

***The EU's Response to Conflict Affected
Countries
Operational Guidance for the Implementation of the Cotonou
Agreement***

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The EU's Response to Conflict Affected Countries: Operational Guidance for the Cotonou Agreement

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This Discussion Paper summarises the main findings of a two year research programme, led in the first phase at headquarters of the major Development and Humanitarian Agencies present in conflict affected countries. As a second phase 6 countries case-studies were carried out: 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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Introduction

Over the past decade, political instability, crisis and protracted conflicts have been on the rise among the ACP countries and particularly in sub-Saharan Africa. The human cost of these conflicts has been extremely high. Several countries seem trapped in a vicious circle of war, chronic instability, insecurity, human rights violations, economic and social collapse, and rising poverty. Most of the conflicts have had major regional dimensions, thus amplifying the effects of the crisis situations to a substantial part of the continent.

The proliferation of conflicts is facing the international donor community with major political and development challenges. Yet traditional cooperation strategies, approaches and instruments are ill-suited to effectively addressing the wide range of needs in crisis-ridden and conflict-affected countries, including:

- eliminating pervasive poverty;
- peace-building and stability;
- demobilisation;
- reconstructing the legitimacy of the state;
- capacity-strengthening;
- local economic development, etc.

In addition, the current political climate is not conducive to a bold and comprehensive approach towards conflict-affected countries. Africa has been further marginalised in political and economic terms. Aid levels are declining while most donor agencies appear to be reluctant to take risks or to invest in structured forms of cooperation (beyond humanitarian aid) in conflict situations. The trend towards linking aid allocations to performance may exacerbate the withdrawal away from conflict-affected countries.

Despite this general trend, there have nevertheless been certain encouraging developments. The topic of conflict prevention, management and resolution is now moving up higher on the political agenda. The linkage between development and conflict prevention is widely recognised. New policy frameworks have been adopted, including by the EU. Donor agencies have been looking for innovative intervention strategies, approaches, instruments and procedures that are better adapted to the specific and differing needs of conflict-affected countries. In many cases, these innovations or adaptations have occurred without any grand design, and instead have imposed themselves in the field. Valuable lessons of experience (both good and bad) are emerging on how to deliver structured forms of cooperation in conflict situations, using a variety of instruments.

The recently signed **Cotonou Partnership Agreement** between the EU and the ACP countries is another promising evolution, as it provides a **solid legal and institutional framework** to address conflict prevention, management and resolution issues. Compared to the Lomé Conventions, it introduces important innovations that may help the EU to provide a more effective, comprehensive and sustainable development response towards conflict-affected countries.

Four innovations merit special attention. First, the Cotonou Partnership Agreement promotes a much broader and sophisticated use of « **political dialogue** » as a strategic tool to tackle peace, stability and development issues. This opens the path towards inclusive forms of consultations, a higher use of incentives instead of sanctions as well as the possibility for a much more pro-active and coherent approach. Second, it extends partnership to a wide range of « **new actors** », including civil society in all its diversity, the private sector, local government, etc. Experience clearly demonstrates the crucial role of these actors in peace-building and economic and social reconstruction. Third, it seeks to use regional and sub-regional capacities, as « **all available instruments** » to address the root causes of conflict. Fourth, it introduces a performance-based system of « **rolling programming** », which makes it possible to systematically review and adjust cooperation strategies. This could, in principle, provide for greater

flexibility in the field, while also contributing to the balanced application of performance criteria to conflict-affected countries.

The challenge for the EU is now to make the best possible use of this new framework, taking into account the development of its Common Foreign and Security Policy (CFSP), as well as the efforts of other international agencies, particularly the UN. In order to promote this agenda, it is also of paramount importance to **take stock of practical experiences**, experiments, new approaches and instruments used in the field. These experiences, collected on a case-by-case basis, provide an essential foundation for the development of realistic, field-tested policies for future cooperation with conflict-affected countries.

It was in recognition of this that, in 1998, the European Centre for Development Policy Management (ECDPM), an independent foundation specialising in ACP-EU cooperation, launched a research programme under the heading of 'EU cooperation with politically fragile countries'. Funded by the Belgian, Portuguese and Swedish governments and executed in collaboration with various partners including International Alert, it was intended primarily to gather lessons from the EU's involvement in conflict-affected countries and to identify ways and means of improving the EU's overall political and development cooperation response.

To this end, a vast consultation process was organised, involving key EU actors as well as other international organisations (World Bank, the various humanitarian and development agencies of the UN, bilateral development agencies, international NGOs, etc) in the headquarters and in the field. Following the consultations, ECDPM undertook a comparative study of practical cooperation experiences in **six different crisis countries**, taking into account their regional context: Rwanda, Burundi and Democratic Republic Congo (Great Lakes), Sudan and Somalia (Horn of Africa) and Guinea-Bissau (West Africa). The research programme focussed in particular on EU development responses, including new opportunities provided by the Cotonou Partnership Agreement.

This *Summary Report* presents the main findings of the overall research programme. It centres on the main trends and innovations that were identified in the field with regard to development cooperation with conflict-affected countries. It also draws practical conclusions on the options for improving the overall performance of EU support to these countries. This report was presented as the background paper for the conference organised by the Belgian EU Presidency entitled '*Improving the EU's development response towards crisis-affected and conflict-affected countries: how to implement the new ACP-EU Partnership Agreement*' (Brussels, 1-2 October 2001). More detailed information on each of the cases can be found in the individual country reports, which have been published as separate documents.

The report is structured as follows:

Chapter 1 (Background) presents **the context** and reviews **facts** and **trends** in donors' responses towards conflict-affected countries, including **dilemmas** encountered. An overview is also provided of key **facts of EU support** in the six case-studies.

Chapter 2 (Innovations, adaptations and good practices) summarises interesting donor attempts to adapt or innovate in their cooperation with conflict-affected countries, focusing on innovations in strategy, institutional arrangements or instruments.

Chapter 3 (Some future challenges): draws some tentative conclusions with regard to priority options for improving future EU development responses towards conflict-affected countries under the Cotonou Partnership Agreement.

1 Background

1.1 Key Facts on Overall Donor Responses

Donors have shown a variety of modalities in providing development support in the six countries studied. These countries may be equal Partners under the New ACP-EU Partnership Agreement, they are nevertheless very different, and so is the crisis they are facing. Strikingly enough, the studies show, before anything, common trends and features both in the causes and effects of the conflict, as in the donors responses.

	Burundi	Congo	Guinea-Bissau	Rwanda	Somalia	Sudan
Root cause of fragility	Tense ethnic division/ armed rebellion/ regional disparities/ Difficulties in Arusha Peace process	Structural crisis/inter-communal tensions/ foreign interventions	Political instability/ role of army/ cross-border instability (Casamance)	Post-genocide state/reminiscence of ethnic tensions/ war in Congo and cross-border intrusions.	State collapse/ State replaced by clan based warring factions	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 (UN mission to Guinea Bissau) since 1999 (Sweden withdrawn)	UK Belgium EC Germany USAID Netherlands Sweden Canada UNDP World Bank	EC Italy USAID Humanitarian aid	EC/ECHO USAID Netherlands Germany UK UN agencies
Aid flows	Collapse of aid flows after 1993 crisis, 74 million USD in 1999, resumption at donors conference in December 2000 (pledging 440 M USD)	EDF test period 120 Meuros,	High aid dependency (over 50% GDP) ODA 52 million USD in 1999, Donors Conference in May 1999 – promised 220 M USD, only 6 M reached the country between conflict and holding of elections	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 against wait-and-see: results of inter-Congolese dialogue (UK)	Divergent foreign policy interests (France/ Portugal) EC as balancing force. Pro-active approach (EC) Linking peace and development (UNOGBIS)	Cooperation with GoR (UK, EC (budget support)/ Co-management (Belgium) Wait-and-see (France). EC as balancing force between France and UK	1995 Code of conduct 1997 Strategy of International community “Peace-dividend & building blocks approach”	Dialogue with GoS/ "Constructive engagement" (EC, UNDP) / Support to Southern opposition groups (USAID)
Main	Implementation	Humanitarian	HIPC,	Budget	Rehabilitation	Humanitarian

instruments	through NGOs, rehabilitation programs	plus, humanitarian aid, in Eastern Congo	Budget Support, Capacity Building and Governance programmes. Some donors in Dakar using specific instruments for punctual actions (trust funds, as the Netherlands)	support (SWAP education), extensive use of Technical Assistance	programmes implemented by INGOs and UN agencies	plus, humanitarian aid, food aid, implementation through NGOs
Main Coordination mechanism	OCHA coordination	Rehabilitation: informal donor contacts; humanitarian: OCHA in Kinshasa, ECHO in Goma	- UNDP overall coordinator, real effort to ensure complementarity. - PRSP process - PDRRI an example of coordination between donors	PRSP (Poverty reduction Strategy) process UNDP GoR agency (weak)	SACB (Somalia Aid Coordination Body) IGAD Partners' forum	OLS (Operation Lifeline Sudan) (Southern Sudan)
Regional dimension	Arusha and Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium	SADC/ conflict spill over from/to neighbouring countries. Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium, UK	PALOP/ ECOWAS/ UEMOA France with a strong regional approach	Arusha and Lusaka peace-process and Belgian regional Plan, Special Envoy(s) EU, Belgium	IGAD sponsored Djibouti peace initiative in 2000/ IGAD Standing committee on Somalia/ IGAD partners' forum to support to IGAD capacities	IGAD Partners Forum in support to Sudan peace process

1.2 Main Dilemmas

Working in conflict-affected countries raises dilemmas linked to the conflict environment, choices of adapted strategies, interactions with different actors, implementation modalities and institutional choices.

