

*Reforming European Development Cooperation:  
What do the practitioners think?*

*Terhi Lehtinen*

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## Why hold an electronic forum to discuss European cooperation?

Reforming the European Community's (EC) external aid<sup>1</sup> is crucial for improving the quality and effectiveness of European development cooperation. Many actors involved in cooperation have expressed their willingness to engage in a dialogue on such a reform in a constructive spirit. However, the intra-European institutional setting, based in Brussels, makes it difficult to engage in a genuine dialogue with multiple voices.

In this context, the European Centre for Development Policy Management (ECDPM), together with the EU-ACP Forum, the Foundation for the Progress of Humankind (FPH), OneWorld and Euforic, organised an electronic forum on the EC reform from 8 September to 3 November 2000. Although the forum constituted the third stage of the debate on the EU-ACP forum,<sup>2</sup> it nevertheless included participants from geographic regions all over the world (i.e. Africa, the Caribbean, the Pacific, the Mediterranean, Latin America, Asia and the countries of the former Soviet Union). See Annex I for further information on the methodology used.

The forum aimed to fill the gap between the proposed reforms and the day-to-day reality of cooperation. It encouraged the European Commission, the Member States, the European Parliament, the EC Delegations, civil society actors and partners in developing countries to express their valuable views on the reform process and on the future of European cooperation in all regions. The aim was to break down boundaries of communication between groups of actors at different levels of cooperation, who do not usually talk to each other.

The forum became a community of 250 French-speaking and English-speaking people in many parts of the world, both North and South. The messages published in the forum also circulated widely among people who were not directly subscribed to the forum, in both the North and the South.

The initial idea was not so much to discuss the internal reform of the Commission as to assess to what extent the European cooperation framework corresponds to the real needs of the Southern countries, and to see if the results achieved by cooperation are consistent with its stated objectives. Interestingly enough, the forum also became a platform for a relatively technical debate on how to improve the Commission's internal structures and working methods, based on suggestions made by practitioners of day-to-day cooperation.

Behind the institutions, there are people who think, have opinions, disagree with their superiors, and have plenty of constructive ideas on how to improve their daily work in the EU's development cooperation. Bringing these ideas into the limelight, even anonymously, is the first step in democratising cooperation beyond the limited circle of decision-makers.

Active as it was beyond the debates involving the internal dynamics of the European institutions, the forum also received very strong messages and constructive proposals from the Southern actors. The quality of debate was also improved by interesting insights on the Commission from the Delegations,<sup>3</sup> desk officers and senior officials. Some Member State representatives and European parliamentarians used the unique opportunity to sound out a wide range of actors from the field of cooperation. The results of the debate were presented in the form of '10 key messages' to the Development Council in November 2000 (See Annex II).

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<sup>1</sup> For further information on the reform, see ECDPM working paper No. 16: [http://www.oneworld.net/ecdpm/pubs/dp16\\_gb.htm](http://www.oneworld.net/ecdpm/pubs/dp16_gb.htm)

<sup>2</sup> See <http://www.ue-ACP.org> and <http://www.oneworld.net/thinktank/eucoop/eureform.htm>

<sup>3</sup> We especially welcomed the interest shown by partners in TACIS countries, who are not often present in development-related discussions. TACIS provides assistance to the countries of the former Soviet Union.

## Topics of discussion

The forum coordinators proposed discussing the following three topics, all of which are closely linked to the reform of the EU's external aid:

### 1. How can the quality of European cooperation strategies be improved?

European cooperation is insufficiently founded on realistic and appropriate cooperation strategies. Policies are guided by legal and financial instruments instead of clearly defined objectives, cooperation priorities and adapted country-level, regional or sectoral strategies. The current system of multi-annual programming is weak, because it reduces 'strategy' to a group of projects, selected and implemented without any dialogue with local actors on the ground. Also, many political priority areas (e.g. the fight against poverty, support for civil society, cooperation with conflict-affected countries, and support for decentralisation) lack coherent strategies.

Several reform measures have been designed so as to strengthen strategic objectives in relation to implementation resources. The EC aims to ensure that its policy priorities are consistent with the available resources by linking them to international development goals. The EC also wishes to link political objectives to new management modalities (with multi-annual programming as a key element), to better articulate aid, trade and political instruments and to create a new culture of 'collective management', especially in relation to the formulation of priorities and cooperation strategies.

Participants were asked to give their thoughts on a number of issues, based on their own experience:

- How can we ensure that there is effective dialogue among the various components of civil society in partner countries, and how can we adapt cooperation strategies and priorities to their needs?
- How can we manage new, ambitious systems of strategic planning? How can we avoid excessive bureaucracy? Under what sort of conditions could a culture of 'collective management' function?
- How can we define realistic implementation strategies in the Commission's priority areas or sectors of intervention?
- What kind of monitoring mechanisms are needed to ensure the aid provided is of high quality?
- How can we find a practical solution to the Commission's lack of institutional capacities in the area of strategic policy formulation?
- What kind of internal organisation (i.e. structures, division of tasks) is needed to ensure better 'unity' between conception and action?

### 2. How can the complementarity among donors be enhanced?

Debate on the complementarity, coherence and coordination of cooperation by the Commission and the Member States of the European Union dates back to the Maastricht Treaty in 1992. Various resolutions and Council conclusions have affirmed a joint commitment to complementarity, although in practice a lack of coordination often undermines the effectiveness and credibility of European cooperation.

As part of the current reform process, the Commission proposes to strengthen complementarity as a management tool. The aim is to restore confidence in the EC's capacity to deliver aid effectively and to enhance the credibility of European external assistance. In future, the direct involvement of the Commission is to be limited to certain priority sectors in which the EC has a comparative advantage. This includes the management of EC funds by Member States in areas in which the EC is not directly involved. This requires a serious effort to harmonise and simplify procedures among European donors. Similarly, producing Country Strategy Papers (CSP) on a joint basis would improve the coherence of European policies. Coordination with the World Bank's Comprehensive Development Framework (CDF) and the International Monetary Fund's (IMF) Poverty Reduction Strategy Papers (PRSP) is

also important, as both aim to improve the coherence of donors' intervention in the field of poverty reduction.

Participants were asked to answer several questions in this connection:

- What are your experiences with operational coordination among donors in partner countries?
- What is the role of partner countries in terms of coordination?
- How can we best improve coordination, information sharing and the division of responsibilities on the ground?
- What is the added value of Community aid and how can it be measured?
- What are the implications of the co-management of EC funds by Member States? What would be the impact on the bilateral aid emanating from Member States?

