



Mainstreaming Conflict Prevention

A Study of EU Development Cooperation with ACP Countries

The Quaker Council for European Affairs

Produced by the Quaker Council for European Affairs (QCEA)

This study is based on research through interviews with European Commission staff in Brussels and in the delegation in Uganda, and through desk-based research. This report is the second in a series; the first is available to download at: www.quaker.org/qcea

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List of Acronyms

These are the main acronyms used in this report:

ACP	African, Caribbean and Pacific Group of States
APF	African Peace Facility
AU	African Union
CFSP	Common Foreign and Security Policy
CSP	Country strategy paper
DCI	Development Cooperation Instrument
DG	Directorate General
DG Relex	DG External Relations
DRC	Democratic Republic of Congo
EDF	European Development Fund
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EPA	Economic Partnership Agreements
EPLO	European Peacebuilding Liaison Office
ESDP	European Security and Defence Policy
EU	European Union
EuropeAid	DG External Cooperation Programmes
GBS	General budget support
IDP	Internally displaced person
IfS	Instrument for Stability
iQSG	Interservice Quality Support Group
MDG	Millennium Development Goals
NGO	Non-governmental organisation
OECD-DAC	Organisation for Economic Cooperation and Development - Development Assistance Committee
PEAP	Poverty Eradication Action Plan
PRDP	Peace Recovery and Development Plan
QCEA	Quaker Council for European Affairs
RSP	Regional strategy paper
UJAS	Uganda Joint Assistance Strategy
UN	United Nations

Executive Summary

The European Union (EU) introduced the approach of ‘mainstreaming’ conflict prevention into all elements of its programming and policy-making through the European Commission Communication on Conflict Prevention of 2001 and the Partnership Agreement signed between the EU and the African, Caribbean and Pacific (ACP) countries in Cotonou, Benin in 2000 (the Cotonou Agreement). This has since been reiterated in several documents. For example, the European Security Strategy (2003) and the European Consensus on Development (2005) both state that there cannot be sustainable development without peace and security, and that without development and poverty eradication there will be no sustainable peace.

Despite the large number of commitments made to tackle conflict prevention and development coherently, there are still gaps between policy and practice. The Commission Communication in 2001 states that streamlined decision-making and managerial procedures are important, but a common political will to respond is fundamental. The European Council in Göteborg 2001 claimed that ‘the highest political priority will be given to improving the effectiveness and coherence of [the EU’s] external action in the field of conflict prevention’. **Yet, conflict prevention is not included as one of the cross-cutting themes in the European Consensus. This has strong implications for the programming and the availability of funds, and in order to give the issue the political backing it needs, QCEA recommends that conflict prevention be added to the cross-cutting themes.**

Progress has been made since the first commitment to mainstream conflict prevention in 2001. It is worth mentioning the recent country strategy paper (CSP) for Uganda as one example, where conflict sensitivity is mentioned as a cross-cutting issue to be mainstreamed. Another example is the guidelines, or programming fiche, on conflict prevention provided by the Commission’s interservice Quality Support Group (iQSG) to assist the officials drafting CSPs and making decisions on programming. It seems, however, that achievements made depend to a large extent on the commitment of interested individuals within the institutions. It is clear that the governance section of the European Commission’s delegation to Uganda is committed to ensuring that conflict prevention is mainstreamed throughout the Commission’s work there. Even so, an official interviewed for this study suggests that continued advocacy by for example civil society organisations is necessary to keep the issue high on the agenda and to ensure that it is not forgotten. **QCEA appreciates the important role attributed to civil society, but also calls for mechanisms to be put in place centrally by the Commission, to ensure that conflict prevention is mainstreamed in all of its development cooperation, and especially in partner countries that are experiencing conflict or fragility.** Appropriate mechanisms could include awareness raising and training of staff and making conflict analysis mandatory in the preparations of all country and regional strategy papers.

In the case of Uganda, conflict is taken into consideration when the Commission works in the conflict-affected areas. It has completed a conflict analysis and integrates peacebuilding efforts into its work both within rural development and through the projects relating to democracy and human rights. Some of these projects deal specifically with conflict prevention, whereas others have adopted a conflict-sensitive approach, for example through the selection of implementing partners. As was highlighted in the first report in this series,¹ such a dual-track approach is necessary in order to deal with the complexity of conflict. There seems to be a gap in the sectors focusing on the whole of Uganda, however, namely budget support and infrastructure. The conflict analysis does not cover these sectors either. A lot of the Commission’s support to infrastructure is allocated through sector budget support and deals with large transport networks. Potential effects on conflict are not taken into consideration in either the planning or implementation. The same is true for general budget support (GBS), where conflict prevention is described as a sensitive issue and difficult to deal with within the dialogue related to GBS.

¹ QCEA, *Mainstreaming Conflict Prevention - A Study of EU Action in ACP Countries* (2008), available at <http://www.quaker.org/qcea/mainstreamingcp/index#report>

This report highlights one of the dangers of GBS: if government spending benefits particular groups, this practice may unintentionally lead to conflict by deepening and prolonging economic inequalities. This is also true for transport infrastructure, where efforts may or may not be perceived as prioritising certain regions. Well-functioning roads are important for economic development and well-used routes often benefit people living along the way through, for example, increased trade opportunities and better access to services. **QCEA therefore recommends that greater attention be paid to conflict also in sectors dealing with countries as a whole, and emphasises that no sector can be defined as conflict-neutral.**