1.2.1 The Environment

First, working in conflict-affected countries raises a number of issues that are linked specifically to the conflict environment:

- *Security concerns.* Due to high volatility of the political and military environment, the state of insecurity is widely variable, unpredictable and irregular, moving very swiftly from stability to clear danger (**Congo, Burundi, Sudan, Rwanda, Somalia**). The challenge for development agencies is to find a balance between ensuring presence in the field and coping with the risks. Most development

agencies are poorly equipped to respond to the insecurity related to working in conflict affected areas: lack of communication means, tensions among the groups in presence, presence of opposition armed forces, presence of landmines and targeting of aid workers.

- *Non-linear crisis.* While most donor 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. Whilst there may be a general trend towards stabilisation (as in **Rwanda, Guinea-Bissau, Burundi**), there are frequent hiccups such as attempted coups, recrudescence of violence or a clear-cut open conflict alternated with periods of calm (**the Congo, Sudan**). One of the major dilemmas, then, in planning an appropriate intervention is to anticipate on needs and the security status of the targeted areas in advance. The other difficulty is that most donors' mandates correspond to a specific situation in the crisis (emergency, rehabilitation, development) making it difficult to ensure a smooth transition from emergency to stability and back again within a single agency under a single mandate.
- *Restricted political space.* There is a clear link between conflict and lack of political freedom, as well as between peace building and democratisation. In complex emergency situations, however, support to governance, civil society strengthening and media is seldom the donors' first priority. Yet some promising attempts exist to intervene in the governance area as part of immediate post-conflict social reconstruction in **Congo** (Lusaka, inter-Congolese dialogue), **Burundi** (Arusha), **Bissau** (elections), **Somalia** (programme of support to civil society) or Rwanda (justice).
- *Choosing interlocutors.* For development interventions to reach the targeted recipients, agencies need to find means to compensate for the authorities' lack of representativity. Out of the six countries studied, **Guinea Bissau** is the only one with an elected government. In order to provide support to the people, development agencies have to cooperate with governments installed by armed factions (as in the **Congo and Rwanda**), illegitimate political force or coups (as in **Sudan and Burundi**). In other cases, there is a need to adapt to the absence of a recognised government (as in **Somalia**).

In **Sudan**, the **Congo**, **Somalia** and **Burundi**, there are large numbers of people in opposition-or warlord-controlled areas who are in need. This is largely an unresolved issue for the EU, as the Partnership Agreement has been signed between governments and non-governmental powers are not recognised. In opposition controlled areas of the **Congo and Burundi**, some of the armed groups are signatories to international agreements, which means that they have somewhat more legitimacy as interlocutors. But there is no tradition of direct Political Dialogue and the mechanisms are not easy to set in place in such environments. Moreover, how is an EU Delegation supposed to reach the insecure zones where the government itself has no control? What is the situation where 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 with the SPLM in the south, even though it is the *de facto* authority there.

- *The highly charged political environment*, where everything that happens takes on a political significance. On donors' side, the interference between foreign affairs interests and development cooperation is much greater than elsewhere. For EU Member 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 form of development and political engagement in **Sudan, Burundi, the Congo, Rwanda** and **Guinea-Bissau** severely reduces the political clout the same states would enjoy if they acted in unison as a single body.
- *Absorptive capacity.* Due to the high degree of instability (as in **Burundi** and **Guinea-Bissau**), the presence of rebel controlled zones in the country (as in **Sudan** and the **Congo**), the state's very limited capacities (as in **Rwanda**) or conflicting parties and interests (as in **Somalia**), the degree of aid absorption tends to be very low in conflict-affected countries. While donor conferences may pledge large amounts of ODA, as the **Burundi** case shows; the money can remain paradoxically

unspent for months, in spite of acute needs. This underlines the crucial lack of appropriate financial instruments for addressing development needs in unstable countries.

- *Polarised society.* In situations of crisis or conflict, all the actors involved in development interventions, irrespective of their provenance (i.e. whether they are non-governmental, governmental, international or local), play a part in the complex political game. How can a donor adopt a differentiated approach inside one country – often resulting in conflicts linked to ethnicity – without appearing to take sides in a conflict, interfere in state matters, or to favour a particular category of people? In **Rwanda, Burundi, Sudan** and **Somalia**, any chosen partner, local NGO, or civil-society group may be associated with a party in the crisis or seen as defending its constituency's vested interests.
- *Limited implementation capacity among partners.* One of the key constraint of working in conflict affected countries is the generalised lack of capacities and specialist knowledge at all levels to deal with evolving needs in a timely and sustainable way: this holds true for governments generally in acute shortage of knowledge and capacities (like in **Rwanda** and **Bissau**), for the local actors, for the INGOs and the donors themselves (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**).

1.2.2 Strategies

Second, there are several strategic dilemmas, which are specific to dealing with conflict-affected countries:

- *Striking a balance between critical and constructive engagement.* Basically, there is a choice between two approaches: maintaining a critical engagement or using a peace-dividend incentive to bring the country out of the crisis (**Burundi, Somalia**). Working with the government as opposed to maintaining a critical engagement is a dilemma faced by most agencies in conflict countries, requiring both a critical distance and an open political dialogue. In most cases, the answer is to refuse to engage in long-term programmes so as to avoid taking political risks (as in the **Congo, Rwanda, Burundi and Sudan**). This critical engagement may involve leveraging funds pledged to the country to express concern as and when certain issues present
- *Treading the fine dividing line between technical assistance and political support.* Following the path taken by organisations providing humanitarian relief, donors are starting to supply development aid to countries despite of strongly disapproving their politics. **Sudan** is a clear example of such pragmatism, and in **Burundi, Congo** and **Rwanda**, the EU Member States have overcome their own bilateral policies in allowing EDF funds to be voted. In **Rwanda**, despite a degree of reluctance caused by the ongoing war in the **Congo**, some countries are providing technical assistance in crucial sectors (e.g. Switzerland and Belgium). However, the balance is particularly difficult to maintain and some donors regularly threaten to withdraw.
- *Programming time-frames.* It is particularly tricky to define an adapted programming cycle in countries where the needs not only vary considerably from sector to sector, but are also liable to change swiftly (**Bissau, Burundi, Congo** or **Sudan**). With situations sometimes evolving extremely rapidly, the use of long-term or medium-term programming cycles could jeopardise the relevance of any intervention. Although planning and programming are clearly necessary in order to establish a medium-term or even long-term commitment and offer a degree of sustainability, in many cases they are illusory in practice. This has led to inappropriate long-term country strategies. On the other hand, short-term cycles lack sustainability and commitment and impede the formulation of long-term strategies. The other major constraint is finding programming mechanisms that take account of **local** differences: the **Congo, Burundi, Somalia** and **Sudan** require differentiated approaches ranging

from sustainable development (in stable areas) to emergency relief (in war zones).

- *Framework approach.* Although each agency appears on the surface to be working in accordance with its own specific procedures, there are in fact two extremes in programming. On the one hand, there are programmes that plan activities in full detail, and specify the expected results in precise terms. Other programmes, however, restrict themselves to a broad framework setting out only general targets. The framework approach is better suited to a setting of rapidly changing conditions, allowing priorities to be reviewed during the course of the programme and the allocation of budget funding to be transferred from one target to another (see the Dutch intervention in **Rwanda**, and the Canadian intervention in **Congo and Rwanda**).
- *Diverting funds to sustainable interventions.* It is particularly difficult to obtain funding for sustainable interventions, which seek to move beyond purely humanitarian assistance in conflict-affected countries. The level of risk is such that most donors prefer to stay in safe territory and fund either short-term or medium-term projects. The result has been, in **Sudan, Burundi and Congo**, the “diversion” of emergency or rehabilitation funds for sustainable projects, such as kilometres of roads being built under “Humanitarian plus” ECHO budget in Eastern **Congo**.
- *Regional strategies.* Integrated regional strategies are required in order to take account of the regional causes and consequences of most crises, ranging from refugee flows to arms trafficking. The vast majority of donors operate country-specific intervention programmes rather than regional ones. Where regional plans exist, they are either at a very early stage of implementation or non-operational. Some donors make no use of their presence in all the countries of a region that is involved in a sub-regional war, even though they recognise that certain issues cannot possibly be seriously addressed in a country-specific framework (demobilisation, for instance).