### **3. How can decentralised aid management be adapted to field realities?**

The reform proposes to decentralise the management system by increasing the autonomy of EC Delegations in relation to financial, technical and even political (e.g. policy dialogue and complementarity) issues. Under which conditions could Delegations contribute to the relevance and efficiency of cooperation relations?

Again, the participants were given a number of questions to answer, on the basis of their own experience:

- How can Delegations contribute to the evolution of cooperation practices that are better adapted to field realities? Are they able to play a role in monitoring the quality of cooperation and will their views be taken into account at headquarters?
- How can lessons learnt on the ground be integrated into the work performed by services in charge of identification, implementation, programming, and the monitoring and evaluation of programmes?
- As compared with headquarters, how much financial and administrative autonomy can Delegations have in identifying and managing cooperation?
- How can we adapt the current control systems to decentralised forms of management?
- Are Delegations capable of participating effectively in political dialogue and in strategic programming in partner countries? How could the Delegations' diplomatic responsibilities be better articulated with bilateral representations of Member States?
- How should we allocate the necessary resources once these have been adapted to take account of the new role played by the Delegations?

## **Main suggestions made by the Forum**

The forum allowed us to accumulate, in a relatively short period of time, views and opinions, illustrations based on practical experience, strong criticism and constructive proposals, as well as the new ideas that constitute the ‘critical mass’ of this paper, which attempts to synthesise some of the main issues raised in what was a very rich debate. The following chapters highlight the main findings of the electronic conference.

### **1 Clarify the orientations of the reform process and create institutional space for European development policy**

*‘There is a confusion between concerns over the Commission’s internal management structure and the overall priorities of the EU’s external assistance.’ (EC official)*

*‘Reforming Europe’s foreign aid may seem simple a priori, but it is certainly complicated for us in the South, because the Commission remains an incomprehensible machine to us’. (Local partner, Cameroon)*

The participants discussed the orientations of the reform process and, in particular, the future of European development policy in the overall structure of the EU’s external relations. The participants identified the following key challenges for the reform process:

#### *Elaborate a clear political vision and objectives for the European Commission*

Some participants stressed that the reform should start with a clear political vision in order to respond to deeply embedded problems, which, if not addressed, will continue to undermine the whole reform process.

One participant observed ‘a serious drift in the reform process’, because the reform process appears to ‘put in parallel a rhetoric on the objectives (such as poverty reduction) and a reform of management tools, which have no relationship with the stated objectives. It has to do with the very nature of the reform: the rhetoric is specific to international cooperation; whereas the reform of management involves all the Commission services’. Indeed, the overall administrative reform of the Commission (known as the ‘Kinnock reform’) coincides with the overhaul of the EU’s external assistance and the design of a European development strategy, and this has created confusion in the debates. In particular, some participants observed that the rhetoric on a poverty focus can only become convincing if a clear and transparent approach to the EU’s external policy is set out.

#### *Clarify the positions of the various European institutions on the direction of the reform*

Certain participants reiterated that the EC reform could not be effective without the involvement of Member States in the process. The Commission has apparently been reluctant to discuss the reform with other institutions. At the same time, the Member States often criticise the EC’s lack of poverty focus, although this is mainly the result of decisions taken by the Council on the basis of the Member States’ own interests. One EC official even argued that ‘there seems to be a wider political agenda coming from the EU Member States to dismantle EC aid.’ Participants noted that the Member States imposed stricter control mechanisms on EC programmes than on their own bilateral programmes.



Another EC official argued that ‘the only way to bridge the gulf between the EU’s stated political objectives and reality is to create a political consensus (that is now lacking) between the Commission, the Member States, the European Parliament and the press on the objectives of aid and the nature of aid delivery.’

*Reconcile stated political objectives and the reality of bureaucratic management*

A number of participants commented that the Commission was a unique institution and that, therefore, management techniques should be adapted to its complex reality. The Commission has experienced many administrative reforms, but the challenge now is to effect a *management reform*. The reform process should move from the current situation of ‘crisis management’ to a new and improved system of management. Most European actors would appear to be more aware of the importance of matching priorities to existing resources, which is really a radical change. However, it will take couple of years before the Commission’s house is ‘in order’ and fully working with the new system.

**Box 1: Example: Message from an EC official**

**\*\*Title: Ten Questions for Commissioner Kinnock Neil Kinnock, in charge of the Commission's administrative reform - and anybody else willing to ponder on these matters.\*\***

1. Why do we write so many notes and talk so little to each other (not to mention listen to each other)?
2. Why is scoring points (against somebody) more important than achieving results (with somebody)?
3. Why is there so much suspicion and control and so little trust and accountability? What is the cause and what is the effect?
4. Why do we have to sign for so much and take responsibility for so little?
5. Why do we have Procedural Manuals whereas other people have Operating Manuals?
6. Why do we have Control Counterweights whereas others have Operations Committees?
7. Why do we have hierarchy whereas others have management?
8. Why do we have Task Managers whereas others have Operational Leaders?
9. In our external assistance programmes, what should the trade-off be between short-term political gain and long-term development impact?
10. How come, despite everything, we still get so much done?

Questions sent by an EC official to the Forum.

### **Box 2: Quotation on the nature of bureaucracy sent to the Forum by an EC official**

‘Bureaucrats are blamed for showering the public with forms and counter-forms and applications and reports to such an extent that farmers often spend more time filling in forms than planning the future of their farms. The besetting sin of bureaucracy is the need to supply itself with work. There is a fear that, if the paper flow should slow down, a bureaucrat will become redundant. Just as a farmer produces crops or a manufacturer produces goods so a bureaucrat produces paper, which is not always the same as information. Professor Parkinson’s famous law that work expands to fill the time allotted to it applies both to work and to paperwork. Unfortunately, the work produced by bureaucracy requires outside form-fillers to play their part. This is always difficult since forms are designed more for the convenience of the bureaucrat than the public.’

Edward De Bono (Word power, Penguin Books)

### *Create institutional space for European development policy*

Participants were concerned that ‘powers in relation to development are increasingly shifting to the Commission services in charge of external relations and to EU foreign ministers’, which means there is a risk of ‘relegating’ the Development Council and the DG for Development and ‘subordinating’ development policy to foreign policy. Indeed, EU foreign ministers are focusing increasingly on the issues of coordination, effectiveness and complementarity of development cooperation.

