs and organizations on limited technical issues such as justice. In warring zones in **Sudan** and **Congo** ECHO and other humanitarian actors try to maintain a contact on technical matters with the local “authorities”.
- ⇒ *Decentralised cooperation and Participation*. Direct technical and financial assistance to local actors is a major trend everywhere, but it appears particularly relevant in PFCs where the state structure is less able to reach the neediest population. DC methods may differ heavily according to the donor. In **Burundi**, UNDP opted for a system of joint decision with the central government regarding their work with the provinces; EU on the other hand, works directly with the governors of provinces, sometimes at the risk of being perceived as bypassing the central government. In **Rwanda**, the Netherlands and the EU are cooperating and channelling resources directly at the prefecture and commune level with total programming autonomy for the local authorities. In **Congo** ECHO finances programmes involving ILDs (Initiatives Locales de Développement) and local health committees. In terms of participation, the rehabilitation programme set by the EC in **Burundi** is experimenting participation in “post-conflict” zones, and the WSP approach in **Somalia** sets the basis for

participation in social reconstruction. But many obstacles to genuine participation arise: Who to involve if the majority of the people have fled? How to combine participation in planning and emergency response?

- ⇒ *Open local calls for proposals.* The EC in **Rwanda** is opening calls for proposals to local NGOs on peace-building interventions (justice, reconciliation...), starting to apply the 9th EDF Guidelines, but the tender procedures remain too complex for local capacities, and the organisations have to be recognised as eligible by the central government.
- ⇒ *Joint actions and “parrainage”.* Local NGOs are still widely under-financed in PFCs, where caution towards local actors in a polarized environment is the common rule. A few INGO have started to co-fund joint projects, providing “coaching” in financial management and “parrainage” towards the donors. A growing number of ECHO funded INGOs answer calls for proposals in the name local organizations for ECHO only funds European NGOs. Using local partners in high-risks zones is the only way to reach otherwise “forgotten” places and people (**Congo, Sudan, Burundi and Somalia**).

Coordination

Effective coordination and coherence of interventions is particularly crucial in conflict affected countries, where donors' resources and instruments are limited due to special circumstances on the ground. The innovations in the field of coordination include different levels: institutional coordination, policy coordination and geographic coordination in case of divided countries.

- ⇒ *Institutional coordination within the European Union.* Coordination between the Commission and Member States as well as among different Commission services (DG DEV, DG RELEX, AIDCO, ECHO and Delegation) is crucial. Effective communication channels between headquarters and field offices play a crucial role in successful approaches on the ground:
 - The design of Country Support Strategies (CSS), including a donor matrix, calls for an in-depth country-level operational coordination and a joint definition of priority sectors between the EC Delegation and Member States' embassies.
 - In **Congo**, the Delegation was allowed to have some flexibility in interventions in the field through EC budget lines, although they are managed mainly from the Brussels headquarters.
 - In **Somalia**, the decentralized Somalia unit in Nairobi was backed up by an active role played by the Commission's Horn of Africa unit in Brussels. In current structure with DG DEV and AIDCO, this close linkage between country desks and implementation of programmes by AIDCO and Delegation may be endangered.
- ⇒ *Innovative mechanisms for overall donor coordination.* Donors have set up innovative structures for overall strategic and operational coordination with or without the government:
 - In **Somalia**, in the absence of a legal framework and a central government, donors have set up SACB (Somalia Aid Coordination Body) with Secretariat and sectoral groups. SACB has issued Code of Conduct for donor activities on the ground.
 - In **Guinea Bissau**, The Programme for Demobilisation, Reinsertion and Reintegration of ex-combattants (PDRRI) is coordinated by the government and each part of the programme is funded by different donors. EC considers allocating funds from 9th EDF to ex-combattants housing as a complementary action (i.e. complementarity in funding).