1.2.3 Actors

Third, there are a number of challenges involved in dealing with different actors in conflict-affected countries:

- *Taking a political risk in order to comply with the provisions of the Cotonou Agreement.* While the Cotonou Agreement remains largely a partnership between governments (as is true of most of today’s cooperation systems), it opens up substantial opportunities for ‘new development actors’. In both cases, the modalities of effectuating an inclusive partnership are very delicate in conflict-affected countries. Working with fragile states – where the state itself is as much part of the problem as a partner in finding a solution – can be as challenging as engaging with polarised civil-society groups or local authorities. At the same time, brokering an inclusive political dialogue is absolutely vital in order to open up the political space.

In the **Congo, Burundi, Sudan, Guinea-Bissau and Rwanda**, the political space is relatively restricted. Under such circumstances, what is meant by the notion of ‘involving non-state actors’? Who are such actors likely to be? In this table we map out the different dilemmas we came across in the case-studies, in terms of political interlocutor chosen, targeted recipients, and favoured implementing partners.

	The government	Local authorities	Civil society and communities	Rebel armed forces
Who to talk to? The political interlocutor	<p>A privileged interlocutor for political dialogue.</p> <ul style="list-style-type: none"> • Risk of legitimising unlawful powers. • risk of neglecting parts of the population not represented in government or even out of government control (armed opposition controlled territories: Congo, Sudan). • Constructive dialogue often more effective than unilateral sanctions. • Somalia, Burundi, and recently Congo as examples of peace-dividend approach. 	<p>May be used as ‘second-best’ interlocutors when seeking to keep a distance from the government, but there is a high risk of fuelling the conflict or upsetting the balance of power. Burundi a direct dialogue with provinces have been engaged by most donors for instance. Sometimes sole interlocutors, as in the case of Somalia (but hampered by lack of recognition of informal administrations).</p>	<p>Extremely difficult to engage in an inclusive dialogue, due to lack of instruments. Two main risks: recognised ‘civil society’ may be instrumentalised by the government, or the groups may become involved in the conflict. Talking with communities may also be seen as taking sides and may fuel the conflict as a result (as in Sudan and Somalia). Civil-society groups tend to vary considerably in their degree of independence from the government (compare the Congo and Rwanda).</p>	<p>Sometimes a mere matter of pragmatism where donors want to reach the population in rebel-controlled areas. INGOs maintain contacts for their own safety, whilst official agencies tend to keep the dialogue down to a strict minimum. The Congo, Sudan and Burundi.</p>
Who to work for? The target recipient	<p>There are two main approaches: work either within the government framework or alongside it. If the population is the target recipient, the government must be supported in its efforts to provide the most basic services to its population. EDF resources are channelled through the government, with large amounts spent in direct budgetary support, even in countries involved in armed conflicts (Burundi, Rwanda and the Congo).</p>	<p>Decentralised cooperation and direct support for local authorities is the best channel for addressing local needs and achieving local development. Lending support to local authorities is an effective way of compensating for a lack of government services and capacities. But local elections (if any are held at all) are often flawed, and local powers are not necessarily representative. This is also one of the only way compensate for differentiated areas and need for specific approach in divided countries (Congo, Sudan)</p>	<p>Humanitarian Plus and rehabilitation programmes have attempted to target local communities. There are not many instruments available and there is a danger of being seen as taking sides. Extremely limited use of participatory approaches in complex emergency. (Burundi, the Congo) Strengthening civil society still figures very low on the list of priorities for conflict-affected countries. In Guinea-Bissau, the almost absence of INGOs on the ground could lead to a reinforcement of local civil society’ participation. However, civil society strengthening still far behind the priority agendas in conflict affected countries.</p>	<p>Donors usually refuse to work ‘for’ armed forces, apart from the notable exception of direct bilateral support in southern Sudan.</p>

	The Government	Local authorities	Civil society and communities	Rebel Armed forces
Who to work with? The implementing partners	Risks of mismanagement, diversion of funds for belligerent purposes, and corruption. Need to dissociate technical support from political approval, and devise control mechanisms. Importance of capacity building and sustainability/stability, where the government is able to deliver in terms of meeting basic needs. In Rwanda , mechanisms have been put in place for handing over control of certain programmes to the government in order to guarantee their sustainability. Often supported by a 'cellule d'appui' acting on behalf of the EU. Rwanda, Guinea-Bissau and Burundi have an NAO, but the Congo and Somalia have not had an NAO for some considerable time.	Same need for capacity building as with the government, and the same risks. then government. Have to be included in implementation, but often more acute shortage of capacities. One of the problems is that there are still only a few tailor-made capacity-building programmes for local processes and needs assessment. The degree of polarisation is sometimes greater than at a national level.	Often considered as have sound understanding of local needs, but little management capacities. In Burundi and Rwanda , there are very few funds for local organisations, which are seen as forming part of the political game or as being too close to one or other ethnic group of INGO implementing partners. In Somalia , local communities and organisations are the obvious privileged partners. The experience in Guinea-Bissau and the Congo proves that they can be serious partners. In the eastern Congo and Burundi, local organisations team up with INGOs to implement ECHO programmes in areas where no one else dares to go for security reasons.	Although rebel armed forces have never been considered as possible implementing partners, they have their own humanitarian or development wing 'NGOs' or 'Red Cross'. They are sometimes difficult to avoid (as in Sudan and the Congo), as visas issued by them are often needed in order to provide support in certain areas.

- *Centralised and decentralised cooperation.* There are three ways of channelling aid: through the government, through local authorities and through local organisations and communities. In conflict-affected countries, although there are tensions at all levels, they generally emanate from divergent interests. (**Burundi, Sudan, Bissau, Somalia**). Maintaining support to the central government in a fragile state is a way to avoid unbalancing the situation or weakening the state further, and supporting local entities is a way to address specific local needs (in particular in divided states such as **Congo** and **Sudan**). While most bi-laterals have the set-up to do both at the same time depending on the needs, the EU's procedures for working with decentralised and non-governmental actors still depends on the approval from the NAO. This entails a risk of government control over civil society and local groups.

1.2.4 Implementation

Fourth, the implementation of programmes poses particular challenges and dilemmas in conflict affected countries. The following issues should be taken into account:

- *Funding mechanisms.* Intervening in conflict-affected countries requires speed and flexibility. It generally also requires other channels of disbursement than the government. Too often, adaptive strategies have not been matched by appropriate funding procedures. These are the main dilemmas faced by donors in adapting funding mechanisms to specific conflict situations:
 - Over-centralised decision-making processes, with a high dependency on headquarters (as in the case of the European Commission), when a swift response may be required. The experience in **Rwanda, Somalia, Congo** and **Guinea-Bissau** shows that locally managed envelopes can be

- highly efficient instruments.
 - Spending pressure from headquarters, which takes no account of the absorption capacity or the potential risks involved in spending large amounts of money at the same time. For instance, the Commission has been under pressure from some Member States to engage as soon as possible the outstanding STABEX funds from prior Lomé regimes and clear them out, as it's the case for **Burundi** and **Rwanda**. **Burundi** has absorbed insignificant amounts of the total 400 M\$ pledged in December 2000. In **Sudan, Somalia, Congo** and **Bissau** small grants have had often greater impact than large amounts.
 - Use of direct budgetary support where the risk of funds diversion to warfare purposes is high and existing control mechanisms are inefficient, sometimes due to absence of other instruments. While budgetary support is major EC instrument, the decisions to channel money through budgetary support remain often arbitrary (e.g. positive for **Burundi** and **Rwanda**, negative for the **Congo**).
 - Where donors are required to address the needs of different recipients (and cope with a polarised environment), they are reluctant to channel funds via a variety of mechanisms, despite the availability of the necessary instruments: budgetary support, project funds, grants and direct funds. Whilst it is true that the use of parallel funding procedures places a greater strain on institutions, it does create opportunities for adaptive response time-frames (i.e. ranging from short-term to long-term).
 - Getting an NAO to co-sign a disbursement is a highly significant step and a delegation of authority (or hand-over) is a crucial gesture (as in **Sudan, Somalia** and the **Congo**). A careful balance has to be found between involving the government through the NAO system and coping with a polarised and closed political environment. Either all donor funds go through the NAO and are targeted at the state, or a new mechanism needs to be created for direct funding, such as awarding small grants to local actors.
- *Monitoring.* The two major difficulties in monitoring the impact of development assistance in conflict-affected countries are measuring the intangible, and accessing unstable zones. Interventions in the fields of democratisation, decentralisation, reconciliation, conflict prevention and social reconstruction require both a long-term strategy and prolonged funding in order to have a measurable impact (as in **Rwanda, Burundi, Congo, Somalia** and **Guinea-Bissau**). In **Burundi, Sudan** and the **Congo**, donors are funding projects in 'dangerous' zones where their own security rules forbid them to go and hence prevent them from monitoring progress. In **Burundi**, it is physically impossible, for safety reasons, for donor agencies to monitor or evaluate the work that is being done.
 - *Coordination.* Coordination in conflict-affected countries is even more crucial, especially when issues of security are involved, but also more difficult to achieve due to competing foreign affairs agendas. UNDAF, PRSP, CSS, NIP, provide only a frame under which coordination can be articulated, but cannot replace coordination as such and are not always circulated or agreed upon. Donor agencies observe that the core responsibility of donors' coordination should lie with the government itself, and many agencies use the government incapacity to take on one such a responsibility as an excuse (**Congo, Rwanda, Sudan**). The other difficulty is combining humanitarian coordination with development coordination, as there is no formal equivalent to OCHA in development assistance (**Burundi, Congo, Sudan**).