An ACP official observed that ‘the re-organisation of the Commission services and the establishment of new EuropeAid office appears to reflect a ‘withering away’ of the concept of development, both ideologically and institutionally, in the EU. The EU’s external priorities seem to be shifting towards broader foreign and security policy objectives and trade concerns while development policy is being reduced to the ‘technical’ management of aid flows.’ A Member State representative was more positive, arguing that, ‘with the strengthening of EuropeAid and the Delegations under the EC management reforms, the role of the DG Development is set to change. This is an opportunity for the DG for development to move away from its old role, when it was perceived by some as being the ‘DG ACP’, and truly become the DG promoting development.’

## **2 Bring development strategies closer to field realities**

*‘There is a very real and serious gap between EC policy and implementation. The Cotonou Agreement, for example, is full of fine words on ‘partnership’, but how these are actually implemented will determine how effective EC aid will be.’ (EC official)*

*‘The experience that we have of the strategies of cooperation set up by the EU is that we do not know much, either about the mechanism of their production or about the purpose of their execution.’ (Southern participant)*

Various Southern participants stressed the fact that local actors do not understand European cooperation strategies. Consequently, European cooperation strategies are often perceived as ‘imposed’ and ‘coercive instruments of pressure’ at a local level. There is a gap between European decision-making bodies, which decide unilaterally on strategies in Brussels, and ‘grass-roots actors’, who have contacts only with ‘intermediary structures’. The EC Delegations are perceived as ‘missions of surveillance’ due to the general lack of confidence in and trust of local actors. A number of participants made constructive proposals for bringing strategies closer to the reality of cooperation:

### *Place co-defined strategies at the heart of cooperation*

The logic of 'imposed' strategies could be changed by placing the formulation of 'co-defined' strategies at the heart of a multi-actor dialogue at different levels (i.e. local, national, sub-regional, regional and EU-ACP). The change of logic requires a dialogue process with actors and a shift from a relationship of control to a relationship of confidence. This long-term partnership also requires a permanent reform and adaptation of the evolution and 'pace' of actors. A Southern participant argued that 'this is a good opportunity to challenge the delegates and officers of the European Commission as much in Brussels as in the ACP countries. It is time for them to reconsider their present transcendent position of 'masters' and become real actors of cooperation together with local actors.' Other participants suggested that the EC should inform target populations about changes in projects in order to develop trust on the part of the beneficiaries. EC Delegations should set an example in terms of transparency and accountability, which partner countries often considered as being no more than technical terms.

### *Bridge the gap between strategies and their implementation on the ground*

Some participants observed a critical gap between the grand ambitions of EU strategies and their implementation in practice. The key issue is to ensure that strategies and principles, as set out in the proposals for the reform of the Commission, are implemented and do not join the long list of fine but unrealised policy statements made in the past. However, general strategic documents offer only little relief and operational guidance to people in the field. For example, local governments are an increasingly important actor in ACP-EU cooperation. They are key actors in decentralised cooperation processes. Yet despite their growing importance, the EC has no consolidated strategy for supporting, in a coherent manner, decentralisation processes and local governments. Again, interesting things are happening in the field, but there is no real process of learning from these experiences, nor any attempt to formulate a more specific and practical set of strategies to support effective implementation.

One participant suggested that a possible way of building policy formulation capacity at the Commission would be by managing the whole process in a much more participatory and decentralised manner. Rather than hiring (European) technical experts to produce implementation guidelines (e.g. on support for civil society), the EC would be well-advised to 'go and talk' with the various local actors directly involved and to support decentralised processes of policy formulation. Other participants pointed out that using local experts in projects may improve the effectiveness of cooperation and contribute to a better understanding of local conditions and culture, which are prerequisites for sustainable cooperation. A local partner from Russia (TACIS) argued that 'projects that do not use cooperation between local and EU experts have simply failed, because of a lack of understanding of local conditions and culture.' Another participant suggested that another way of building capacity for policy formulation was by applying the principle of complementarity in the field of strategy development. All donors face the same challenges of developing practical guidelines for implementation, yet they often fail to pool their resources and capacities.

### *Recognise the strategic nature of the programming process*

Some participants suggested that the EU's development aid must be seen as part and parcel of an overall vision of the EU's economic, trade and foreign policy relations. EU officials should feel concerned by the politics of the country and region instead of focusing only on the technical aspects of development aid. An EC official cited the example of Haiti, where serious irregularities in the legislative process and local elections had violated the essential elements of EU-ACP cooperation (i.e. human rights, democracy and the rule of law), leading to a consultation process and eventually to the suspension of cooperation. The political consultation process with the Haitian government came at the

point when the programming of the 9th European Development Fund (EDF) should have started, and the EC Delegate found it difficult to persuade technical experts to resume technical negotiations with a government that had violated the basic political principles of cooperation. This illustrates the importance of linking political analysis to technical support for development.

This awareness of the EU's overall interests could be enhanced through a systematic collection of information prior to the programming process. Participants agreed on the key role played by the programming exercise in the development of strategic considerations. To date, programming has been more theoretical than practical, more conceptual than operational. Dialogue, if any, has involved only a very limited circle of actors. However, the 9th EDF calls for a more dynamic form of programming. The programming exercise could be more realistic if, on the one hand, it took into account the inclusion of aid policy in the EU's political and trade orientations whilst, on the other hand, it was more pragmatic and accepted the principle of limiting the EC's contributions to those fields in which it enjoyed a comparative advantage.

### **Box 3: Example: Support for civil society**

The European union has announced its intention of cooperating with civil society on several occasions. The Cotonou Agreement commits the parties to backing the emergence of civil society, but remains silent as to how this should be done. The Agreement contains vague notions of 'consultation' with civil society and 'dialogue with beneficiaries on strategies and implementation' in the programming process. Participants raised the following key challenges in relation to cooperation with civil society in the South:

#### **Identification of legitimate partners**

In developing countries, the choice of legitimate representative organisations is complicated because NGOs are mushrooming in areas where resources are available. Some participants urged caution in the selection process. Southern participants noted that it was difficult for civil society in the South to enter into a dialogue with the EC, which is often sceptical as to the trustworthiness of new actors. Also, local staff in Delegations are often too busy to fully support local civil society.