- In **Guinea Bissau**, the Programme for the Rehabilitation of the outskirts of Bissau is multisectoral and involves different beneficiaries. It also allows geographical task division between executing NGOs, whose actions are well coordinated and complementary. Also, the programme does not create parallel structures, but provides complementary services to the existent infrastructure of health centers and schools (i.e. complementarity in implementation).
- In absence of effective coordinating mechanisms in **Rwanda**, like-minded donors are leading the way with joint actions on a sectoral basis forming pockets of coordination.

⇒ *Coordination of policies and instruments.* There are some interesting innovations in improving coordination of different financial instruments (EDF, ECHO, budget lines) according to the situation on the ground:

- In **Burundi**, the sustainable impact of activities under rehabilitation budget line was strengthened through designing the Programme for the Rehabilitation of Burundi (PREBU) by using the EDF money, ensuring a proper hand-over to more structural interventions.
- In Eastern **Congo**, in the absence of EDF funding, ECHO implements projects with rehabilitation perspective (infrastructure, health).

⇒ *Coordination in divided countries.* In divided countries, such as Sudan and Congo, it is challenging to set up regular mechanisms of coordination within and between aid agencies in government and opposition-held areas.

- In **Sudan**, the EC Delegation and different Member States, located in Nairobi, in Khartoum and in Cairo, organize regular information exchange meetings in order to overcome the division of the country.
- In **Congo**, the EC tries to overcome the division of the country by transferring the ECHO office to Kinshasa in order to improve country-wide information and coordination. Belgium managed its interventions in Kinshasa and East Congo from its embassy in Kinshasa to improve country-wide coordination.

Regional perspective

Key factors of instability in conflict affected countries are transnational problems: refugees movements, rebel movements, weapons trafficking, plundering of national resources, ethnic tensions, AIDS.... Some issues such as demobilisation, resettlement and natural resources management can only be tackled seriously at regional level. The European Union has the potential to be the most appropriate vehicle to pursue integrated regional approaches, but very few innovative actions have been taken in that direction. While Cotonou provides the framework for Regional Political Dialogue, and the Humanitarian mandate of ECHO for Regional Humanitarian Programmes, the steps towards regional approaches have been:

- the appointment of a *EU Special Envoy* for the **Great Lakes**, by the Council
- the appointment of a *Regional Political Adviser* for **the Horn of Africa** and the **Central Africa**, placed at the Nairobi Delegation
- Financial and political support of *regional Peace Processes* (Lusaka, Arusha)
- and the creation of *ECHO Regional Offices* (Central Africa, Horn of Africa), for the implementation of region-wide strategies.

2. Institutional innovations

There are several institutional innovations, linked to mandates, administrative structures and capacities:

Mandates

The current situation in several CACs is neither strictly ‘developmental’ nor ‘humanitarian’, so, rigid delineations between emergency and development actions, between conflict and post-conflict phases are particularly unfit to address the complexity of the situation. The innovation has been to loosen the humanitarian mandates and create closer links with rehabilitation phases.

⇒ Humanitarian Plus and Rehabilitation

In the case of blockage of EDF by member states, (**DRC, Burundi**) or the absence of an NIP signed by the central government (**Somalia**) the European Commission’s response has been either through ECHO (humanitarian or *humanitarian plus* mandate), or EDF/budget lines (*rehabilitation* programs). *Humanitarian Plus* and *rehabilitation* mandates have allowed addressing chronicle crisis situations (**Congo, Sudan; Burundi**) and providing creative responses to “bumpy” transitions (**Burundi, Bissau**). The launching of the humanitarian plus-programme and the provision of Cotonou legal basis through article 96 consultations allow a more flexible and coherent use of long-term funding in **Sudan**. This adaptation of the legal framework also compensated for the lack of long-term vision and created pockets of sustainability in perpetual short-term interventions (**Somalia** and outstanding ECHO interventions in **Occupied DRC**), but is still largely under utilized and subject to incoherence. The difference in ECHO mandate in neighboring **occupied Congo** and **Burundi**, is striking: *Humanitarian Plus* against *Humanitarian strictly*, in spite of very similar needs. The rationale for that difference is that Burundi has a rehabilitation programme and NIP, - so ECHO sticks to its humanitarian role- while ECHO is the sole actor in occupied DR Congo. The *rehabilitation* programme in **Burundi** (PREBU) has opened the path to a *proactive approach* for the Commission, allowing to restart structural cooperation in absence of EDF to accompany Burundi in the peace process, but there are still gaps between strict ECHO mandate and the PREBU that could have been covered by a humanitarian Plus mandate. The present situation in **Rwanda**, like many politically fragile countries is neither strictly humanitarian or development, but ECHO has left and the rehabilitation programmes are over, leaving agencies with neither the specialist staff nor the most appropriate tools to respond.