1.2.5 Institutions

There are various institutional issues involved in dealing with conflict-affected countries:

- *The capacity to understand and follow the crisis.* The crises faced by all six countries studied are both complex and rapidly changing. Most donors' field offices are too busy with their day-to-day work to have enough time for sound political analysis, and humanitarian agencies are not the only agencies suffering from this type of problem. An absence of political understanding and vision can lead to

errors of judgement, gaps in provisions, and even counter-productive measures. The EU Delegations require not only more human resources, but also the right mix of experience and ability so that they are mutually complementary and able to discharge a range of different duties in a complex environment. For example, **Burundi, Guinea-Bissau, Sudan** and **the Congo** are all suffering from severe staff shortages preventing them from coping with the complexity of the work.

- *New venues of intervention.* A singularity of **Bissau, Burundi, Rwanda** or **Congo** is that sectors that have traditionally been considered as sustainable development areas (e.g. democratisation, civil society strengthening, justice...) have become emergency priorities. Engaging on reconciliation in post-genocide **Rwanda**, is a matter of raising the country's chances of survival, as surely as is engaging in land reform and food security. These countries require simultaneous interventions in unusual emergency areas (such as justice and education), as well as in early recovery areas (e.g. housing and resettlement) and even sustainable development areas (e.g. good governance and macroeconomics), thus leaving donors ill-equipped to respond effectively to the overall challenge. In such atypical political and development conditions, most donors are 'learning by doing', as they have no comparable experience to draw from (as in **Somalia, Rwanda** and **Sudan**) and no experiences can simply be replicated.
- *Divided countries and field offices.* Some countries, such as **Sudan** and the **Congo**, are divided countries, which means that most donors either have offices abroad or run separate offices in each part of the country. This creates major problems of countrywide coordination, as actors tend to take positions according to their geographical location. For instance, some donors work with local authorities in southern **Sudan** without consulting the Sudanese government, which creates tensions in the region.
- *Reconciling rapid response with accountability.* Apart from a few individual countries and UNDP, most of the development agencies still work in a highly centralised manner: decisions are taken at headquarters, on whom disbursement also depends. In a highly volatile environment, there is an urgent need for a rapid response and for funds to be made available immediately, as well as for in-depth knowledge of the reality on the ground, so that the decisions taken are both appropriate and informed (i.e. conflict awareness). Although the need for institutional change and a much more decentralised decision-making is undisputed, this will also require flexibility in terms of accountability. Rapid reaction implies lighter and simpler decision-making procedures, at least *ex ante*.
- *Lack of institutional memory.* Due to the harshness of the work and lack of professional staff incentives, **Bissau, Burundi, Congo, Sudan, and Rwanda** suffer from high staff turnover among aid agencies. This has had a major adverse impact on the sustainability of interventions, contextual understanding, institutional memory and the general credibility of development aid.
- *Transitional phases.* Managing the transitional phase from emergency to rehabilitation and development remains one of the donors most difficult aspects of intervening in conflict-affected countries. The difficulty does not 'simply' lie in moving from one stage to the next, but in defining the steps (i.e. deciding when the time has come to move), and in undertaking several stages at the same time. Whilst certain built-in transition mechanisms do exist, they tend to break down in the face of the unpredictability of the environment. A combination of history, mandate and single-oriented expertise makes it very difficult for donors to cover all the range of interventions needed in **Sudan, Congo, Burundi** and **Rwanda** at once: emergency, rehabilitation and sustainable development.
- *Adaptability and respect for mandates.* For the above reasons, the mandates given to agencies fail to correspond to the reality in the field. The net result is a blurring of mandates as more humanitarian agencies move into the grey zone (as in **Sudan, Somalia** and the **Congo**), rehabilitation programmes step into development (as in **Burundi, Congo** and **Guinea-Bissau**) and development agencies tackle uncharted emergency sectors (as in **Rwanda**).
- *Tensions between field offices and headquarters.* Finally, whilst tensions between field offices and

headquarters are not specific to conflict-affected countries (although they are especially counterproductive in such situations), they are very common in complex interventions where politics constantly collides with development.

1.3 Key Facts on EU Support

The table below presents the main intervention strategies and instruments used by the EU in the six countries studied. Such a comparative analysis makes it possible to identify some common strands as well as apparent inconsistencies in EU support strategies.

	Burundi	Congo	Guinea-Bissau	Rwanda	Somalia	Sudan
Status of EU-ACP cooperation	Suspension since 1997 due to security situation/ 1998 commitment for gradual resumption of aid/ EDF commitment and Stabex since December 2000	1992 Unilateral suspension of cooperation, 1995 partly reoriented to a mixture of humanitarian, rehabilitation and development activities under a humanitarian cover (roads, health), 1997 intention for gradual resumption, May 2001 test period for EDF cooperation. ECHO covering East from Goma	Article 366a Consultations after coup d' état in 1999 (no formal suspension), leading to electoral support and resumption of cooperation	ECHO since 1993, Lomé Cooperation resumed since 1995 ECHO left and rehabilitation 2 finalised.	Commission has taken role of NAO, no access to Lomé IV+IV bis funds. Article in Cotonou agreement for ACP states without Central government	Unilateral suspension of Lomé cooperation in 1990
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 (covering the period 1998-2003), de facto suspension during civil war, reorientation of EDF funds after the conflict. 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 unspent Lomé III (5 th & 6 th EDF funds). Access to funds via Cotonou pipeline.	"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 from 1993 to 1997	ECHO funds	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	Human rights budget line, demining, food security, rehabilitation, landmines	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	CFSP declaration in 2000	Political dialogue since 1999/ Troika 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 (October 2001)	EC adapted development and political strategy to Somalia	
Regional perspective	EU Special envoy to Great Lakes	EU Special envoy to Great lakes since 1996/ Presidency mandate on Great lakes in May 2001	West Africa Regional Indicative Programme	EU Special envoy to Great Lakes	Support to IGAD secretariat and programmes	EC support to IGAD Partners' forum

2 Innovations, Adaptations and Good Practices

The primary aim of the six countries studies was to analyse how and to what extent different donor agencies are experimenting, adapting or innovating their approaches to providing development cooperation to crisis and conflict affected countries. From this laboratory of new practices, more refined policies could be elaborated. Three types of adaptations are analysed below: strategic, institutional and instrumental innovations.

2.1 Strategic Innovations

The case studies have revealed a number of strategic changes, introduced by donor agencies in an attempt to increase effectiveness and impact. These involve linking political and development instruments, working with different actors, improving coordination, and bringing in a regional perspective.

2.1.1 Linking the EU's 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 different budget lines. Various recent strategic innovations can be noticed:

- *Move towards constructive engagement.* At a strategic level, the EU has recognised the limits of the exclusive use of unilateral sanctions, which often harm the poorest members of the population and feed negatively into the dynamics of the conflict. Instead, the EU has moved towards a 'constructive engagement', i.e. a critical dialogue with state authorities and a combination of different EU instruments, and going beyond sanction policies and pure humanitarian aid (**Burundi, Congo and Somalia**).
- *CFSP and Development in Brussels.* Steps have been taken in Brussels to create closer links between foreign policy considerations and development instruments:
 - The General Affairs Council, composed of European foreign ministers, now holds an annual orientation debate on foreign policy priorities, including those affecting developing countries. The first such debate took place in January 2001.
 - Since 2000, there has been 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 organisation of joint meetings among different Council working groups, namely the ACP, Africa, and Development working groups, opens up new prospects for improving the coherence of the EU's position on ACP countries in conflict.