#### **Need for capacity-building in civil society**

A number of participants pointed out that Southern NGOs are 'limited in terms of information, equipment, and knowledge on the functioning of EU bodies.' This underlines the importance of assisting civil society to structure itself and build its capacities.

#### **Effective structures for the programming exercise?**

Various participants argued that civil society should first organise itself at a national level, then at a regional level, so as to become actively involved in compiling national and regional indicative programmes.

#### **Mobilisation through decentralised cooperation?**

Various participants noted that the involvement of civil society requires a 'cultural revolution', which will take time, political courage and institutional creativity, as well as a learning process in which the DG for Development might already have the necessary expertise and a comparative advantage. Various actors, resources and capacities will have to be mobilised in the context of deconcentration and local development.

### 3 Promote complementarity between the Commission and Member States

*'EU Member States have a fundamental choice: re-nationalise the management of EC aid or fully support the reform of EC aid such that it is managed in the same way as their own aid.'* (EC official)

*'Complementarity must not be decided one-sidedly, nor at the top of donor agencies, otherwise it becomes a kind of 'plot' against the local populations. Complementarity must be the fruit of a joint initiative between donors and local actors.'* (Civil society representative, Cameroon)

Various participants expressed their views on how to improve complementarity and coordination between the European Commission and the Member States. The debates also focused on the potential areas in which the EC's development cooperation could add value. The possibility for Member States' national agencies to implement Community programmes was also discussed. Participants highlighted the following aspects:

#### *Focus on complementarity and coordination among donors*

A number of participants identified a lack of political will among the Member States to co-ordinate with the Commission as being one of the major constraints. They suggested that the flow of information in the field should not be 'one way' from the EC to the Member States. The Member States should inform the Commission on what they were planning to do in the coming years, and not simply provide information on what they had already done.

One EC official observed that 'effective coordination between the Commission and the Member States is often hindered by strict procedures, making co-financing impossible due to the EC's inability to meet deadlines for commitments.' At the same time, another EC official argued that the 'current media campaign exaggerates the Commission's faults and implies that EU Member States' programmes are better.' He also noted that 'Member States refuse comparative evaluations of programmes in the non-EU countries in which they work', and concluded that 'EC aid is no better or worse than aid provided by other donors.'

Certain participants observed that on-the-spot coordination is hindered by the fact that most Member States have no development representative or advisor on the spot. In the current system, Delegations and Member States hold regular coordination meetings, but these are often limited to information sharing as most decisions are taken in Brussels or in the Member States' capitals. The complementarity of donor approaches would be improved by decentralising cooperation and harmonising procedures.

The participants stressed that EU coordination should not duplicate existing mechanisms, such as the PRSP (the IMF's Poverty Reduction Strategy Papers) and CDF (the World Bank's Comprehensive Development Framework) processes. It was particularly important for the EU to participate in the strategic analysis of multilateral donors. Some participants argued, however, that the EC could provide added value vis-à-vis other donors by pre-coordinating the 'EU package' with Member States, before bringing issues into a wider form of donor coordination.

Finally, a number of participants observed that strong leadership by the partner country is essential for truly effective coordination and complementarity. In fact, intra-European coordination can only work if the beneficiary country takes the lead in an active and positive way.

#### **Box 4: What are the areas of 'added value' for EC aid?**

The Commission has suggested focusing its development cooperation on six priority sectors (i.e. capacity-building in trade, regional integration, macro-economic and sectoral policies, transport, food security and good governance) selected on the basis of the EC's comparative advantage and the poverty focus. The participants suggested the following as being areas in which the EC could offer added value:

##### **Doubts about the EC's added value in relation to poverty focus?**

Participants had observed a shift in rhetoric away from 'poverty eradication' to 'poverty reduction' in recent policy documents. One participant questioned the added value of the EC in relation to the objective of 'poverty reduction'. After all, a vast range of activities can contribute more or less to the objective of poverty reduction, and all agencies talk about 'participatory processes' and 'pro-poor development', so how could one make any distinction?

##### **Concentrate on the sectors of comparative advantage**

Some participants suggested that the EC should limit itself to the 'fields' it knows best, namely structural adjustment, infrastructure and development (see box). By contrast, other participants observed that the choice of infrastructure as one of the EC's priority areas seemed to serve European economic interests more than development priorities. An EC official noted that 'the use of quantitative indicators (a focus on disbursements instead of quality) has resulted in the selection of certain priority sectors (for example, infrastructure) on the basis of the rapidity of disbursements instead of their contribution to poverty reduction.'

##### **Support for regional organisations and information technologies in the South**

Various participants said that it was difficult for the EU to adapt its complex mechanisms to grass-roots realities and, consequently, to fund local initiatives. Instead, the EC could enjoy a comparative advantage by supporting African transnational organisations, mechanisms of regulation and supranational development, and by coordinating experience-sharing among Member States, partner governments and NGOs. Conflict prevention and support for information technologies in Southern countries were also cited as potential priority areas.

##### **Pro-human rights development?**

One participant suggested that the EU could distinguish itself from other donors by focusing on 'pro-human rights development'. The EC could improve its credibility by using human rights more positively in its programme guide instead of sanction mechanisms. Human rights could be used more effectively as a policy instrument and a policy goal.

### **Box 5: Three ‘trades’ that the Commission knows best**

Message sent by an EC official.

We are proposing here to gather the experience acquired by the Commission in development aid under the banner of three ‘trades’, designated by the following labels:

- ★ ‘adjusters’, in charge of structural adjustment;
- ★ ‘builders’, responsible for large-scale infrastructural works and facilities;
- ★ ‘developers’, who support the development of their national partners. It is in this field that European cooperation can bring a specific added value, providing that it organises it and capitalises on it.

#### **‘Adjusters’**

Adjustment involves not only macroeconomic analysis and budgetary aid, but also institutional support. Since the end of the 1980s, the Commission has played a role in the structural adjustment of the ACP economies. It has gained experience and developed processes, together with its partners, i.e. the World Bank and the IMF.

The Commission has specialised in health policies and the management of the education system: besides budgetary aid, it provides institutional support directly for the improvement of performance in these sectors. This specialisation can and must be further improved. The Commission has taken the lead in piloting structural adjustment, on the basis of ‘result’ indicators and no longer on the basis of ‘means’ indicators.

