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THE HARMONIZATION AND COORDINATION OF DEVELOPMENT

COOPERATION POLICIES WITHIN THE COMMUNITY

(Commission communication to the Council)

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THE HARMONIZATION AND COORDINATION OF DEVELOPMENT
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1. Introductory Remarks

1.1 The overall policy for development cooperation on a world-wide scale which the Community and the Member States seek to implement comprises two main dimensions: the first is composed of policies and measures implemented by the Community as such; while the second, given the coexistence of Community and national cooperation policies, is to consist in linking these different policies together to form a harmonious whole.

This communication deals with the second aspect of the overall policy - which one might also call the "harmonization and coordination of policies" dimension.

1.2 In the context of development cooperation, the rapprochement of policies which it is thus sought to achieve does not constitute an end in itself. The objective is to make the different policies more coherent and more complementary, and thereby more effective in terms of contributing to development beyond what would be achieved by simply adding the different policies. In the context of European integration, this process will help to consolidate the Community's cohesion and enable it to play a role in the formulation - currently in progress - of new relations between developing and developed countries. Coordination on the Community level will also provide a basis through which an exchange of views on major problems of international cooperation may be arranged with developing countries, or groups of them with which the Community or some of the Member States have special links.

1.3 In the work carried out since the end of 1972 for the implementation of an overall cooperation policy on a world scale, considerable attention has already been paid to this aspect of the harmonization, at Community level, of policies which are decided in different national and Community centres.

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The general framework of this rapprochement of policies was defined in the Resolution on the harmonization and coordination of the cooperation policies of the Member States adopted by the Council on 16 July 1974⁽¹⁾ (see annexe)

This communication will attempt to define the object of coordination, to outline a programme of priority issues to be tackled and to define the mechanisms and procedures to be implemented.

2. The Object of Harmonization and Coordination

The efforts to be undertaken to harmonize the national and Community development cooperation policies can be seen as centring on two fields:

- (i) general aspects of cooperation
- (ii) operational aspects

By "general aspects" of cooperation policies is meant everything which concerns the conception, principles, objectives and methods of those policies.

"Operational aspects" would cover everything concerning the implementation of the policies: the coordination of cooperation policies towards individual developing countries, concerted action at sectoral level or by means of instruments of cooperation going beyond the geographical boundaries of individual countries, or the coordination of operations in connection with specific projects and programmes.

3. Outline Programme of Priority Work

Here a distinction must be made between general aspects and operational aspects.

3.1 As regards the general aspects of cooperation policies, a distinction must be made between issues which have already been tackled in the Community's work and new issues which will have to be defined.

¹ All the other Resolutions adopted by the Council in matters of development cooperation can be classified under one or other of the two dimensions referred to:

1. The policies or measures to be undertaken by the Community itself are covered by the Resolutions on generalized preferences, commodities, technical assistance for trade promotion and regional integration, and financial aid to the non-associated developing countries.

2. The issues or policies to be coordinated at Community level are dealt with in the Resolutions on the volume, terms and geographical distribution of aid and the external indebtedness of the developing countries.

3.1.1 As regards issues already tackled, it should be pointed out that the Council approved a number of Resolutions which mark the practical beginning of the process of policy approximation and deal with matters which will have to be the subject of subsequent harmonization efforts. These include the Resolutions on the volume, terms and geographical distribution of aid and the external indebtedness of the developing countries.

The implementation of the substance of these Resolutions calls above all for action by those who have the power to take steps to achieve the quantitative and qualitative objectives which have been established in the first place the Member States, and secondly, for certain objectives only, the Community itself.

The Community programme of work for the coordination of policies should provide for a periodic examination, normally once a year, of the progress made by the Member States in the pursuit of common objectives. These examinations, which will be carried out on the basis of statistical and economic analyses drawn up by the Commission, should at the same time provide information whereby the future action of the Member States in the various fields in question may be directed and the objectives adopted, if necessary, to new circumstances.

To avoid as far as possible any duplication of the work already carried out by DAC, the Community will have to examine matters in greater depth than is possible in the very wide framework of DAC and also be selective in its choice of subjects, in particular, it will have to examine the intentions of all the parties concerned as regards future policy.

3.1.2 As for new issues of general interest which could be worked into the process of harmonization, the Commission believes that they should be selected by reference to their value for enhancing the coherence and effectiveness of Community policy.

The Commission considers that instead of defining subjects in abstract terms, it would be preferable, at least initially, to make the choice of subjects dependent mainly on the agendas of the many international meetings scheduled for 1975 and 1976, which in any event will have to be prepared

at Community level as laid down in the Resolution of 16 July 1974.