- *Improved coherence of instruments.* Special attention has been paid to improving the coherence between the EU's political orientations and the use of technical instruments on the ground:
 - In **Burundi**, EU foreign policy declarations have regularly been followed by action on the ground, thus increasing the coherence of the EU approach to Burundi.
 - In **Sudan**, the EU has combined political dialogue with the formulation of a 'Humanitarian Plus' programme.
 - In **Somalia**, the EU has been very measured in its relations with the new transitional government in order to avoid destabilising relations among regional entities (i.e. Somaliland and Puntland). By contrast, in the **Congo** the international community is perceived to have given an external legitimacy to the Joseph Kabila government, thus potentially undermining the inter-Congolese political dialogue and detracting the equality of the signatories of the Lusaka Agreement, signed in 1999. In **Rwanda**, condemnation of the presence in the Congo has not been followed by any major action.
- *Targeted support for the critical areas of political dialogue.* In Sudan, the political dialogue with the government is linked to targeted support through EU budget lines to the areas covered by political dialogue, such as human rights, democracy and mine clearance. For **Burundi** the EC has provided support to the Arusha process in Tanzania and has engaged in promoting its effective implementation in the country.
- *Support for initiatives creating conditions for peace.* Several innovations have been taken in linking structural cooperation with active peace-building:
 - In **Guinea-Bissau**, the EU initiated an Article 366a consultation process in 1999 following the deposition of President Vieira. As a result of these consultations, the Guinean government pledged to 'return' to democracy through elections. The EU provided special support for the elections, helping to *create the conditions* for a transition to democracy and to reinforce local capacities for resuming normal cooperation, instead of simply suspending cooperation. Cooperation was used to promote structural stability.
 - In the **Congo**, several donors, such as the EU and Belgium, saw the arrival of Joseph Kabila as a window of opportunity for moving towards *structural cooperation in order to support post-conflict transition*, instead of waiting for total peace (i.e. offering a peace dividend). However, other donors, such as the UK, have preferred to be careful not to interrupt the inter-Congolese political negotiations by resuming full cooperation with the Kabila government.
 - In **Burundi**, strong support has been given to the Arusha peace process. Major aid was pledged at a donor conference in December 2000 in response to the signing of the peace accords in August 2000 *to help implement the transition to peace*.
 - In **Sudan**, the EU has given financial support to the 'Planning for peace' initiative launched by the IGAD Partners Forum. There have also been consultations with stakeholders. The EU intends to prepare a planning framework for structural cooperation after the peace agreement has been signed. The framework also provides for action to be taken *prior to* the peace agreement.
- *Specific political expertise to advise on development interventions.* Although the EU has attached a regional policy adviser to the EU Delegation in Nairobi and appointed a EU Special Envoy to the Great Lakes, it has not taken similar action in the other conflict regions. The problem here is how to systematise the use of specific regional expertise.

2.1.2 Actors and Participation

As mentioned before, the Cotonou Agreement creates new opportunities for mainstreaming the participation of civil society, local governments and private sector. These “new actors” are supposed to take part in:

- The *political dialogue*
- The definition of development *policies* and *strategies*
- The *programming* exercise, providing opportunities for a greater access to funds
- The *implementation* of programmes and projects
- The *evaluation* and *performance* reviews

The EC delegations on the ground are, in principle, well placed to bring these different public and private actors together around common development goals, such as the CSS or the indicative programme. However, effective implementation of a multi-actor partnership raises thorny questions: How to identify and select the interlocutors? What is the capacity of the actors to play this new role particularly in conflict-affected countries? Are the governments ready to create the necessary political space? How can the Commission promote dialogue between authorities and these new actors? Can the EC delegations develop real partnerships with new actors while actively and rapidly implementing all development programmes that are needed in conflict-affected countries?

Despite these difficulties, a number of innovative steps have been taken towards inclusion of all actors in the development process of conflict-affected countries:

- *Inclusive political dialogue.* The absence of a government in **Somalia** has forced the donor community to seek new modalities through which to plan interventions. This requires, flexibility, in the design, planning and implementation and implies a dialogue with different interest groups and communities. In **Burundi**, the EU Member States have taken the initiative of regularly inviting parties to the Arusha talks to meet in Bujumbura. In occupied **Congo**, ECHO maintains an open dialogue with local associations and forces, as opposed to Kinshasa where the EU has opted to support the current government and has no ongoing dialogue with other signatories to the Lusaka Agreement.
- *Informal technical dialogue.* In **Rwanda**, the Delegation has just started to enter into a dialogue with local NGOs and organisations on a limited number of technical issues such as justice. In war zones in **Sudan** and the **Congo**, ECHO and other humanitarian actors are trying to maintain contacts on technical matters with the local ‘authorities’.
- *Decentralised cooperation (DC) and participation.* Whilst direct technical and financial assistance to local actors is a major trend everywhere, it is particularly relevant in politically fragile states, where the state structure is less able to reach the neediest members of the population. The methods adopted differ according to the donor. In **Burundi**, UNDP has opted for a system of joint decision with the central government regarding its work in the provinces. The EC 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 EC are cooperating and channelling resources directly at the prefecture and commune level with total programming autonomy. In the **Congo**, ECHO is funding programmes involving ILDs (‘Initiatives Locales de Développement’) and local health committees. In terms of participation, the rehabilitation programme set up by the EU in **Burundi** is experimenting in participation in ‘post-conflict’ zones. The War-Torn Societies Project (WSP) in **Somalia** can provide a good basis for participation in social reconstruction, leaving definition the development priorities to the communities themselves as a tool for reconciliation. At the same time, many obstacles to genuine participation remain: who should be involved if the majority of people have fled? How should participation in planning be combined with an emergency response?

- *Open local calls for proposals.* The EC in **Rwanda** has invited local NGOs to submit proposals for peace-building interventions (justice, reconciliation...), 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 conflict-affected countries, where the prevailing attitude towards local actors in a polarised environment is one of caution. A few INGOs have started to co-fund joint projects, providing 'coaching' in financial management and 'parrainage' to the donors. A growing number of ECHO-funded INGOs answer calls for proposals in the name of local organisations as ECHO only funds European NGOs. Using local partners in high-risk zones is the only way of reaching otherwise 'forgotten' places and people (as in the **Congo, Sudan, Burundi** and **Somalia**).

2.1.3 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. On the whole, progress has been fairly limited regarding coordination between EU and other international actors. The innovations in the field of coordination include different levels: institutional coordination, policy coordination and geographic coordination in the case of divided countries.

- *Institutional coordination within the European Union.* Coordination between the European Commission and the Member States as well as among the various Commission services (i.e. DG DEV, DG RELEX, AIDCO, ECHO and Delegation) is crucial. Some improvements could be observed:
 - The design of Country Support Strategies (CSS), including a donor matrix, calls for in-depth country-level operational coordination and a joint definition of priority sectors between the EC Delegation and Member States' embassies. It also involves the EU Member states in Brussels through the working groups, in close dialogue with the Commission and the field.
 - In the **Congo**, the EU Delegation has been given some flexibility in undertaking interventions in the field through EU budget lines, although they have been managed mainly from Brussels.
 - In **Somalia**, the decentralized Somalia unit in Nairobi was actively backed up by the Commission's Horn of Africa unit in Brussels. The current structure with DG DEV and AIDCO, may make this type of close linkages between country desks and the implementation of programmes by AIDCO and Delegation more complicated

In all ACP countries, the delegate is in charge of organising regular EU meetings with member states representatives (at ambassadors level), with more or less success in defining a common line or in enforcing that line in further actions. This is evidently even more difficult to carry out under harsh political circumstances with very polarised European Foreign Policies (such as **Bissau, Rwanda, Congo**, or **Sudan**).

- *New 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 a Secretariat and sectoral groups. SACB has issued a Code of Conduct for donor activities on the ground.
 - In **Guinea-Bissau**, the Programme for Demobilisation, Reinsertion and Reintegration of ex-combatants (PDRRI) is coordinated by the government and each part of the programme is funded by different donors. The EU is considering allocating funds from the 9th EDF to the housing of ex-combatants 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 a range of beneficiaries. It also allows for a geographical distribution of responsibilities between the implementing 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 centres and schools (i.e. complementarity in implementation).
- In the 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.* A number of interesting innovations have centred on improving the coordination of financial instruments (i.e. EDF, ECHO and budget lines) depending on the situation on the ground:
 - In **Burundi**, the sustainable impact of activities under the rehabilitation budget line has been strengthened by the fact that the Programme for the Rehabilitation of Burundi (PREBU) has the backing of EDF funds, thus ensuring a proper hand-over to more structural interventions.
 - In the eastern **Congo**, in the absence of EDF funding, ECHO is implementing projects slanted towards rehabilitation (i.e. infrastructure and health).
- *Coordination in divided countries.* In divided countries such as Sudan and the Congo, it is difficult to set up regular mechanisms of coordination within and between aid agencies in government-held and opposition-held areas.
 - In **Sudan**, the EU Delegation and various Member States, based in Nairobi, Khartoum and Cairo, organise regular information exchange meetings in order to overcome the problems resulting from the division of the country.
 - In the **Congo**, the EU is trying to overcome the division of the country by transferring the ECHO office to Kinshasa in order to improve country-wide information and coordination. Belgium has managed its interventions in Kinshasa and eastern Congo from its embassy in Kinshasa so as to improve country-wide coordination.