#### **‘Builders’**

We need to be more realistic and pragmatic in making better use of our potential of ‘builders’. ‘Builders’ are, as their name suggest, those who build roads, bridges, ports or airfields, as well as hospitals, schools, universities and dams, water conveyance and irrigated perimeters. For a long time, this function of ‘builder’ was a speciality of the Commission and, until the 6th EDF, it was practically the exclusive focus of European aid. The EC has accumulated a great deal of experience and skill in this field, so why not continue?

Nowadays, more is required from the partner country, which needs to set up an adequate sectoral policy for the infrastructure sector. These requirements are sometimes too demanding. Also, implementation procedures in the infrastructure sector could easily be harmonised and made more effective.

#### **‘Developers’**

Our ‘developers’ aim to support the endogenous development of partner communities. Whilst the European public has supported development, the present system of European cooperation has led to disappointment.

Yet instruments of cooperation are not lacking. Indeed, they are even too numerous. There is a tremendously wide range of instruments in operation as a consequence of fragmentation and a failure to capitalise on past experience. The problem lies more in the cooperation system than in the development process. Effective cooperation requires a constant effort to listen to local partners.

### *The implementation of EU programmes by Member States or the re-nationalisation of the EC's development cooperation?*

A few participants suggested that the Commission should delegate certain supervisory and administrative tasks in relation to project implementation to Member States' institutions on the basis of 'co-funding'. One Member State representative argued that 'using the resources of implementing agents in the Member States is an option in cases where this can contribute to the more efficient implementation of EU external assistance.' A stronger involvement of the Member States could create efficiency gains at all levels by relieving both the Commission's capacities for major political dialogue and partner countries' administrative capacities, which are often overwhelmed by the Commission's bureaucracy, and also by accelerating the disbursement of funds.

Other participants, however, saw the Member States' role as being mainly in decision-making and less in the implementation of community programmes. They were concerned about the future of 'European aid' if certain Member States should become actively involved in the implementation of EC programmes. A European NGO representative argued that 'an excessive specialisation of the Commission's activities could, in fact, be convenient for some Member States that have big development cooperation organisations, but would not necessarily suit the interests of other smaller Member States nor, especially, the interests of beneficiary countries.' The future relationship between community funds and bilateral programmes, as well as the role of partner countries remain unclear and need to be further defined.

## **4 Improve the quality and effectiveness of European aid**

*'One of the main tensions that faces an aid administrator is that between time and quality. The indicators most commonly used to reward aid administrators in the European Commission are sums committed and sums disbursed. Projects are often selected more because they allow rapid commitment and disbursement than because they form the best contributions to poverty alleviation.'* (EC official)

*'One needs to be available, to listen, to be ready to intervene quickly, without procedures or excessively long waiting times. We need to be in a position to seize opportunities for, in this field, the most precious asset is not finance, but people.'* (EC official in Delegation)

### *Enhance the quality of European aid delivery*

A number of participants pointed to the contradiction between the need to disburse money quickly and the need to guarantee the quality of aid delivery. One EC official remarked that 'the debate on quality is muddled by annual budget cycles, which impose important 'psychological' disbursement pressures at the end of the year. Programming is often disconnected from budgetary cycles, and this affects quality.' He also added that 'the main quality constraint is a lack of resources.' Various participants urged the EC to improve its administrative efficiency by addressing the problems of slow, bureaucratic and complex procedures. At the same time, assessing the needs of beneficiaries by consulting local populations was recognised as being a process that takes time. For this reason, an attempt to accelerate procedures may in some cases lower the quality of interventions. The role and status of evaluations should be boosted, and rewards for staff should be distributed based on positive evaluations and qualitative indicators instead of on purely quantitative targets.



## *Guarantee effectiveness through policy coherence and consistency*

The participants suggested that the coherence of the EU's external relations could be improved if all commissioners dealing with matters affecting developing countries (e.g. RELEX, agriculture and fisheries) formulated common priorities and ensured that policy in the various sectors was coherent. One participant pointed to the regulatory function performed by the European Parliament as a means of promoting coherence. On the other hand, another participant called for the Commission to be given greater autonomy and for the European Development Fund (EDF) to be budgetised in order to improve the consistency of the European approach.

## **5 Introduce decentralised aid management**

*'The decentralisation of cooperation would reduce the gap between the general objectives drawn up in Brussels and the implementation of programmes.'* (Rwandan researcher, Belgium)

*'Local participation requires both information and education. Without participation, the decentralisation of cooperation remains wishful thinking.'* (Southern participant)

Most participants agreed with the introduction of decentralised aid management. They argued that deconcentration to EC Delegations has several advantages, such as a reduction in the delays that characterise the implementation of EC projects, the facilitation of dialogue and coordination among donors agencies in partner countries, and an improved implementation of the Cotonou Agreement through multi-actor cooperation. However, there were also felt to be limits on the degree of decentralisation that could be achieved. In particular, there was a risk of the people on the ground not being able to cope with the greater pressure exerted on them.

### *Manage deconcentration to EC Delegations*

The participants suggested that the work of the Delegations could be improved by re-training and recruiting a new type of staff with specific skills, particularly in financial management. Deconcentration should follow the principles of subsidiarity, i.e. the EC should decentralise whatever tasks cannot be performed better at its Brussels headquarters. Many participants were adamant that the process of deconcentration could succeed only if the Delegations were prepared to accept new tasks and were staffed by properly trained personnel who possessed the right skills. An ACP official argued that 'deconcentration to Delegations would require a major training and capacity-building effort, as well as changes in firmly embedded attitudes and working methods'. Also, deconcentration was said to be unrealistic unless the European Parliament granted supplementary credits for human resources (part B of the budget). A number of participants underlined that the reform process should prioritise improving the information and communication policy in order to mobilise all Commission services, Delegations and external partners and to improve the common RELEX culture. This would improve the quality of decision-making, analysis and the transfer of information in the context of deconcentration.

### *Decentralise and democratise the structures of development cooperation*

The participants raised the question of decentralising cooperation by taking account of local needs and interests. An EC official asked 'how much our assistance should benefit the people rather than those currently in power, whose democratic legitimacy might well be questionable?' A Southern participant argued that 'EU cooperation remains a mystery to ACP citizens. It is open only to those who are fortunate enough to regularly tread the corridors of power or who have a certain affinity, most often tribal or sectarian.' A number of Southern participants urged the EU to consider supporting

programmes aimed at raising public awareness, in order to increase public interest in the management of public affairs and to break the chains of ignorance and obscurantism. They argued that decentralised cooperation could be successful only if it gave voice to 'the poor', who were waiting to take responsibility for themselves. Participants also called for a wider dissemination of information as well as awareness-raising on the Cotonou Agreement.

