

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0227/2000

13 September 2000

REPORT

on the Commission communication on complementarity between Community and Member State policies on development cooperation
(COM(1999) 218 – C5-0179/1999 – 1999/2156(COS))

Committee on Development and Cooperation

Rapporteur: Concepció Ferrer

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PROCEDURAL PAGE

By letter of 6 May 1999 the Commission forwarded to Parliament a communication on complementarity between Community and Member State policies on development cooperation (COM(1999) 218 – 1999/2156(COS)).

At the sitting of 7 October 1999 the President of Parliament announced that she had referred the communication to the Committee on Development and Cooperation as the committee responsible (C5-0179/1999).

The Committee on Development and Cooperation appointed Concepció Ferrer rapporteur at its meeting of 21 September 2000.

The committee considered the Commission communication and the draft report at its meeting of 13 July 2000.

At its meeting of 12 September 2000 it adopted the motion for a resolution unanimously.

The following were present for the vote: Joaquim Miranda, chairman; Margrietus J. van den Berg, vice-chairman; Concepció Ferrer, rapporteur; Yasmine Boudjenah, John Bowis (for Hervé Novelli), John Alexander Corrie, Gianfranco Dell'Alba (for Marco Pannella), Niranjana Deva, Vitalino Gemelli, Anne-Karin Glase (for Generoso Andria), Richard Howitt, Karin Junker, Bashir Khanbhai, Glenys E. Kinnock, Wolfgang Kreissl-Dörfler, Nelly Maes (for Paul A.A.J.G. Lannoye), Hans Modrow, Didier Rod, Francisca Sauquillo Pérez del Arco, Agnes Schierhuber (for Jürgen Zimmerling) and Stavros Xarchakos.

The report was tabled on 13 September 2000.

The deadline for tabling amendments is 12 noon on 18 September 2000.

MOTION FOR A RESOLUTION

European Parliament resolution on the Commission communication on complementarity between Community and Member State policies on development cooperation (COM(1999) 218 – C5-0179/1999 – 1999/2156(COS))

The European Parliament,

- having regard to the Commission communication (COM(1999) 218 – C5-0179/1999¹),
- having regard to Rule 47(1) of its Rules of Procedure,
- having regard to the report of the Committee on Development and Cooperation (A5-0227/2000),
- A. having regard to its resolutions of 28 October 1993² on increased coordination, 21 February 1997³ on complementarity between the Community's development cooperation policy and the policies of the Member States and 17 February 2000 on the coherence of the EU's development policy,
- B. whereas Article 177 of the Treaty establishing the European Community states that Community policy in the sphere of development cooperation shall be complementary to the policies pursued by the Member States,
- C. having regard to the Council resolution of 21 May 1999 on complementarity,
- D. whereas Article 180 of the same Treaty states that the Community and the Member States shall coordinate their policies on development cooperation and consult each other on their aid programmes, including in international organisations and during international conferences,
- E. whereas the EU is the world's largest donor of public development aid,
- F. whereas the complementarity of development policies must form part of an overall strategy aimed also at ensuring the consistency and coordination of these policies,
- G. recalling, in particular, that on several occasions it has stressed the importance of achieving increased coordination and complementarity in order to further progress towards the objectives of European development policy; regretting the lack of real political will in this respect shown to date by the Council and the Member States,
- H. whereas the difference in outlook of national policies and European policy is one of the causes of the lack of coordination between Community policy on development aid and the policies of the Member States in this respect,

¹ OJ C ...

² OJ C 315, 22.11.1993, p. 204.

³ OJ C 85, 17.3.1997, p. 172.