2.1.4 Regional Perspective

Among the key factors leading to instability in conflict-affected countries are transnational problems: refugee movements, rebel movements, arms trafficking, the plundering of national resources, ethnic tensions, AIDS, etc. Some issues, such as demobilisation, resettlement and the management of natural resources, can only be tackled properly at a regional level. Although the European Union has the potential to be an appropriate vehicle to pursue integrated regional approaches, few innovative actions have been taken in this direction. With the Cotonou Agreement providing a framework for Regional Political Dialogue and ECHO's mandate paving the way for Regional Humanitarian Programmes, some steps towards regional approaches have been taken, including:

- The European Council has appointed an EU Special Envoy for the **Great Lakes**;
- A Regional Political Adviser for **the Horn of Africa** and **Central Africa** has been appointed, to be based at the Nairobi Delegation;
- Financial and political support has been given to regional peace processes (Lusaka and Arusha);
- And ECHO Regional Offices have been established in **Central Africa** and the **Horn of Africa** for implementing region-wide strategies.

2.2 Institutional Innovations

A number of interesting institutional experiments or innovative approaches were identified, linked to mandates, administrative structures and capacities:

2.2.1 Mandates

The current situation in several conflict-affected countries is neither strictly ‘developmental’ nor ‘humanitarian’, which means that rigid delineations between emergency and development actions and 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.

Where the EDF has been blocked by member states, (**DRC, Burundi**) and in the absence of a NIP (**Somalia**), the European Commission’s response has been channelled either through ECHO (humanitarian or *humanitarian plus* mandate), or through EDF/budget lines (*rehabilitation* programs). *Humanitarian Plus* and *rehabilitation* mandates have enabled chronic crisis situations to be addressed (**Congo, Sudan; Burundi**) and creative responses be provided to “bumpy” transitions (**Burundi, Bissau**).

- *Humanitarian Plus*
The launching of the humanitarian plus-programme and the provision of a legal basis for consultations under the Cotonou Agreement (article 96) allows for a more flexible and coherent use of long-term funding in **Sudan**. The adaptation of the legal framework has also counterbalanced the lack of long-term vision and created pockets of sustainability in perpetual short-term interventions (**Somalia** and outstanding ECHO interventions in **Occupied DRC**). However, it is still largely under-utilised and incoherent in places. The difference in ECHO mandate in neighbouring **occupied Congo** and **Burundi**, is striking, with *Humanitarian Plus* in the former and *Humanitarian strictly* in the latter, despite very similar needs. The rationale for this difference is that Burundi has a rehabilitation programme and a NIP (allowing ECHO to stick to its humanitarian role) while ECHO is the sole actor in occupied DR Congo.
- *Rehabilitation*
The *rehabilitation* programme in **Burundi** (PREBU) has created an opportunity for the Commission to adopt a *proactive approach*, allowing structural cooperation to restart. However, 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 nor 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.

2.2.2 EC Administrative Structures

The complexity of EU bureaucratic structures and procedures has often caused delays in implementing appropriate development responses in conflict-affected countries. However, there have been a number of innovations in administrative structures.

- *Sufficient human resources at the EU Delegations; permanent presence.* Staff turnover in many conflict-affected countries is high, and donor agencies tend to use a lot of junior staff despite the extremely challenging environment. In the **Congo**, however, the staff of the EU Delegation in Kinshasa has not been reduced (due to unintentional bureaucratic delays) despite the suspension of cooperation, leading to a permanent presence and contacts with civil society in the field, as well as a smoother transition to implementing the 8th EDF. In **Somalia**, the capacity of the EC Somalia unit

has been enhanced through extensive use of technical assistance.

- *Improved efficiency and flexibility through decentralised management.* In **Rwanda**, the Netherlands and Sweden have introduced a decentralised management structure and a high degree of financial autonomy, creating greater flexibility in cooperation with civil society on the ground. The two countries have also provided small grants to enable local actors to strengthen their capacities. Canada also has a highly decentralised field delegation, which means that its interventions have a greater visibility and impact on the ground. In **Somalia**, the EC Somalia unit has a greater degree of decentralised authority than many Delegations.
- *Adaptation of management structures to the absence of Central government as national authorising officer.* Some examples demonstrate how to overcome the absence of a central government or the EU's political unwillingness to channel funds through central governments.
 - In the absence of a central government in **Somalia**, the EU has set up a decentralised 'Somalia Unit' in Nairobi, with sectoral Technical Assistants (TAs) to 'replace' the function of a National Authorising officer. The EU has also set up three 'Liaison Offices' in different regions of Somalia to guarantee a minimum field presence.
 - In **Sudan**, the EU has set up a separate 'Programme Management Unit' (PMU) for the implementation of the Humanitarian Plus programme, and the government of Sudan has transferred the role of National Authorising Officer to the PMU.
- *Changes in the division of responsibilities between DG DEV and ECHO.* Despite separate mandates and bureaucratic procedures, some innovations have occurred in relation to the flexible use of financial instruments:
 - In the absence of EDF funding in the eastern **Congo**, ECHO is implementing projects with a rehabilitation perspective (i.e. targeted at the infrastructure and health care). In addition, the ECHO programme, managed from Nairobi, has been integrated with the regional framework, whereas the EDF programme in Kinshasa is nationally based.
 - In the **Congo** and in **Sudan**, EDF surpluses have been reallocated to Humanitarian Plus and Rehabilitation Programmes, allowing cooperation to be launched on the ground, while at the same time avoiding any political recognition of the government in the form of an official signature on a National Indicative Programme (NIP).

2.2.3 Innovation in Capacities

There are two dimensions to the capacity shortage for development interventions in crisis-affected and conflict-affected countries: firstly, there is a lack of capacity among donors (due to the new venues of development, staffing problems, etc.) and secondly, there is a lack of capacity among recipients (i.e. at ministries, NGOs and local government). The innovations that have emerged to offset this are:

- *Capacity-building initiatives.* There is an urgent need to build the human resource capacity of government departments and local organisations in states weakened by conflict, as their effective absorption capacity is otherwise limited. Though the use of local capacities is more complex in a conflict-affected country, it has generated both know-how and ownership in post-conflict areas in a spirit of peace-building, as the experiences of **Burundi** and **Guinea-Bissau** show.
- *Use of TAs as direct support for local institutions.* The most common response to ministries' capacity needs is the provision of Technical Assistants. The use of TAs in **Rwanda** and **Guinea-Bissau** has been an effective short-term response to the acute capacity shortage, but has not resulted in new capacities effectively being built at a national level, even though more success has been achieved with local authorities.
- *Direct support for local organisations.* In the **Congo**, some international NGOs have teamed up with

local organisations as implementing partners, opening the way for a two-way capacity-building process. Funding local organisations remains largely a political gamble in conflict-affected countries, but it does form an important part of peace-building processes and support for democratisation in closed environments. While the EU's approach has perhaps been timid, it is nevertheless engaging with a selection of local organisations in **Rwanda** and the **Congo**.

- *The staffing of the EU Delegations.* In a conflict-affected country, a delegation has to be able to address the specific needs of the circumstances, plus the need to reconcile day-to-day demands with long-term development activities. The **Burundi** delegation, for instance, is dramatically understaffed. However, the issue is more than just a matter of understaffing. It is also about having the people with the ability to meet the particular challenges of working in a highly volatile environment. The **Congo** delegation and **Somalia** unit have attempted to ensure both adequate staffing levels and complementary expertise.
- *Short-term high-level experts for special needs.* The security situation combined with the lack of adequate incentives makes it difficult for delegations based in conflict-affected countries to attract and retain high-level specialists. In **Rwanda**, the delegation has hired top-quality experts (e.g. in key peace-building areas such as post-genocide justice) for very specific interventions on limited contracts, thus compensating for the lack of local specialist expertise in the short-term.

2.3 Instruments

The case studies revealed interesting innovations, adaptations and good practices at the level of instruments, categorised below under programming and country strategies, financial instrument and modalities of implementation. On the whole, working in conflict affected countries has brought donors to review their programming procedures; to adapt to differentiated zones in the country; to consider the use of the appropriate financial instrument in order to avoid fuelling the conflict; and to introduce a set of new practices.

2.3.1 Programming and Country Strategies

The planning and strategic design of cooperation programmes is crucial for the success of field interventions. The use of adapted planning systems often contributes to effective implementation. These are some of the innovations that have taken place in planning and programming:

- *Programming in a regional perspective.* Many conflicts have a regional dimension. For this reason, some donors have integrated their country strategies into a regional framework:
 - In **Rwanda**, Sweden has integrated its Rwanda country strategy into the regional strategic framework for the Great Lakes. In January 1999, Canada launched a regional civil-society reinforcement programme for democracy development (PADD), with components geared specially towards each individual country's situation.
 - The EU has designed a regional programme for the **Congo**. ECHO's programme in East Congo had a regional perspective, although it was not entirely integrated into the EU's country framework, setting out as it did a strategy for Kinshasa-based interventions.
- *Improved government ownership of strategic planning.* In the **Congo**, donors have pledged to plan their interventions on the basis of the short-term priority programme presented by the Kabila government in June 2001, instead of setting their own priorities and bypassing the government. The Lusaka Agreement sets out an overall framework for post-conflict intervention by donors.
- *Distinguish between political support and technical capacity building.* In the **Congo**, donors have decided to strengthen the capacity of technical ministries and involve government officials in the

design of their interventions. By contrast, in **Sudan** and **Rwanda**, donors have faced difficulties in distinguishing between political support to the government and technical capacity building of line ministries.