Innovations in EC administrative structures

The complexity of EC bureaucratic structures and procedures has often caused delays in implementing appropriate development responses in conflict countries. However, some innovations in administrative structures have taken place on the ground.

⇒ Sufficient human resources and permanent presence in Delegations. In many conflict affected countries, staff turnover is high, and donor agencies use a lot of junior staff despite extremely challenging environment. However, in **Congo**, the staff of Delegation in Kinshasa was not reduced (due to unintentional technocratic delays) despite suspension of cooperation, allowing a permanent presence and contacts with civil society in the field and a smoother transition to implementing the 8th EDF.

- ⇒ *Improved efficiency and flexibility through decentralised management.* In **Rwanda**, the Netherlands and Sweden have introduced a decentralised management structure and financial autonomy allowing an improved flexibility for cooperation with civil society on the ground. They provide small grants to build capacity of local actors. Canada also has highly decentralised structure in its field delegation ,which allows a greater visibility and impact of its interventions on the ground. The embassy manages four thematic budget lines.
- ⇒ *Adaptation of management structures to the absence of Central government as national authorising officer.* There are few important innovations suggesting how to overcome the absence of a central government or the EU's political unwillingness to channel funds through central government:
- In **Somalia**, in the absence of central government, the EC set up a decentralised "Somalia unit" in Nairobi, with sectoral Technical Assistants (TAs) to "replace" the function of National Authorising officer. EC has also set up three "Liaison offices" in different regions of Somalia to ensure minimum field presence.
 - In **Sudan**, EC set up a separate "Programme Management Unit" (PMU) for the implementation of the Humanitarian plus-programme, and the GoS has transferred the role of National Authorising Officer to the PMU.
- ⇒ *Adaptations in task division between DG DEV and ECHO.* Despite separate mandates and bureaucratic procedures, there are some innovations in the flexible use of financial instruments :
- In Eastern **Congo**, in the absence of EDF funding, ECHO implements projects with rehabilitation perspective (infrastructure, health). Furthermore, ECHO programme, managed from Nairobi, is integrated in the regional framework, whereas the EDF programme in Kinshasa is nationally based.
 - In **Congo** and in **Sudan**, EDF arrears were reallocated towards humanitarian plus and rehabilitation programmes, allowing to launch cooperation on the ground, while avoiding political recognition of government through official signature of National Indicative Programme (NIP).

Innovation in Capacities

There are two dimensions to the capacity shortage for development interventions in crisis and conflict affected countries: the lack of capacity on the donor side (new venues of development, human resources issues...) and the lack of capacity in the recipient side (in the Ministries, the NGOs, the local governments...). The innovations to compensate this are:

P *Capacity Building Initiatives* - There is an urgent need to build the human resource capacity of government departments and local organizations in states weakened by conflict, for their effective absorption capacity is otherwise limited. Though the use of local labor forces and capacities is more complex in a CAC, it has generated know-how and ownership in post-conflict areas in a spirit of peace-building, as the experiences of **Burundi** and **Bissau** show.