- I. convinced that the European Union is the appropriate arena for removing the political obstacles and making progress towards the objective of achieving complementarity between the policies of the Member States and Community policy,
- J. whereas on those occasions when the Commission and Member States have practised coordination in the framework of international organisations and conferences, for example during the Beijing and Cairo conferences, the results have been extremely positive,
- K. having regard to the new mechanisms introduced by the Bretton Woods institutions with effect from 1999, including in particular the Comprehensive Development Framework and the Poverty Reduction Strategy Paper,
- L. welcoming the Commission proposal, and hoping that it will lead to progress in the sphere of complementarity,
- M. whereas the European Union's development cooperation policy must be strengthened in view of world developments, particularly the increased inequality and disparities that are accompanying globalisation; whereas increased complementarity would facilitate this,
- N. whereas, in its communication on reforming external aid, the Commission makes provision for streamlining the comitology procedure,
 - 1. Deplores the fact that the important objectives for EU aid, namely, complementarity, coordination and consistency, are dealt with separately and not in a coherent fashion;
 - 2. Calls on the Council and Commission to step up their efforts to achieve complementarity and, in particular, to implement the various resolutions on this question adopted by the Council and the European Parliament;
 - 3. Welcomes the fact that on the basis of pilot schemes conducted in several countries, the transmission of information and consultation on the ground appear to have improved in recent times;
 - 4. Considers, however, that the Member States should step up information exchanges and communication with the Commission in order to improve coordination between them and enable complementarity between development policies to be achieved;
 - 5. Regrets, however, that the Commission has not carried out an overall assessment which would have highlighted any difficulties and might have helped to determine more clearly exactly how to achieve the most rapid progress;
 - 6. Agrees with the Council and Commission that operational coordination, as long as it is based on a consistent framework, is the best way to achieve the objective of complementarity between the policies of the Member States and the Community and may significantly influence the international coordination mechanisms which include all donors;
 - 7. Calls on the Council and Commission to amend the comitology system so as to concentrate Member States' participation during the planning stage, in order to ensure complementarity of planning and greater flexibility in the implementation of individual

projects;

8. Supports the Commission's proposals on operational coordination and the management of the Union's human resources;
9. Emphasises that an indispensable prerequisite for achieving greater complementarity is the devolution of decision-making powers, within both the EU and the Member States development cooperation administrations, and asks the Commission to present, in the near future, its plans on how it intends to strengthen decision-making at the country level;
10. Believes that, in order to enhance the effectiveness of Community aid, an increase is needed in the Community staff responsible for managing development cooperation funds;
11. Welcomes the fact that the Commission has listed certain areas in which it is best placed to act, but regrets that this list does not include overall responsibility for reviewing development policy and making proposals in this area; this review should be undertaken in close cooperation with the Member States and is a vital precondition for attaining the objective of complementarity as well as making it possible for European concerns and ideas to be given a hearing in international fora;
12. Considers increased consistency, in the broadest sense of the term, of the European Union's development initiatives a matter of priority with a view to increasing the effectiveness and credibility of the European Union's development policies;
13. Calls on the Commission to draw up as quickly as possible an operational action plan to identify and propose priority action areas and instruments to make it possible to speed up the introduction of complementarity;
14. Considers that, in addition to the present communication, the Commission should draw up an overall text addressing the issues of complementary, consistency and coordination, in order to strengthen Community and bilateral development policy across the board within the European Union and thus give it a higher profile;
15. Regrets that the crucial question of coordination within internal fora has not been given sufficient attention among the concerns and proposals set out by the Commission;
16. Calls on the Council and Commission, in the framework of complementarity, consistency and operational coordination, to take into account the existence of non-governmental agencies, particularly NGDOs, and to support and encourage their participation in Community and Member State bodies working to achieve coordination;
17. Stresses that, if it is to be effective, on-the-spot coordination must be the responsibility of the countries concerned as part of strategies they themselves have chosen;
18. Agrees with the Commission that progress on complementarity requires both sufficient political will and operational resources, and is delighted that recently this political will has strengthened at Union level despite the reticence of certain Member States; calls, however, for this increased political will to be translated into concrete action;
19. Calls on the Council and Commission to inform Parliament about concrete progress with

planned and on-going initiatives to promote complementarity, particularly in relation to the process of defining country strategy papers;