- *Adaptation to different regions within a country.* Several innovations have taken account of the differences in conditions, needs and authority structures in different regions within a country:
 - In **Somalia**, the EU Somalia strategy constituted a regionally differentiated approach to three regions of Somalia in the absence of a central government. This clearly meant adapting to the reality of the situation on the ground.
 - In the **Congo**, the EU is committed to distributing EDF funding evenly over different parts of the country so as to ‘preserve the territorial integrity of the Congo’. The USA and ICRC have devised 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 the implementation of projects in different parts of Congo and to facilitate travel across the front line.
- *Methodological innovation in programming at a local level.* The UN ‘War-torn Societies Project’ (WSP) has developed a participatory needs assessment as a basis for designing cooperation programmes. In **Burundi**, the PREBU seeks to achieve the highest possible degree of participation and ownership.

2.3.2 Financial Instruments

The adaptability of Funding Procedures, based on the use of the appropriate financial instruments, has often made the difference in terms of the impact that interventions have had on conflict-affected countries. Their effectiveness has depended upon the *timeliness of response*, that relies on both the *instrument* with which and the *channel* through which funds have been made available (e.g. government or private), and the scope for *flexibility* in the *decision-making* process. Due to the countless constraints of working in conflict-affected countries, it has been difficult for donors to find the right financial instruments to reach all the deserving beneficiaries.

	Channel	Rapidity of disbursement	Flexibility in decision-making	Beneficiaries	Adaptability
ECHO fund	Direct funding to INGOs. Not much institutional relationship with authorities. An asset in occupied territories or in the absence of authority (as in the Congo, Sudan and Somalia). Has been opened up to local NGOs (via INGOs) when needed or feasible in the Congo .	Enables swift response but in short-term framework. Best EU tool in highly volatile environment. Ex-post control. Humanitarian Plus programmes have allied rapid response with long-term strategy.	Important role for field office. In order to improve interventions, 10% of funds and time have been spent on pilot projects in the Congo . Limitation to the financing of European NGOs was counterproductive during conflict in Guinea-Bissau .	Aims at the most basic needs of vulnerable groups. Reaches communities that are usually out of reach (see Burundi).	Well suited to conflict-affected countries. Humanitarian Plus programme offers adapted response to chronic volatile crisis. Key changes have been based on: <ul style="list-style-type: none"> - the use of pilot projects; - the use of local capacities; - concerns about sustainability (see Congo).
EDF budgetary support	Central government. Highly controversial in conflict-affected countries (risk of diversion for belligerent purposes). The EU is seeking to make the delivery of successive tranches conditional on compliance with good governance criteria. Still crucial absence of control mechanisms (Rwanda).	Rather slow instrument. Particularly inappropriate for rapid response. Large amounts allowing for constructive engagement and long-term planning. Participation in reconstruction efforts leads to high execution rates, even in CACs (Bissau).	Laborious, centralised procedure. Field office in charge of monitoring compliance with performance criteria. Co-decision with NAO, excluding expenditure outside government priorities or outside NIP. Very little flexibility	Mainly state and administration. Very important as means of maintaining performing administration in the absence of state resources (as in Burundi with outstanding STABEX funds, and also Rwanda) Potential deterrent against corruption and resource plundering.	Absence of partner government and NAO (as in Somalia, Sudan and formerly in the Congo) makes it impracticable. Very difficult to use to reach all layers of vulnerable groups. Strong political instrument as incentive (as in Burundi and Bissau).
EDF rehabilitation	Can be channelled either directly to local authorities (as in Burundi and Somalia) or through the government (as in Rwanda). A decentralised mechanism for cooperating with certain provinces was established in Burundi . Has been opened up to local NGOs, INGOs and local associations or capacities. Important capacity-strengthening aspect.	Not as fast as ECHO, but implies longer programming (and also INGO proposals) and more coordination with other existing EDF instruments and budget lines (as in Burundi).	Rehabilitation programmes are relatively standard in Brussels, but offer real scope for inputs from the field, depending on specificity of needs. In Burundi , there has been an attempt to include a form of participation in the programming process.	Local communities – mostly target vulnerable groups – and the state via heavy infrastructure rehabilitation. No real access to ‘out-of-reach’ groups (for security reasons). Started in Burundi with accessible provinces, hoping to cover more territory as things settle.	In Somalia and Burundi , allowed for sustainable interventions and higher degree of participation than EDF or ECHO. In Burundi , paved the way for a proactive approach from the EU in the absence of an NIP. Bridges the gap efficiently between ECHO and NIP interventions, but would be more effective with a Humanitarian Plus programme.
Co-management	Both the government and the donor (see Belgium’s system of co-signing). Much closer monitoring of expenditure. Avoids controversy of budget aid.	Both slow and fast. Slow to reach agreement on detailed planned expenses (detailed programming), but fast once started (as in Rwanda and Burundi).	None, the programme is fixed and requires a formal agreement in order to be amended or adapted. Decision-making is laborious and highly political in a conflict-affected country.	No rule. Any, provided the government agrees (local communities, local authorities, ministries or governmental institutions).	Allows ministries to be supported in terms of resources and capacities without resorting to budgetary support. Still implies need to work through the government, generating ownership and strengthening capacity.

Direct decentralised Funding	Locally managed by the field office. Used mostly by countries in a bilateral relationship (e.g. the Netherlands and Belgium). Open to INGOs, local NGOs and institutions. No direct dependence on the authorities. Excellent complement to other bilateral funds. Relatively small amounts.	Rapid disbursement mechanism. Highly adapted to evolving situations. Can allow fast response with long-term planning. Very useful in human rights and democratisation sectors from a peace-building perspective (as in Rwanda , the Congo and Burundi)	Leading role for field office. Offers an opportunity to adapt to changing conditions on the ground and very specific local needs. Also allows support to be opened up to non-priority sectors. Great potential for capacity-building.	Any, as long as they are not government bodies (amounts too small, and complementary role). In Rwanda , the Netherlands has direct contracts with prefectures. Belgium funds local NGOs and associations.	Well suited to use in conflict-affected countries. Offers adapted and swift response to volatile crisis. Key adaptations: <ul style="list-style-type: none"> • Open to local actors; • Use of local capacities; • Concerns for lower-profile sectors (as in Rwanda). Needs to be used as a complement to other major funds.
Budget lines	INGO funding through Brussels. Is not dependent on central government, thematic lines outside country strategy. Allows for regional actions. Can be used either in agreement with central government or as a means of 'avoiding' it, as was done in the Congo and Somalia .	Relatively slow mechanism. Goes through Brussels.	Goes through Brussels, although it applies to specific local sectors such as human rights (as in the Congo , Sudan and Rwanda), NGOs and electoral support (as in Guinea-Bissau). Potential peace-building tool. Would be more flexible if the field offices were more closely involved.	Depending on the sector, ranges from government (electoral support) to local communities, (food aid), civil society and NGOs (human rights). Wide range of beneficiaries, providing opportunity for complementary use with other instruments.	Has enabled channels of cooperation to remain open in the Congo during freezes imposed by EDF Committee, thus enabling a smooth resumption of EDF aid. Reduces negative impact of aid suspension. Potential incentive instrument.

2.3.3 Modalities of Implementation

The 6 case studies confirm that for aid delivery to be effective in highly volatile environments, flexibility is key at all levels (in programming, implementing, monitoring and evaluating programmes). The following elements of innovation have been noted with regard to implementation modalities:

- *Use of pilot cases.* Opening new modalities of cooperation is more risky in a conflict-affected environment. In the occupied regions of the **Congo**, ECHO has managed to open up uncharted avenues, make progress in defining a tailor-made Humanitarian Plus programme in a chronic crisis situation, and still limit the risks of innovating in a testing setting. 10% of the budget allocated to ECHO Goma has been systematically saved for a pilot project to test the ground before the next stage of implementation, thus introducing an element of sustainability in the planning process in spite of the volatility of the local situation.
- *Monitoring process.* Under such circumstances, there are two main problems in monitoring impact and progress: the intangibility of progress in slow and non-linear peace-building processes (requiring specific methods of dynamic measurement), and the physical impossibility of reaching the project for security reasons. The Netherlands is monitoring its decentralisation project in **Rwanda** both formally and informally, through an open dialogue with local NGOs and actors, be they related to the project or not, that complements the information received from the field.
- *Lessons from humanitarian work: flexibility, rapidity and decentralised decision-making.* The added value of a humanitarian approach in a fragile political environment is certainly its flexibility. Its downside is its lack of sustainability and the absence of a long-term strategy. Some EU Member

States have equipped their field offices with locally managed funds, which they can disburse relatively quickly and at their own discretion and initiative (as in the **Congo, Burundi** and **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). However, no such instrument has been made available to the Delegations.