P *Use of AT as direct support to Local Institutions.* The most common response to ministries needs in capacity is the provision of Technical Assistants. In **Rwanda** and **Bissau**, the use of TAs

has allowed responding immediately to the acute shortage of capacities but has failed to effectively build new capacities at a global level, though better succeeding with local authorities.

P **Direct support to local organizations.** In **Congo**, some international NGOs have teamed up with local organizations as implementing partners, opening the way for a two-ways capacity building process. Funding local organizations remains largely seen as a political gamble in conflict affected countries, but is an important part of peace-building processes and support to democratization in closed environments. While it is still timid attempts, the EU is engaging with a selection of local organizations in **Rwanda, Congo...**

P **The staffing of the Delegation.** In a conflict affected country a delegation has to be able to address the specific needs of the circumstances, plus the need to conciliate day-to-day demands with long term development actions. The **Burundi** delegation, for instance, is dramatically understaffed. But it is more than merely being understaffed, but also having the people with the ability to meet the particular challenges of working in a highly volatile environment. The **Congo** delegation is examples of an attempt to both ensure sufficient staffing and complementary expertise.

P **Short-term high-level experts for specialized need.** The security and the lack of serious incentives make it difficult for delegations based in CACs to attract high-level specialists and retain them. In **Rwanda**, the delegation has hired short-term high-level experts for very specific interventions (in peace-building areas such as post-genocide justice), compensating for the lack of specialized expertise locally.

3. Instruments

There are interesting innovations at the level of instruments:

Programming and country strategies

The programming and strategic design of cooperation programmes is crucial for the success of field interventions. The use of adapted planning systems often contributes to implementation. There are some innovations in the levels of planning and programming:

P **Programming in regional perspective.** Many conflicts have regional dimension. Therefore, some donors have integrated their country strategies into regional framework:

- In **Rwanda**, Sweden has integrated its Rwanda country strategy in the regional strategic framework for the Great Lakes. Canada has launched in January 1999 a regional civil society reinforcement programme for democracy development (PADD) with special adjustments to each country situation in the region.
- In **Congo**, the EC designs a regional programme. ECHO's programme in East Congo involved regional perspective, although it was not entirely integrated to EC country framework, setting the strategy for Kinshasa based interventions.

P **Improved government ownership in strategic planning.** In **Congo**, donors have committed themselves to program their interventions on the basis of short term priority programme presented by the Kabila's government in June 2001, instead of setting their own programmes and by-pass the government. The Lusaka agreement sets the overall frame for donor actions, considered as post-conflict interventions.

P Distinguish between political support and technical capacity building. In **Congo**, donors have decided to strengthen the capacity of technical ministries, (decided on the basis of personal commitment of ministers), and involve government officials in the design of their interventions. In contrast, in **Sudan** and **Rwanda**, donors have faced difficulties in distinguishing between political support to government and technical capacity building of line ministries.

P Adaptation to different regions within the country. There are several innovations that take into account different conditions, needs and authority structures in different regions within the country:

- In **Somalia**, the EC Somalia strategy presented a regionally differentiated approach to three regions of Somalia in the absence of central government, thus adapting to the reality of situation on the ground.
- In **Congo**, the EC has committed to spread the EDF funding equally in different parts of the country to «preserve the territorial integrity of DRC ». The USA and ICRC have designed an integrated plan of action for the whole country. They have also adapted their programmes to local specificities within the country. Switzerland has set up procedures for multiple passports in order to facilitate execution of projects in different parts of Congo and to facilitate travelling across the front line.

P Methodological innovation in programming at local level. The UN War-torn societies' (WSP) project has developed a participatory needs assessment as a basis for designing cooperation programmes. In **Burundi** the PREBU tends to achieve the best possible degree of participation and ownership.