In view of the nature of the meetings which will be held in 1975 and 1976, the Community, following this course of action, will tackle in the near future nearly all the major problems arising from its relations with the developing countries: industrial cooperation (UNIDO, March 1975), commodities policy likely to be the central theme of the fourth UNCTAD in 1976) and all the subjects which will be raised on the occasion of the mid-term review of the Second Development Decade Strategy (ECOSOC, May/June 1975, and United Nations General Assembly and its Committees, September to December 1975) and when the United Nations General Assembly holds its Special Session on development and international economic cooperation (September 1975).

If it is added that the concerted approach will have to be put into practice progressively not only in the context of United Nations conferences but also in preparing for meetings of the OECD and in particular of the DAC, of the new IBRD/IMF Development Committee, and even the annual meetings of the World Bank and the International Monetary Fund etc., it is clear that the new issues of general importance will be numerous.

Only the experience gained over a certain period of time can show what margin of "capacity for coordination" remains after the examination of the subjects which will, as it were, be dictated to the Community by the discussions in the international forums - for dealing with subjects involving larger, more exacting work, chosen in the light of the substantial gaps which will remain in the conception of an overall Community policy (for example restructuring policies, role of professional people in cooperation, etc.).

3.1.2.1 As regards the preparation of international meetings, the Commission considers it useful to add a few remarks.

Faced with the growing demand by the developing countries for a new international order and the emergence of a new strategy common to all those countries, the Community cannot present a disunited front without jeopardizing its policy

of development cooperation. The objective of the Resolution on harmonization - for common or at least harmonized positions to be worked out and adopted by the Member States in the international forums - is therefore especially relevant in the new circumstances. To this end, it is essential - experience having shown that on the spot coordination meetings are not sufficient in themselves to enable the Member States to overcome major differences - to arrange before and during ¹ every important session of each of the international organizations concerned, coordination meetings to draw up the basic guidelines for on-the-spot coordination between the delegations of the Member States and of the Community.

Since the primary objective of Community coordination will be to increase and improve its contribution for cooperation as a whole, harmonization of the different policies of cooperation must seek to achieve the highest possible common denominator and not vice-versa.

Community coordination should take place as far as possible before a given subject is tackled in the enlarged framework of western countries ("Group B"). It goes without saying that the work in Group B should not aim to standardize positions at all costs. In particular, if confronted with unnecessarily restrictive attitudes in Group B, the Community and Member States should adopt a more positive approach where this is in line with its cooperation policy, though still at the same time working for a harmonized position of the industrialized countries.

3.2 When dealing with the operational aspects of coordination - that is those connected with the practical implementation of cooperation policies - the Commission proposes to distinguish between those developing countries with which the Community is already engaged in intense and diversified cooperation and the other developing countries where the Community so far only possesses certain instruments of cooperation.

3.2.1 The need for coordination of Community operations is more pressing as regards the first group, which mainly comprises the ACP States and

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¹ The Working Party on External Relations has recently been relaunched and constitutes a useful reception structure for this purpose.

certain Mediterranean countries.

This coordination could be carried out on three levels:

- (1) It could integrate all the instruments of cooperation which the Community and the Member States deploy vis-à-vis specific countries, either country by country or by regional groups;
- (2) At the other extreme there could be coordination on specific projects and work programmes;
- (3) Between the two, provision should be made for sessions to concert action based on a comparison of the experience acquired at a sectoral level (stock breeding, road building, sanitary programmes, etc.) and with instruments or techniques of cooperation (food aid, trade promotion, utilization of local financial intermediaries etc.).

Coordination by country (Type 1) is a fairly large-scale exercise which could be undertaken only at relatively long intervals. It could, for example, take place at the beginning of a five-year cooperation period and cover the broad outlines of the policy proposed for that period. The Lomé Convention provides, in particular, for an exchange of views, at the beginning of the period covered by the Convention, between the representatives of the Community and those of each ACP State on the outline Community aid programmes; this exchange of views could be extended by the coordination of the Member States' aid programmes for the countries in question.

This coordination exercise should be repeated during the five-year period if important changes occur in the situation of the country receiving aid.

In accordance with the spirit of the Lomé Convention, every effort should be made to have the State concerned take part in the Community coordination exercise.

Coordination on specific measures (Type 2) is an almost continuous process in which the EDF has already been engaged for a long time in connection with financial and technical assistance for the AASM. The scope of this coordination will have to be enlarged to cover all the countries which are now concerned. It will also have to be placed on a systematic and regular basis, so as to fill the gaps which still exist in the process of information and coordination.

The sectoral approach (Type 3) has already proved fruitful in EDF practices; it should now be extended and diversified.