Various Southern participants called for the reorganisation of cooperation structures in order to achieve genuine participation on the part of beneficiaries. It was suggested that the Southern countries should be more closely involved in strategic planning, so as to make EC officials more aware of their own priorities. The EC should strengthen the capacities of Southern actors to define their own priorities. The participants also commented that it was difficult to put the 'fashionable' concept of decentralised cooperation into practice. This was due to strict control mechanisms that transformed local creativity into formal instruments of cooperation and payment procedures. They suggested that *ex-ante* control should be replaced by *ex-post* collective assessment based on dialogue and the equality of stakeholders.

### **Box 6: Example: message sent by NGO representative from Kenya**

**\*\*Title: Decentralisation is necessary for achieving the EU's strategic goal of poverty reduction\*\***

Most of us in the ACP countries do not understand the EU's working mechanisms. There is therefore a need to decentralise decision-making closer to the field (i.e. the partner countries). Delegations in the partner countries may be in a better position to understand the cultural, political and economic realities of the beneficiaries and hence in a better position to make a positive decision on how to bring aid to the target population and attain the key strategic goal of poverty reduction, than if such a decision were to be taken at headquarters.

The current system leaves a lot to be desired. The EC office in Kenya, for example, claims to be working directly with the grass-roots communities towards the alleviation of poverty. How exactly is it possible for officials working in an office in a capital city (Nairobi) to understand better the needs of rural communities with whom they claim to be working?

A few months ago, I was discussing with a friend the EC system of working with grass-roots communities and we both arrived at the conclusion that the system is not transparent, is ineffective and can rarely claim to be reaching the affected people in a more positive way. In fact, we felt that, instead, it actually demoralises the poorest people on the ground by devaluing their efforts.

#### **Example**

One grass-roots group applied for assistance from the EC office in 1997 in connection with a water project. EC officials subsequently made several follow-up visits to the site of the proposed project. Early in 1998, there were indications that the group in question might receive funding for the project. However, later in the same year, the group received a letter stating that a feasibility study first needed to be performed. This was done and the group was asked to implement a number of recommendations before funding could be released. The enthusiastic group did everything the officials had asked and produced a report on their activities. The latest situation is that officials have now proposed conducting a second assessment.

This raised the following questions:

Is the EC office pursuing delaying tactics? Were funds allocated to this project that were subsequently applied elsewhere? How effective can the office claim to be if it can keep a grass-roots group waiting this long? If no explanation has ever been given to such an eager group of people, how can the EC office claim to be transparent in any way?

Insofar as an assessment must be conducted, how many times does it need to be performed before funds can be released? Do assessment studies represent a major cost even before the project gets under way? Can this system become effective in terms of reducing poverty?

**Proposal**

The EU should consider working with NGOs on the ground that are closer to the people and better understand their needs. This is an ideal way of serving marginalised people and will in the long term reduce poverty in both the Least Developed Countries (LDCs) and middle-income countries. Transparency is an issue affecting all aspects of cooperation. Since most ACP countries still regard transparency and accountability as technical terms that do not have much substance, the EU should set an example and insist on identical standards of transparency and accountability in the partner countries. It should be possible for an EC office in a partner country to explain to the target population any changes that have been made to a project that is being undertaken, so as to develop a relationship of trust with the beneficiaries. Otherwise, the EC's current system of project implementation will be found to be unrealistic and impractical. (Message sent by an NGO representative in Kenya)

*Enhance the partners' capacities to deal with new structures*

One ACP official pointed to the human and technical capacity constraints resulting from the 'multiplication' of interlocutors within the European Commission. Previously, DG VIII (now known as DG Development) was in charge of all aspects of the management of EU-ACP cooperation. Today, however, management is distributed over four different services (i.e. DG Trade, DG Dev, DG RELEX and the future EuropeAid). He urged the EU to fulfil its commitments to support the ACP countries in their efforts to increase their technical and operational capacity to deal with new interlocutors at the Commission.

## The way forward?

- The electronic forum provided a unique opportunity to discuss the future of European cooperation among actors at different levels, in both the North and the South. The forum proved that local actors have plenty of creative ideas and constructive suggestions about how to improve the effectiveness and quality of European cooperation by linking political strategies to field realities. The debate on the EC reform will not end with the termination of the electronic forum. Various issues remain to be discussed:
- *Overcoming the divide between politics and development.* Certain participants observed a confusion between concerns over the Commission's internal management structure and the overall political priorities of EU external assistance. It is important to tackle the linkages between politics and development in a constructive way. The new programming approach will be a test case in this respect.
- *Decentralised processes of policy formulation and management.* It will be vitally important to monitor how deconcentration and decentralisation are implemented in practice and to ensure that they contribute to more locally driven cooperation processes.
- *Solving the staffing problem.* The participants argued that the Commission's staffing problems are in need of urgent resolution. However, there appears to be a certain ambiguity in the position adopted by the budgetary authority on this issue, and this remains a major challenge.
- *Clarifying the relationship between Community aid and bilateral aid provided by Member States.* The relationship between Community funds and bilateral programmes, as well as the role played by partner countries in the coordination process, remain unclear and need to be further defined.

## **Annex I: Methodology**

The basic problem underlying the electronic forum was the following: what can be achieved in two months of debate on the administrative reform of the European Commission? The organisers of the forum decided to focus on the linkage between the reform and the day-to-day practice of cooperation in the field.

The purpose of the forum was to offer a 'neutral' platform for a collective assessment, by people working in the field, of the impact and relevance of European cooperation. The electronic forum may be defined as 'a new type of virtual venue for public debate...a modality of democracy, a means by which citizens can exercise control over political action, and a collective instrument of social and cultural change.'

The forum was built on two levels of dialogue: first, the European debate on the various reform options and, second, the reform as perceived by local-level partners in developing countries. Although it was hard to overcome the gap between the divergent concerns, interests and levels of information of Southern and Northern participants, the important thing is that the process of dialogue has now commenced, and will continue in the future.