Financial instruments

Adaptability of Disbursement Procedures through the appropriate choice of financial instrument often has made the difference in impact in interventions in conflict-affected countries. The effectiveness has depended upon the *fast response*, due both to the *instrument* and the *channel* through which funds were made available (government or not), and the scope for *flexibility* in the *decision-making* process. Due to the many constraints of working in CACs it has been a challenge for donors to find the appropriate financial instrument to enable them to reach all needing beneficiaries.

	Channel	Rapidity of disbursement	Flexibility in decision-making	Beneficiaries	Adaptability
ECHO fund	Direct funding to INGOs, little institutional relation with authorities, an asset in Occupied Territories or absence of authorities. (Congo, Sudan and Somalia) Has opened to local NGOs (via	Allows for swift reactions but in short-term framework, best EU tool in highly volatile environment, ex-post control. Humanitarian Plus programs have allied fast response and long-term vision.	Important role for field office. In order to improve the interventions, 10% of funds and time are injected into pilot projects in DRC .	Aims at most basic needs of vulnerable groups, reaches communities usually out of reach. (see Burundi)	Well fitted to CACs, Humanitarian Plus offers adapted response to chronic volatile crisis, key adaptations based upon: - use of pilot project - use of local capacities - concerns of

	INGOs) when needed or feasible in Congo				sustainability (see Congo)
Budgetary Support EDF	The central government. highly controversial in CACs (risk of diversions for belligerent purposes) EU attempting to conditions the delivery of successive tranches to compliance with Governance criteria. Still crucial lack of control mechanisms (Rwanda)	Rather slow instrument. Particularly inappropriate for fast response. Large amounts allowing for constructive engagement and long-term planning,	Heavy and centralized procedure, field office in charge of monitoring compliance with performance criteria. Co-decision with NAO, excluding expenditures outside Government priorities or outside NIP, very little flexibility	Mainly state and administration, very important to maintain performing administration in absence of state resources (Burundi with outstanding STABEX funds, Rwanda) Can be seen as deterrent for corruption and resources plundering.	Absence of partner government and absence of NAO (Somalia, Sudan and prior Congo) makes it unusable. Very difficult to use to reach all layers of vulnerable groups, strong political instrument as incentive (Burundi).
Rehabilitation EDF	Can be used directly towards local authorities (Burundi, Somalia) or through the government (Rwanda) In Burundi opened a decentralized cooperation mechanisms with certain provinces. Has opened to local NGOs, INGOs and local associations or capacities, important dimension of capacity strengthening.	Not as fast as ECHO, but implies longer programming (and also INGO proposals) and more coordination with other existing EDF instruments and budget lines. (Burundi)	Rehab programs relatively standard in Brussels, but real scope for inputs from the field depending on specificity of needs. In Burundi , attempt to insert participatory degree in programming process	Local communities, mostly target vulnerable groups, and the state via heavy infrastructure rehabilitation, not real access to “out of reach” groups (security). In Burundi , started with accessible provinces hoping to cover more territory as they settle.	In Somalia and Burundi , allowed for sustainable interventions and higher degree of participation than EDF or ECHO, in Burundi opened a proactive approach from the EU in absence of NIP. Bridges the gap efficiently between ECHO and NIP interventions, but would be more performing with Humanitarian Plus.
Co-Management	Both the government and the donor (see Belgium’s system of co-signing). Much closer monitoring of expenditures, avoids controversy of Budget aid.	Both slow and fast, slow to reach an agreement on detailed foreseen expenses (detailed programming) but fast when started (Rwanda, Burundi)	None, the program is fixed and requires a formal agreement to be amended or adapted, heavy and political in a CAC.	No rule, any provided the Government agrees (local communities, local authorities, Ministries or governmental institutions)	Allows supporting ministries in resources and capacities without resorting to budgetary support. Still implies to work through the Government, generating ownership and capacity