As for practical organisation, coordination has until now been conducted mostly bilaterally between the EDF, the aid agencies of the Member States and the EIB. Multilateral coordination has taken place primarily under the Type 3 approach. Without abandoning the bilateral procedure wherever this seems the most effective, coordination meetings should in the future be grouped together as far as possible. To do so, it may not be necessary to arrange meetings between all the Member States, the EDF and the EIB every time; provision will have to be made for the participation, at each meeting, of those Member States which are implementing or planning measures in the countries covered by the coordination and whose projects are of common interest.

3.2.2 Where the other developing countries are concerned, Community coordination of operations will necessarily be less systematic and comprehensive for the time being.

Such coordination will have to begin where the Community is implementing cooperation measures under decisions of its own or under agreements, so that the Community's and the Member States' measures complement one another, thus giving as far as possible both politically and practically satisfactory results.

In any event, coordination will at this stage tend to be of Type 2 and possibly of Type 3 (referred to under the preceding point), whereas overall

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coordination (Type 1) will remain an exception in the near future.

In the longer term, the operational coordination of policies will have to aim at implementing in respect of all the countries or groups of countries concerned, a coherent package of national and Community measures adapted to the situation and the specific needs of those countries.

4. Mechanisms and Procedures

The work of seeking rapprochement of policies and measures outlined above pre-supposes the existence of suitable coordination mechanisms and information procedure .

The Commission suggests, however, that this question should be tackled in a flexible and pragmatic manner, for it fears that a formal and institutionalized framework would hinder the effectiveness of coordination rather than facilitate the process. It would point out in this connection that coordination of operations, as done very satisfactorily for many years under the EDF, has always been organized on an ad hoc basis.

4.1 As regards the general aspects of cooperation policies, the Commission considers that the work of coordination and harmonization will have to be organised within the Council of Ministers, in a coordination group of the Working Party on Development Cooperation type.

This group would essentially be responsible for carrying out the tasks outlined under 3.1 above where these are not already the responsibility of other groups; the advisability of regrouping could be examined in due course.

Such a group could also play a useful role in the attempt to achieve greater compatibility between the Community's internal and external policies and its cooperation policy.

As far as coordination of operations is concerned, the work should be conducted mainly under the aegis of the Commission, the principal innovation consisting in the gradual attempt to re-group coordination efforts. This work will also have to be more regular and more systematic than in the past, so that coordination can be as effective as possible.

Coordination of operations will have to cover all aspects of financial and technical cooperation and also, in particular, the positions to be adopted by the Member States and the Community within consortia and consultative groups.

Other subjects covered by coordination of operations - such as food aid and export credits - are at present dealt with by certain working parties in the Council, where work should continue as in the past.

4.3 The Commission and its departments will be mainly responsible for submitting basic documents for these various meetings.

To prepare for coordination of the general aspects of cooperation policies, a use will be made primarily of the information and in particular statistical data, collected by the DAC. The information exchange to be organised in this field between the Member States and the Commission will therefore be strictly complementary to the activities of the DAC and will have to cover in particular the policies envisaged (whereas the DAC's work is essentially retrospective).

The Commission already assembles information for the purpose of coordination of operations in connection with aid to the AASM, and this system is working fairly satisfactorily. In certain cases it will have to be supplemented with information on the results of aids granted previously and on projects or programmes under examination. It will also have to be systematically extended to cover the new developing countries with which the Community will be engaged in substantial financial and technical cooperation (ACP, Maghreb). It will be organised on an ad hoc basis for the other developing countries in respect of which coordination will be considered a matter of priority. The Commission will take all appropriate steps in this connection.

RESOLUTION

HARMONIZATION AND COORDINATION OF THE COOPERATION POLICIES
OF MEMBER STATES

The Member States and the Community shall set themselves the aim of approximating their development cooperation policies to an appropriate extent in order to make them more coherent and consequently more effective. In this connection, it is important that the aid activities of Member States gradually approximate to one another in proportion to their respective contributory capacities by giving the greatest possible consideration to the recommendations adopted by the appropriate international bodies.

The following shall be implemented in order to achieve this aim:

- (a) intensification of exchanges of information and experience on the objectives, principles and methods relating to development cooperation policies, in order to achieve concerted positions in this area;
- (b) mutual consultation on aid policies concerning in particular those developing countries in which the Community is carrying out some special activity or in which two or more Member States are undertaking development projects;
- (c) consolidation, for the examination of projects of common interest, of consultations with regard to associated countries for which aid from the Community and the Member States is combined, in order to improve coordination of this aid;
- (d) mutual consultation on positions to be adopted by the Member States and the Community in international bodies;
- (e) cooperation with international organizations concerned with development aid.