The main components of the process were dialogue and information. The methodology of the forum was based on the following principles:

- Communication between French and English speakers was facilitated by providing translations (either English or French, as the case may be) of all messages.
- Electronic debates were enriched with information and views expressed in 'face-to-face' meetings and interviews, in order to reinforce the linkage with the reality of cooperation.
- Southern participants organised 'relays' in the field to discuss the topics arising in the forum with a wider range of local actors who do not have any access to the Internet.
- Information resources were regularly updated by the publication of discussion documents, which further contributed to the debate and helped readers to understand the complexity of reform issues.
- Possibilities for working in 'joint teams' made up of both Southern and Northern facilitators were explored in order to improve the regional balance in the discussions. The joint teams will be formed in the future.

## **Annex II: 10 key messages to the Development Council, November 2000**

Since the Santer Commission resigned in March 1999, reform has topped the European Commission's agenda. High priority has been given to the reform of the EC's external relations ('RELEX'). This paper presents the outcomes of an electronic forum in which actors from the North and South exchanged views, experiences and constructive ideas on the EU reform and its linkages with local realities. In order to facilitate further debate, the outcome of the discussions is summarised in the form of 10 key messages.

### *1 Formulate a clear vision and strategy*

This is the first priority. While speeding up EC aid is essential, the reform should be underpinned by a clear vision of the political objectives of the EU's external assistance. This also needs to be translated into an agreed mandate for EC development cooperation and should result in consistent and transparent implementation strategies, structures and procedures.

The adoption of a strategic planning process – linking aid, trade and political cooperation – demonstrates that, in principle, the EU recognises there is a link between political objectives and administrative change. However, the reform is perhaps overly focused on administrative and technical aspects. Thus, while poverty reduction is said to be the central goal, this has not been consistently translated into budget allocations to the poorest regions nor into new management tools for achieving this goal.

This apparent split between politics and administrative change suggests that the reforms will once again be *administrative* (i.e. largely internally driven and linked to bureaucratic objectives) in nature rather than *managerial* (i.e. aiming to re-engineer authority and define clear objectives with which to divide responsibilities and measure performance).

### *2 Development 'cooperation' is at risk*

Many participants called for a strong development policy directorate in the EC to work with all developing regions. The trend of the reform process, however, is in the opposite direction.

Participants voiced a number of concerns. First, the whole concept of 'development', both ideologically and institutionally, is withering away in the EU. The EU's external priorities seem to be shifting towards broader foreign and security policy objectives and trade concerns, with EU foreign ministers taking over operational coordination. Development cooperation appears to be losing ground and is in danger of becoming 'foreign aid'. Second, some of the proposed reforms are likely to weaken the role and impact of DG Development (DG DEV). The division of responsibilities between the Commissioners and their services (a mix of functional and geographical competencies) undermines the elaboration of coherent approaches to both the priority issues on today's agendas and to all developing countries. DG Development is losing many essential tasks and people and it in future may be reduced to a department of DG RELEX. Third, the proposed reorganisation and the establishment of a 'EuropeAid' office may downgrade development policy to mere 'technical' management of aid. For several participants, the 'survival of development cooperation policy with a degree of autonomy vis-à-vis foreign and trade policy is at stake'.

### *3 Secure the balanced integration of development policy into external relations*

Confronted with this erosion of the role of development policy, the participants made a range of suggestions for ensuring that development objectives are integrated into the EU's overall external relations:

*Treat development cooperation as an essential element of the EU's overall strategy on trade and foreign policy relations.* Whereas World Bank and UNDP officials tend to focus on the more technical aspects of support for development, EU officials should fully integrate political and trade issues in their cooperation strategies for countries and regions.

*Safeguard the autonomous mandate of development cooperation.* Participants argued that development policy should be safeguarded as an independent policy area at the same time as ways and means were explored of linking it more closely to trade and foreign policies. The legal basis of the EU's development policy – as laid down in the Maastricht and Amsterdam treaties – should be used to stop the politicisation and marginalisation of development.

*Give DG Development a new role.* The focus of DG DEV on ACP countries could be extended to include all developing regions. It could also take on additional roles, including monitoring the integration of a strategic approach in all EC external assistance, mainstreaming development objectives throughout the EC, developing policy knowledge on all regions, improving the quality of EC aid programmes, ensuring a pro-development policy coherence in key sectors (such as trade, agriculture and fisheries) and finally, developing sector policy guidance in priority sectors.

*Strengthen the role of the Development Council.* The General Affairs Council has taken an active role in coordinating the EU's external actions. This may have a significant impact on the Development Council, and on the EU's development policy. The Development Council (if it continues to exist as a separate entity) could proactively prepare annual 'orientation' debates on the overall priorities of external assistance by the EU and its Member States.

### *4 Promote effective implementation on the ground*

The reforms will be judged by whether they deliver better aid on the ground. In order to drastically improve the EC's implementation record, internal management reforms (to clarify lines of responsibility) need to be combined with new approaches to development cooperation (based on participatory development and decentralisation). The challenges for implementation include:

*Improve internal implementation structures.* In the current structure, each project crosses departmental lines several times, often causing blockages. A 'production line' concept was proposed in which the entire cycle of a set of sectoral or geographic projects would be managed by a single department. Staff would work together towards common results, responsibilities would be clear, and compartmentalisation would be reduced.

*Decentralise policy formulation to bridge the gap between strategies and their implementation.* There appears to be a gap between the grand ambitions of EU strategies and their effective implementation. This could be fundamentally addressed by managing the whole process in a more decentralised and participatory manner. Rather than hiring European experts, local actors could be engaged in dialogue and priority-setting, leading to a more participatory and decentralised formulation of policies and projects.

## *5 Improve communication and transparency*

In the view of Southern participants, particularly civil society actors, there is a large ‘democratic deficit’ in the way that decisions on EU cooperation policies and programmes are taken. In essence, this is due to deficient mechanisms for participation, poor information and communication strategies, and inappropriate mechanisms for ensuring transparency and accountability (particularly towards ‘beneficiaries’ and regarding the ‘results’ achieved). European cooperation strategies are often perceived as being ‘imposed’ in the form of ‘coercive instruments of pressure’. More mundanely, the involvement of local (grass-roots) actors in development programmes is often erratic and inconsistent. Long delays in appraising and funding local projects are disincentives to participation. Among the proposals made in this area were:

*Co-define the strategies.* The perceived logic of imposed policies and programmes can be replaced by ‘co-defined’ strategies resulting from multi-actor dialogues organised at different levels (i.e. local, national, sub-regional, regional, etc.). Such a change of logic requires control-oriented relationships with actors to be replaced by partnerships based on confidence and trust, shared objectives, a collective and systematic search for improved implementation strategies, and the joint assessment of results.