					strengthening.
Direct Decentralised fundings	Locally managed by the field office, mostly used by bilaterals (NL, Belgium...), opened to INGOs, Local NGOs and Institutions. No direct dependence on the authorities, excellent complement of other bilateral funds. Smaller amounts.	Fast disbursement mechanism, very adapted to evolving situations, can ally fast response and long-term planning, very useful in Human rights and democratization sectors, in peace-building perspective. (Rwanda, Congo, Burundi)	Lead role for field office. Offers the opportunity to match closer to the evolving reality and very local specific needs, also allows to open support to non-priority sectors. Great potential for capacity building.	Any but Governmental bodies (too small amounts, and role of complement) In Rwanda the Netherlands has direct contracts with prefectures, Belgium funds local NGOs and associations.	Well fitted to CACs, offers adapted and swift response to volatile crisis, key adaptations: - opens to local actors - use of local capacities - concerns for lower-profile sectors (see Rwanda) Requires to be used as a complement to other major funds
Budget lines	INGO funding through Brussels. Is not depending on Central Government, thematic lines outside country strategy. Allows for regional actions. Can be both in agreement with Central Government or as a means to “avoid” it, as it was done in Congo or in Somalia	Rather slow mechanism, goes through Brussels.	Goes through Brussels, though applies for local specialized sectors such as human rights (Congo, Sudan, Rwanda), NGOs or electoral support (Bissau), potential peace-building tools. Would have more flexibility if involved the field offices more.	Depending on the sector, ranges from governmental (electoral support), to local communities (food aid) or civil society and NGOs (human rights), large scope of beneficiaries, providing scope for complementarity with other instruments.	Have allowed maintaining open channels of cooperation in Congo during blockages of EDF Committee, allowing for smooth resuming of EDF aid. Reduces negative impact of aid suspension, potential incentive instrument.

Practicalities of implementation

There has been a few innovations to address the difficulties in implementation:

P*Use of Pilot cases* Opening new modalities of cooperation is more risky in conflict affected environment. ECHO in Occupied **Congo** has managed to open uncharted avenues, progress in the definition of a tailor-cut Humanitarian Plus program in chronicle crisis situation; and still limit the risks of innovating in a difficult space. From ECHO Goma, 10% of the budget has been systematically saved for pilot project, testing the ground before the next phase of implementation, introducing a component of sustainability in programming to the interventions in spite of the volatility.

P*Monitoring process* Monitoring impact and progress under such circumstances can face two main obstacles: the intangibility of progress in slow and non-linear processes related to peace-building (requiring specific approaches to dynamic measurement), and physical impossibility to reach the project for security reasons. The Netherlands are monitoring their decentralization

project in **Rwanda** both formally in informally, through open dialogue with local NGOs and actors, be they related to the project or not, crossing information from the field.

*P*Lessons from Humanitarian work: *Flexibility, Rapidity, Decentralized decision-making.* The added value of the Humanitarian approach in a fragile political environment is certainly its flexibility. Its downside is its lack of sustainability or long-term vision. Some EU Members States have equipped their field offices with locally managed funds, which they can disburse relatively quickly and on their own appreciation and initiative (**Congo, Burundi, Rwanda**). These mechanisms have allowed the field to react swiftly to the evolving needs in close complementarity with the main bilateral support (usually directed to the government). There is however, no such instrument at the Delegation level yet.

*P*Successful transition. A successful transition from Humanitarian Aid to Development is repeatedly pointed out as a recipe for sustainable development and peace-building. Progressively, practitioners are envisaging the transition under a different angle, and allowing for several programs to take place at a time: **Burundi** is benefiting from ECHO, Rehabilitation and EDF instruments, and all are relevant and useful. Too often the arrival of a rehabilitation program or resumption of EDF is synonym of ending ECHO presence, whether its interventions are still needed or taken over, or not.