- *Successful transition.* A successful transition from humanitarian aid to development has been repeatedly identified as being a recipe for sustainable development and peace-building. Practitioners are gradually envisaging the transition from a different angle, and recognising the benefits of having several programmes in operation at the same time: **Burundi** is benefiting from ECHO, Rehabilitation and EDF instruments, and all are relevant and useful. Too often, the arrival of a rehabilitation programme or the resumption of EDF funding has been synonymous with the end of an ECHO presence, irrespective of whether its interventions are still needed or not.

3 Some Future Challenges

This Discussion Paper reviews experiences, innovations and lessons learnt by the EU (and other external actors) in designing and implementing development cooperation in 6 conflict-affected countries. The previous chapter on innovations highlights some of the directions taken by donors in order to improve their development response to conflict affected countries. The main messages that come out of this analysis, is first, that donor agencies are trying, through a variety of means, to adapt, innovate and improve their overall performance; second, that there is a large consensus on the overall policy directions for an improved donor (EU) response in the years to come; third, that additional experimentation, stock-taking, exchange of experiences as well as dialogue between local actors and the international donor community, will be required to address a wide variety of “how” questions. In this final section, we draw some tentative conclusions with regard to four key challenges for effective donor intervention in conflict-affected countries related to:

- *Strategies;*
- *Actors;*
- *Instruments and Aid Management;*
- *Institutional Structures and Capacity Building Measures.*

3.1 Strategies

Two main policy directions emerge from the six country studies with regard to future intervention strategies. First, the need for a **multidimensional policy framework**; second, the need to further strengthen **the link between CFSP and development policies**.

The definition of a **multidimensional policy framework** includes the following elements:

- Move away from unilateral sanctions policies towards a **constructive engagement** with the government and non-state actors in a longer-term perspective (long term commitment and vision, translated in short-term and mid-term interventions but under long term objectives) balancing the use of Incentives and Sanctions. The Political Dimension of Cotonou, and in particular the Political Dialogue defined under article 8, offers the legal framework for such a constructive approach, moving away from systematic recourse to suspension and sanctions.
- Design a **regional strategy**, inserting the specific country situation in its broader context, and linking the interventions in neighbour countries bound by a common crisis or conflict. In theory, Regional Indicative Programmes are foreseen, but their planning and implementation has been rather limited, and particularly in conflict affected regions.
- Launch **an inclusive political dialogue** as a means towards the constructive engagement. This inclusive political dialogue will require to include all the groups having a stake in the violence and having an impact on the resolution of the crisis: the governments (central, local and “parallel”), non-armed political opposition or “pressure” groups, the political authorities of neighbour countries, the rebel forces, the regional institutions and international actors. While there has been little practice of an inclusive dialogue so far, the new legal framework details the role to the “new actors of development” (see p.19), the challenge will be to adapt the instrument to the specificity of war-torn societies.
- Adopt a **multilevel country strategy** adapted to specific needs and authority structures in different regions within the country. Multilevel strategies allow having all aspects of humanitarian, rehabilitation and development to run concurrently and to respond to differentiated needs of a given country.
- Base strategies on **thorough understanding of the dynamics of conflict** and underlying stakes, and

on development's role in crisis environment, identifying the root causes of the conflict to address the reasons for the crisis, requiring both analysing and defining the situation.

- **Mainstreaming conflict prevention and peace building** in all sectors of interventions. The EC is currently starting to generalise the use of conflict indicators as part of the programming exercise.

The strengthening of **link between CFSP and development policies** could improve the impact, policy coherence and credibility of European interventions. This includes a more strategic use of political dialogue, whose effectiveness could be enhanced through targeted use of technical development cooperation instruments.

In this context, some key 'how' questions arise that could lead further debates on the issue: How to operationalise an inclusive political dialogue? How to link political and development instruments in a conflict affected environment? How to build capacity of technical ministries or local authorities without legitimising government or opposition groups politically? How to bring together belligerent neighbouring countries into a common regional strategy around shared development goals?

3.2 Actors

Understanding the role and added –value of the different actors on the ground to improve the impact of development in conflict affected countries is another major challenge identified in the case studies. Also here, two policy directions for the future come out forcefully of the case studies. First, the need to broker an effective **public-private dialogue and partnership**, which respects and strengthens the roles and responsibilities of the different actors. Second, the development of a solid, comprehensive donor strategy to support civil society in its efforts in relation to conflict prevention, peace-building and development.

- **Brokering a public-private dialogue and partnership** is one of the prerequisites for a sustainable approach to crisis and conflict affected countries. This requires adopting a much more sophisticated approach to cooperating with governments. While acknowledging the constraints and dangers (e.g. in providing “legitimacy” to government), institutional development (aimed at rebuilding state capacity) should be a primary aim of cooperation. The effective integration of other development players (as required by the Cotonou Agreement) may help to counterbalance state power, while paving the way for public and private dialogue and partnerships in addressing pervasive development challenges.
- The potential added value of “**new actors**” of development has been under-utilised so far in working towards peace, reconstruction or development. There is a need for donors to shift from using civil society (and other actors) primarily as agents of implementation to working with them as “actors” with distinct roles and responsibilities in their own societies. This will mean the finding of a balance between the principle of inclusiveness and the critical awareness of the legitimacy of actors and their agendas in the conflict.

A deeper reflection on practical experiences could be most useful with regard to the following questions: How can long-term institutional development support to state authorities be reconciled with the need to keep a critical distance? How can donor agencies effectively contribute to gradually rebuilding democratic, accountable and capable states in conflict affected countries? How can cooperation with state authorities be combined with a fairly autonomous support to civil society? What are the most effective ways and means to help building a strong, active and representative civil society?

3.3 Instruments and Aid management

With regard to managing aid in conflict countries, practitioners interviewed are clear about required policy changes aiming primarily at increasing **flexibility**, in order to **respond faster** and in a more appropriate manner to the fast evolving environment and the complexity of the situations of conflict affected countries: First, there is a need to further decentralise responsibilities to the field. Second, expectations are high with regard to new forms of programming (such as the multi-annual rolling programming system introduced in the Cotonou Agreement):

- The **decentralisation of decision-making and management responsibilities** will require further adaptations in the procedures and funding systems. Despite the constraints imposed by the legal framework, the EC may find inspiration in successful experiences with decentralised management, including by EU Member states (e.g. the Netherlands).
- In principle, the Cotonou Agreement makes it possible to use **programming** as a strategic tool for targeted forms of support, combining aid, politics and trade while ensuring flexibility and performance. Yet much remains to be done to operationalise this new framework, including with regard to appropriate financial instruments, adapted to complex needs of conflict countries. Experience shows that **framework approaches** covering all aspects of humanitarian, rehabilitation and development are more appropriate for the dynamic environment of conflict affect countries than rigid strategies.

In this context, the following questions will merit further attention: How to combine decentralised aid management and political control of EU Member States? How to ensure quality of interventions despite spending pressures at local level? How to develop adapted financial instruments (sector wide approach, budget support, budget lines)? How to make effective use of local funds?

3.4 Institutional Reforms and Capacity Building Measures

The case studies indicate that there is a need for capacity development at different levels of cooperation. Taking into account the human and financial constraints under which donor agencies have to operate, the call for “more qualified staff” is unlikely to be met in the short term. The challenge is also to ensure an effective **pooling and utilisation of existing resources, including local capacities**. Furthermore, it is clear that internal donor reforms (such as the major reform of EU external aid) can impact (positively or negatively) on future cooperation efforts with conflict-affected countries. For instance, the EU reforms decided in Brussels may (unintentionally) lead to less (bureaucratic) flexibility, thus further reducing the scope for effective action in the field. Hence, a second priority for the future is to **closely monitor the EU institutional reforms** from the perspective of effective cooperation with conflict affected countries.

In order to further consider the issue, the following questions should be addressed: How can the “capacity deficit” be addressed, particularly at the level of local donor representations (such as EC delegations)? What creative ways would make it possible to pool knowledge and expertise, including local capacities? How would it be possible make a more effective use of Member States’ expertise through detached experts in the field? How to proceed with the creation of a European pool of expertise? How could the linkages with UN agencies and other actors be improved?

In conclusion, for each of these four challenges (*Strategies; Actors; Instruments and Aid Management; Institutional Structures and Capacity Building Measures*), the EU has started to adapt its strategies and instruments. Many efforts are made towards improving the impact of EU development aid in conflict affected countries, among which: the provisions of the New ACP-EU Partnership Agreement signed in Cotonou in June 2000, the improvements of its Programming Guidelines, recent Communications (on Conflict Prevention, on Linking Relief, Rehabilitation and Development amongst others), and ongoing reflection on conflict indicators or “yearly survey on conflict prevention”. Therefore within an EU policy environment that is more adaptive and appropriate to achieving a sustainable positive impact in conflict affected countries, the principal challenge is in ensuring the effective implementation of these policies.