*Raise awareness and build capacities.* Effective participation means that local actors need to know about EU development cooperation. Participants argued that decentralised cooperation can be successful only if it gives voices to ‘the poor’, who are waiting to take responsibility for themselves. While the new Cotonou Agreement has embraced participatory development and the need for comprehensive capacity-building strategies, fears were expressed that the EU lacks the political clout as well as the institutional capacity to implement the provisions for new actors in development. Equally, ACP countries need support to deal with the ‘multiplication’ of EU interlocutors.

## *6 Decentralised aid management requires new skills and procedures*

Most participants agreed with the proposals for decentralising aid management away from Brussels. However, successful deconcentration to Delegations or decentralisation to partner countries implies:

*Additional human resources and new skills.* Deconcentration can succeed only if the Delegations are willing (and able) to accept new tasks and if the right staff and expertise are available to them. It was noted that such proposals are not likely to be realistic unless the European Parliament provides supplementary credits for human resources (part B of the budget).

*Special information and communication resources.* The reform needs to pay special attention to improving information and communication policy so that all Commission services, Delegations and external partners can be mobilised. As well as building and improving a common RELEX culture, this would improve the quality of decision-making and enhance knowledge-sharing.

*New roles for the Delegations.* Deconcentration requires a mental change in Delegations, which often see themselves as ‘diplomatic representations’, with a strong emphasis on political reporting. In the future, they should seek to combine their political work more effectively with aid management.

## *7 Balance quantity with quality*

It is essential to address the difficult trade-off between the need to speed up disbursements and the need to ensure at the same time that the aid provided is of a high quality. One particular problem is that responding properly to the needs of poor people requires that they be consulted and involved in



policy formulation. This often takes time. Short cuts that attempt to accelerate procedures may lower the quality of the resulting interventions. Among the proposals made for improving the trade-off between speed and quality were:

*Improve administrative efficiency.* The EC should continue to strive towards administrative efficiency in order to address the problems of slow, bureaucratic and complex procedures.

*Adapt procedures to allow for process approaches.* If the EU is serious about dialogue with local actors and participatory approaches, it needs to adopt a process approach to designing and implementing development policies and programmes. This requires a fundamental change in current management approaches and procedures.

*Check quality all along the project cycle.* The new system of ‘rolling programming’ should facilitate an ongoing process of quality control. The development of qualitative indicators to measure results is also to be encouraged.

## *8 Seek complementarity and coherence*

Effective coordination between the Commission and the Member States is often hindered by strict procedures, which makes co-financing difficult. The rhetoric on complementarity is often undermined by the reality of incoherent approaches, in some cases among donors and in other cases among Community policies. Among the suggestions made for improving this point were:

*Adapt the division of tasks to realities in the field.* A strong warning was made not to limit up-front the areas in which the Commission could work. Instead, the EC and the Member States should see, country by country, what the needs and priorities are and how they can collectively respond to them.

*Better define the role of the Member States in implementing Community programmes.* Several participants favoured delegating responsibility for the implementation of EC-funded projects to appropriate institutions in the Member States (on the basis of co-funding). Others resisted the idea and wanted to focus the role of the Member States on decision-making and overall strategy.

*Avoid duplication in the field.* The EU’s coordination mechanisms should not duplicate others, such as the PRSP and CDF processes. It is particularly important for the EU to participate in the strategic analysis of multilateral donors.

*Promote two-way information sharing.* The flow of information should not be ‘one way’ from the EC to the Member States. The Member States should also inform the Commission about their plans and achievements.

## *9 Avoid undue interference and controls*

This is another form of coherence. Member States often call for greater efficiency at the Commission while agreeing on procedures that may actually prevent such efficiency. (Examples include the proliferation of legal bases, the comitology system, and the new internal agreement for the 9th EDF). Although the Agreement sets out how the Commission and Member States should work together, it contains a large number of cumbersome procedures which complicate EC management but add little extra value. This issue reflects distrust and varying political agendas among the Member States, as well as difficulties in setting up an interinstitutional dialogue (involving the Commission, Council, and Parliament). The participants raised the following key challenges:

*Establish a consensus on the direction of the reform.* The success of the reform partly depends on interinstitutional settings. Each institution needs to clarify its positions and decide where European cooperation is going.

*Move away from micro-management.* It is essential that the extremely complex and time-consuming processes of control be reduced, thus liberating people to work on quality issues. The message for the Member States is also clear: concentrate on improving EU development strategies for countries and regions, instead of getting lost in micro-level controls of individual programmes.

*Undertake comparative evaluations among European actors.* Although the media focus on the Commission's ineffectiveness tends to imply that the Member States are more effective, the Member States have refused to support comparative evaluations of their respective programmes. Such evaluations would help determine the comparative advantage of each actor in each sector.

### *10 Continue the dialogue*

Neither the termination of the electronic forum nor the Development Council meeting signal the end of the debate on EC reform. Several issues remain to be discussed.

The European Centre for Development Policy Management (ECDPM) was created as an independent organisation by the Netherlands Government in 1986.

ECDPM aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific (ACP). It does this through capacity building for policy management, the promotion of policy dialogue between ACP countries and Europe, and the provision of information and facilities for knowledge exchange.

The Centre's objectives are:

- to strengthen the institutional capacities of public and private actors in ACP countries to manage development policy and international cooperation
- to improve cooperation between development partners in Europe and the South

Working from a small base, the Centre relies on its cooperation with other organisations, partner institutions and relevant resource persons in the design and execution of its activities.

*ECDPM Discussion Papers report on work in progress at the European Centre for Development Policy Management. They are circulated for review and comment by interested practitioners, researchers and policy-makers. Discussion papers are not formally edited and reviewed and receive a limited circulation. Comments, suggestions, and requests for further copies should be addressed to the author at the address on the back cover. Opinions expressed in this paper do not necessarily represent the views of ECDPM or its partners.*

Further information: Jacquie Croucher, Onze Lieve Vrouweplein 21, NL-6211 HE Maastricht, The Netherlands, E-mail: [info@ecdpm.org](mailto:info@ecdpm.org), Fax: (31)-(0)43.350 29 02, <http://www.oneworld.org/ecdpm>