III Challenges for the future

The 6 country reports have identified in details a number of challenges, which in are not all listed below, for this summary paper can only present a *selection* of key options. Moreover, the above chapters have already pointed out innovations and possible venues for impact improvement. In this chapter, four main priorities will be underlined, as important parts of the overall picture. There are, amongst others, *four major priorities* in trying to operationalise the Cotonou provisions and innovations in crisis and conflict affected countries: **strengthening the political dialogue; adopting a strategic approach to the different actors of partnership; tailoring the programming process to the specific needs of each country and improving management performance.**

1. Strengthening the political dialogue

*P*Inclusive Political Dialogue. The Cotonou Agreement invites the parties to mainstream the use of *political dialogue* as a key tool to manage the partnership relationship. In this respect, there is a general tendency to move from unilateral sanction policies towards “smart sanctions”, positive incentives and constructive engagement through a political dialogue with state authorities at different levels in conflict countries. However, for political dialogue to be effective, emerging lessons learnt from experiences in the field suggest the need for an **inclusive process of political dialogue**. Such an inclusive approach, which combines political dialogue with official authorities and a more “technical” dialogue with “positive forces” of civil society, should not endanger the cohesion of society nor undermine the neutrality of international community. An inclusive approach also requires an adapted strategic framework for the **whole** country, in taking into account different conditions, needs and authority structures in different regions within the country.

The effectiveness of political dialogue could be improved through targeted and parallel support to the critical areas covered by the political dialogue, such as *human rights* and *democracy*. This requires an improved linkage and an appropriate sequencing between the EU’s political

orientations and the use of technical development cooperation instruments on the ground. It also requires an improved feedback and constructive input from Delegations and Member States' embassies to central decision-making in Brussels.

Political dialogue could be used as *incentive for peace*, for example by ensuring a clear link between political dialogue and the willingness of conflicting parties to make progress in official peace process. Support to official peace processes could be strengthened through parallel support to traditional mechanisms of conflict resolution on the ground. The EU could play a role in building confidence between conflicting parties at different levels and in promoting initiatives that create conditions for a peaceful transition of societies. This could also include support of economic recovery and social reconstruction in the stable areas.

2. Adopting a strategic approach to the different actors of partnership

P*Adopting a strategic approach to the different actors of partnership.* The Cotonou Agreement recognises the “complementary role of and potential for contributions by non-State actors” (article 4), alongside local, national and regional State actors, as well as the need to provide support for an “active and organised civil society” in dealing with conflict situations (article 11).

Effective implementation of these provisions will require the adoption of a more strategic approach to working with the different **public and private actors**. With regard to **public actors**, it is increasingly recognised that circumventing state authorities is not likely to be an effective nor sustainable solution. While the EU should be concerned of providing legitimacy to some governments involved in conflict, it needs also to integrate a long-term institutional development perspective in its analysis and action. This means searching for entries to gradually rebuild democratic, accountable and effective states. In this respect, it is important to recognise that providing targeted technical support to sectoral line ministries (i.e. health and education) should not necessarily be equated with giving political legitimacy to government. In the same logic, a minimum of technical dialogue and cooperation with **local authorities** is often required, for instance to ensure aid delivery to poor populations. Also, capacity building for local communities may be separated from the question of political recognition of opposition movements in divided countries.

A similar strategic approach is required to deal with **non-State actors** (civil society, social and economic actors, private sector). Current cooperation strategies often tend to see non-State actors primarily as “implementing channels” rather than as genuine “partners”, with a proper role to play in addressing conflict. The EU should explore ways and means to *develop a comprehensive and coherent strategy to support an active role for non-State actors* in conflict prevention, management and resolution, including appropriate capacity building measures and a much more coherent use of all instruments in support of civil society (e.g. NIP resources and EU budget lines).

3. Tailoring the programming process to the specific needs

P*Tailoring the programming process to country-specific situations.* The practical task at hand is to **make optimal use** of the large degree of **flexibility**, built into the new **programming system** defined in the Cotonou Agreement. This means, amongst others, to ensure an effective implementation of the principle of “rolling programming”, which seems particularly suited for conflict countries. This should allow to manage funds in a flexible and forward-looking way, thus

moving away from the “stop-and-go approach”, based on a narrow choice between either full cooperation or suspension.