20. Regrets that, as in other areas of development policy, the Commission does not have sufficient resources to carry out the necessary studies and analyses, and was therefore obliged to use work produced by other bodies, whose political and social sensibilities differ from those of the EU and calls therefore for the Commission's capacities to be sufficiently enhanced in this area;
21. Deplores the fact that the Commission has not carried out an assessment of coordination in international organisations, and calls for a study to be conducted into the real opportunities for coordination between the Commission and the Member States in international organisations and conferences with a view to increasing the complementarity and efficiency of their activities in these fora; calls on the Secretary-General of the Council and the High Representative for the CFSP to draw up a study into the scope for coordinating the Member States' positions within the various international fora;
22. Calls on the Commission to propose that the Member States adopt a standard framework for documents on development and cooperation, as provided for in the Council resolution of 21 May 1999;
23. Calls on the Commission and Member States to coordinate their external services so as to ensure that complementarity is effective on the ground; with this in view, calls on the Commission to take account of the objective of complementarity in its planned measures for decentralising and reforming the delegations;
24. Instructs its President to forward this resolution to the Council and Commission, and to the parliaments of the Member States.

EXPLANATORY STATEMENT

1. The complementarity of development policies must form part of an overall strategy that also addresses the consistency and coordination of these policies since, in practice, consistency is inextricably linked to complementarity and coordination. Both are prerequisites for more efficient and effective Union policies on development cooperation, and essential if these policies are to be credible.

2. There is thus a need for a general communication to address precisely these three areas, namely, the complementarity, consistency and coordination of development policies. It is a cause for regret that the Commission did not consider it helpful to do this within a single communication. Instead, it has restricted itself to a discussion of complementarity only, and the issue of consistency has been incorporated in a different communication on the Union's development policy. The adequacy of the Commission proposals will be examined against this background.

BACKGROUND

3. The coordination of development policy at European level is not a new idea. In the 1980s (resolutions of 5 June 1984, 4 November 1985 and 11 November 1986), the Council drew up guidelines for action to enhance operational coordination. These texts defined the objective of coordination as ensuring the consistency and complementarity of Community measures. They addressed three areas: policy coordination (general development policy and sectoral policies), operational coordination (implementation on the ground) and coordination in international organisations.

4. Several factors have helped to increase calls for greater complementarity between the development initiatives of the Member States and the Community. Complementarity is an excellent way of making European aid more effective by helping to optimise the use of human and financial resources. It also increases the visibility of the European Union, which helps to raise its political profile, thereby allowing it to exercise the influence appropriate to its position as the world's largest donor.

5. The Maastricht Treaty established an institutional basis for Community policy on development aid which, in accordance with Article 177, was to be complementary to the policies pursued by the Member States, while the Member States themselves, in accordance with Article 180, were obliged to 'coordinate their policies on development cooperation and [...] consult each other on their aid programmes, including in international organisations and during international conferences'. On 18 November 1992, a Council declaration set out guidelines for coordination aimed at achieving complementarity between the development aid policies of the Commission and Member States in the approach to 2000.

6. On 10 May 1993 the Commission published a communication on implementation of the coordination procedures set out in the declaration. In addition to making a number of proposals for improvements at operational level, the Commission text highlighted the obstacles encountered and the poor results obtained, and noted the limits to and shortcomings in the coordination of Community policies. It also pointed out that all too often, coordination was perceived as a means for the Member States to obtain systematic information from the

Commission on a non-reciprocal basis, and as a way for the Member States to control the Commission's activities.

7. In this respect, the Commission noted the sizeable deficit in development policy coordination by the European Union, and emphasised the need to step up coordination in international organisations with a view, in particular, to increasing the Community's prominence and influence in international fora. The communication also contained a large number of specific proposals, including suggested improvements at operational level

8. In addition, in a resolution of June 1995, the Council acknowledged that complementarity would lead to increased efficiency in the initiatives implemented by the Member States, and that coordination, as long as it was organised within a coherent global framework, was the best means of achieving complementarity between different development policies. It thus proposed a series of measures aimed at increasing complementarity. In June 1997 a further Council resolution on operational coordination between the Community and the Member States laid down the principles that should govern this coordination, and in March 1998 the Council of EU development ministers adopted 'Guidelines for strengthening operational coordination between the Community and the Member States in the field of development cooperation', highlighting the need to step up the flow of information between the Community and the Member States. For its part the Commission drew particular attention, in a report of November 1998 on the issue, to the importance of better reciprocity in the exchange of information between the Member States and the Commission.