It also means using the Country Support Strategy (CSS) and the unfolding programming process (including reviews) as a strategic tool to (i) ensure a more refined analysis of particular conflict situations and their dynamics; (ii) integrate the different dimensions of EU support (political dimension, aid, trade); (iii) ensure a clear link between sector wide approaches (or the concentration areas of the NIP) and conflict sensitive interventions, aimed at poverty reduction and political reforms; (iv) identify the “right mix” and sequenced deployment of humanitarian, development cooperation and political instruments, as required according to specific country conditions at a given time; (v) organise in a more efficient and coherent way the hand-over or transition from relief to development; (vi) work out a proper division of roles, responsibilities and inputs between the EC, the Member States and other external actors (using the donor matrix attached to the CSS); (vii) articulate the linkages between EU responses at national level and the actions undertaken at regional level .

4. Improving management performance

***P*improving management performance.** There is the need to make further progress in addressing longstanding management bottlenecks that often prevent the most **optimal use of all available EU instruments and resources in conflict countries.**

In the field of management reforms, there is first a need to find creative ways to upgrade the EU’s collective capacity for *political analysis* of particular conflict situations, including the capacity to consider the impact of cooperation strategies and programmes on the dynamics of a given conflict. This is a pre-requisite for targeted and effective intervention. One way to achieve this is to collectively support *pilot studies or programmes* in conflict countries, to be used as an experimentation and learning tool.

Experience furthermore suggests the critical importance of having *a menu of financial instruments*, to be used strategically for different needs, objectives and actors. Direct budgetary support is not a risk-avert type of funding, yet it has major potential benefits in terms of promoting country ownership, (re-) building state capacity and ensuring sustainability. The challenge, however, will be to put in place solid and transparent monitoring and accountability systems to prevent diversion of cooperation funds. In addition to direct budgetary support and SWAPs, ways should be put an important part of the EDF resources aside to finance, in a flexible and diligent manner, a wide range of “small” initiatives or processes that can have a positive impact on the conflict situation. Some bilateral donors have experimented successfully with this type of *locally owned funds*, managed through a broadly defined framework approach.

In a similar vein, there is the need to further explore ways to *decentralise the management of cooperation strategies and programmes*. The Cotonou Agreement and the ongoing reform of the EU external (with its emphasis on deconcentration) both provide new opportunities for a proximity-based form of EU cooperation; this is vital for effective action in the situations of conflict, which by definition are not linear processes. Adapted, timely response, even through small funds, can sometimes make a difference between relative stability and violent conflict. Flexibility should not undermine administrative and budgetary performance, effectiveness and accountability. There is a need to find a balance between administrative performance and operational adaptations on the ground.

There is also the need to make better use of the potential *added-value of the EC* in dealing with conflict situations, reflected in its presence in the field, capacity to act as a “*neutral honest broker*” and comparative advantage in particular areas.

The Delegation’s role is to implement cooperation programmes and to monitor political developments in the country. The EU has established a **permanent presence** in most ACP countries. This allows maintaining contact with state authorities even in the absence of development programmes. The Delegation may play a coordinating role among divergent foreign policy and economic interests of Member States and channel important funds to key areas, such as human rights, allowing a targeted support to the areas of political dialogue.

Special attention should be paid to provide *appropriate expertise and human resources* to the Delegations in order to overcome problems of institutional memory and high staff turnover. More effective use of Member States’ expertise through detached experts in the field and through possible creation of European pool of expertise could be envisaged. Increased use of local staff could improve institutional memory and contribute to local capacity building. Effective use of monitoring, evaluation and “lessons learnt” plays a key role in adapting cooperation to the specific situation on the ground.