9. Finally, in May 1999 the Council adopted a further resolution on complementarity, which briefly summarises progress to date on the issue, and recommends that the Commission adopt a series of measures to create an environment conducive to complementarity, including increasing the exchange of information between the Community and the Member States, decentralising responsibilities, increasing the use of national strategy documents drawn up by recipient countries and strengthening the Community's delegations in these countries.

COMPLEMENTARITY – DEMANDS AND DIFFICULTIES

10. In actual fact, there are significant objective obstacles to achieving increased complementarity and coordination. One of the problems is the great diversity of instruments, procedures and traditions, but the main difficulty - the lack of political will at the level of the Member States - is political. National development policies are influenced by colonial history, which shapes the geographical and strategic concerns of each Member State, and this blocks progress on coordination and complementarity. If we wish to have an effective development policy at European level, it makes more sense to recognise this fact rather than to ignore it. One of the essential preconditions to achieving increased complementarity is the existence of genuine political will on the part of the Member States, something that, to date, not only has not been translated into concrete action, but is belied by the facts.

11. The realisation, today, that the process of economic globalisation may be creating increased problems for developing countries, and that there is a need to join forces in order to combat under-development and to integrate the economies of the countries concerned in the global economy has illustrated the need to improve the impact of European aid through optimal use of the European Union's human and financial resources and, thus, for complementarity. Your rapporteur applauds these objectives, and believes that

complementarity, coordination and consistency in development aid policies will enable the least-developed countries to make progress in wider spheres. In this respect, the European Union is without doubt the framework most likely to facilitate progress, and it is essential that the Union kick-start the political process.

12. The current trend towards reduced appropriations for development aid in the Member States is one more reason why we need to ensure that any initiatives implemented are cost-effective, and thus demonstrate that public money is being put to good use. This will also require increased coordination and complementarity in development initiatives. We may assert, then, that the extent to which increased coordination and complementarity is achieved will determine whether the European Union's development policy is weakened or strengthened. Reduced development cooperation would have extremely negative consequences, both for the recipient countries and for the European Union itself. We must remember that development cooperation is an essential part of the Union's external image, and in fact, the Union took its first steps in foreign policy by establishing special relationships with many of the developing countries with which today it has cooperation relationships. In this respect, the new prospects for increased complementarity between aid policies are a significant factor in the assertion of the European Union's identity on an international scale.

CONTENT OF THE COMMISSION PROPOSAL

13. Understandably, the Commission communication focuses on the positive aspects of the actions implemented thus far. It lists the prerequisites for increased complementarity (page 5), but does not analyse the obstacles encountered to date or give details of the results achieved. However, these difficulties may be identified from the list of prerequisites for increased complementarity listed by the Commission.

14. The communication focuses primarily on operational coordination and complementarity in human resources management. It aims to put in place arrangements to formalise more systematic exchanges of information and for the joint examination of the national strategy documents, which each beneficiary country has to draw up in the light of its own assessments and interests. Basically, what the Commission is proposing is an interactive process to allow the potential and constraints specific to each country to be analysed more effectively on a joint basis and to facilitate the identification both of points of convergence between each approach, and of existing areas of complementarity.

15. With regard to the progress achieved in coordination, it should be noted that the pilot schemes run between 1994 and 1997 in six countries (Costa Rica, Côte d'Ivoire, Ethiopia, Mozambique, Peru and Bangladesh) have been extended, with the introduction of a sectoral approach that has proved much more effective and easier to coordinate than traditional projects. This approach also has the advantage, in principle at least, that the governments of the recipient countries take greater responsibility by defining their priorities for sectoral policies, and participate in the machinery for the overall coordination of EU aid. Such participation is at the moment, by and large, extremely rare, either because, predominantly, the human and technical resources are not available in the case of the poorest countries, or because such participation is not considered necessary, as happens in the case of high-income countries. The Commission also notes that it is in the area of structural adjustment that coordination has been easiest to achieve, because there is only one programme per country. It should be pointed out that, for many years now, the European Commission has proposed

giving these programmes a new focus, whereby particular attention would be paid to the social and regional dimensions and the political conditions in the country concerned at the time of implementation, but these calls have gone unheeded until now. This delay has had particularly negative consequences for those countries where, as Parliament has often noted, excessively stereotypical programmes have been implemented which have not taken into account the different economic and political situation of the country, and have, therefore, had little impact.

16. In order to achieve greater complementarity, the Commission proposes a division of roles on the basis of this sectoral approach, building on the experience of recent years, particularly the conclusions of the pilot schemes, and examines the various possible forms of complementarity. The communication makes it clear that the choice between the various possibilities depends on several criteria, including the policy of the recipient Government in the sector in question, initiatives by other donors and the comparative advantages of each Member State and of the Commission. These criteria will be weighed against the human resources available on the ground, the support capabilities of the central offices of each of the entities and the impact the action would have on the Union's visibility.

17. Considering that the Community and the Member States have limited resources and that it is only possible to carry out development initiatives in a limited number of countries, the Commission also envisages a division of roles in the management of the human resources of the Member States and the Commission. It lists a number of sectors in which it considers that Community policy has a comparative advantage: political and institutional reform, the creation of partnerships, economic reform, trade policy, regional integration and food security. Likewise, the Commission stresses the need for more systematic communication between experts from the Member States and the Commission in order to share information and technical knowledge, and thus enhance the capacity for the analysis, evaluation and design of Union programmes.

18. With regard to relations with the ACP countries, the Commission states that it is willing to review jointly, with any Member State that expresses an interest, the aid programmes of each country, and to help identify the various ways of increasing complementarity. These systematic exchanges of information ought to allow the Community and the Member States to gauge the impact of their aid contributions in the light of the political, economic and social objectives of the country concerned, and lead to greater complementarity in the EU's activities.

19. The Commission also proposes maintaining an ever closer dialogue with other donors, on both bilateral (Japan, the United States, Canada and Australia) and multilateral (World Bank, IMF, UNDP and other UN agencies) bases, simplifying and harmonising procedures in accordance with the model adopted by the Joint Relex Service. To this end, bearing in mind that the EU is the leading donor, distinguishing it from the Bretton Woods and UN institutions (such as the World Bank, IMF and UNDP), efforts are required to ensure that the EU plays a role that measures up to those institutions. So without wishing to play down the coordinating role that the World Bank is performing in the area of complementarity, the EU ought to be capable of making a clear impact in establishing the basic criteria that should govern the programmes required. The principles and values that the EU upholds would be extremely useful in significantly improving the activities of the Bretton Woods institutions, which are at times more dependent on the field of economic development than on development as a whole

(not just economic growth, but social and human development as well).

CONCLUSIONS

20. If it were the case that the main objective of complementarity was to add value to the Member States' development actions through Community initiatives in order to improve the impact of European aid, the essentially technical measures proposed by the communication would themselves be a good means of increasing complementarity, primarily because they have been drawn up on the basis of an analysis of the results achieved to date in the field of cooperation. However, in the face of the alarming and progressive widening of the gap between rich and poor countries, and given that situations of extreme poverty still exist throughout the world, these measures are not sufficient to progress towards achieving the objectives of development cooperation policy, despite the fact that they aim to achieve maximum effectiveness of aid to promote development and the elimination of poverty.

21. The Treaty establishing the European Community clearly stipulates that the Member States and the Community must coordinate their policies on development cooperation and consult each other on their aid programmes. For this reason, the complementarity the Treaty speaks of in connection with development cooperation must be understood not as a precautionary principle aimed at preserving the competences of the Member States in this sphere, but as evidence of the European Union's political will to combine its efforts to progress further towards achieving the objectives of development cooperation policy. In addition, the requirement to seek unity, consistency and effectiveness in the Union's actions in the sphere of foreign policy, also laid down by the Treaty, similarly requires the political will to consider development policy as an integral part of the Union's foreign policy. The Commission must seize the initiative and take a major step forward in this direction, to present the Member States with an approach towards complementarity that reflects the new priorities of the CFSP. This will enable the European Union to fulfil its commitment to the development of peoples and, as a result, its commitment to peace since, without development, peace will always be a fragile thing.