The European Commission does not use budget support as a strategic political tool in the same way as some other donors do and has, for example, continued to provide budget support to Uganda even through the 2006 elections. Without taking a position for or against GBS, QCEA emphasises that it needs to be conflict-sensitive. This applies especially where doubts have been expressed about the government's commitment to democracy and where, at least in the past, concerns have been raised about favouritism of certain regions or groups. Conflict is a sensitive issue but, especially where partner governments have recognised conflict as a core issue in their poverty reduction strategy papers, they should be held accountable as to how they aim to deal with this through their budgets. Accountability to the EU as a donor, if done transparently, should lead to better accountability to the citizens of the partner country, and this should be the ultimate aim. Budget support should also be accompanied by measures to support national accountability measures in the partner country, such as to the national parliament, local civil society and the media. **QCEA recommends that the risks entailed in GBS concerning conflict be studied further. Additionally, efforts need to be made to develop a strategy on how to deal with sensitive issues also in the dialogue related to GBS. QCEA calls for the European Commission to be given a stronger political mandate by the EU Member States so that it can provide GBS with the full potential of reaching its objectives of development.**

Following the recent devolution of the European Commission's external action, the delegations play a stronger role. The Directorates General (DGs) in Brussels dealing with development cooperation, DG Development, DG External Relations and EuropeAid, therefore, have an increased responsibility to support the delegations, and to ensure quality and coherence through, for example, training and providing models that are easily adaptable to the local situations. A good example of this is the programming fiche on conflict prevention provided by the iQSG. Unfortunately, delegations are not required to use this very practical tool in their work. **QCEA is of the opinion that its implementation should be mandatory for all country desk officers in DG Development and for the staff in the delegations responsible for a specific sector.**

Another aspect of importance is the overlap of responsibilities between the three DGs. All three have a unit or at least a desk responsible for conflict prevention in development, but they do not appear to coordinate sufficiently among themselves. The Lisbon Treaty² provides the basis for better coordination between the directorates and, if the Treaty is ratified, it will provide an opportunity for more efficient use of resources and to improve the potential of the DGs in promoting conflict-sensitive development. The Lisbon Treaty also emphasises poverty eradication as the main objective of all EU external action and the **QCEA calls on the EU to honour this commitment and bear it in mind when restructuring the institutions to serve the Treaty better.**

The awareness of the commitments made and what efforts are being made to honour these varies significantly among the Commission officials contacted for the purpose of this study. One or two mentioned that there is training available, but it does not appear to be sufficiently widespread. **QCEA believes that an effort needs to be made to raise awareness among officials of the complex dynamics of conflict, of the potential of Commission support to improve the situation, but also of the risks of development aid fuelling further violence. QCEA believes that practical**

² The Lisbon Treaty was adopted by the Council of the EU in December 2007. The treaty will not apply until and unless it is ratified by each of the EU's 27 Member States. The Irish electorate voted against ratification of the treaty in June 2008, and it is still unclear if and when the treaty could come into force.

and results-oriented training needs to be developed, which should be based on the programming fiche for conflict prevention and on the European Commission's checklist of root causes of conflict. Such training should be made widely available to staff both at headquarters in Brussels and in the delegations.

The European Commission's development cooperation in ACP countries is funded through several financial instruments. Neither the Development Cooperation Instrument (DCI) nor the European Instrument for Democracy and Human Rights (EIDHR) make any clear reference to conflict prevention. The short-term Instrument for Stability (IfS) cannot replace long-term development programmes, and QCEA is disappointed that this situation has been allowed to develop. Considering that the European Commission's competence in relation to peacebuilding has been clarified through the recent Court Case there is no reason why this situation should remain. **QCEA believes that if the EIDHR and the DCI specifically mentioned how they could be used for peacebuilding they would become more powerful instruments, which would be a step on the way to more effective and sustainable development cooperation.** One aspect that, unfortunately, is not covered specifically by the instruments is the need to ensure a smooth transition from short-term responses under the IfS to long-term development cooperation. **The mid-term review (2008/9) of the financial instruments provides a good opportunity for these improvements.**

Most development cooperation with ACP countries is funded through the European Development Fund (EDF), however. The connection between development and peace and the importance of working on conflict prevention are well covered in the Cotonou Agreement, which governs this instrument. There is therefore no reason why the EDF should not fund conflict-sensitive development. The EDF is also used to fund the African Peace Facility (APF), which mainly funds African military peacekeeping operations. **QCEA recommends a stronger focus on civilian peacekeeping, and that a greater part of the APF be spent on capacity building of the African institutions.** If this were the case it would be more acceptable to use money earmarked for development to fund it.

The EDF is not included in the EU budget, but funded through contributions from the Member States. As a consequence, decisions are made by a committee of representatives from the Member States, while the other financial instruments are governed through co-decision between the Council of the EU and the European Parliament. It also means that the Parliament does not have the right to monitor the implementation of the EDF. **QCEA recommends that the EDF be included in the budget so that the Parliament can democratically control that the Commission implements its commitments concerning conflict prevention and development.**

The European Commission's conflict prevention policy will be evaluated shortly. The process has just started and it is estimated that it will be concluded in 2010. QCEA believes that the evaluation is a good opportunity for the Commission to scrutinise its efforts. **QCEA recommends that the mainstreaming of conflict prevention in development cooperation be made an important part of the evaluation, since conflict-sensitive development has a great potential for prevention and for tackling the root causes of conflict.** QCEA further calls for concrete conclusions on how to better coordinate between the different DGs and ensure the effective implementation of commitments made.

Throughout this study, the importance of a thorough conflict analysis has been emphasised. There is an apparent lack of conflict analysis in the current CSPs. The recent peer review, by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD-DAC), of the European Community's development cooperation, likewise, identified conflict analysis as one of the weaknesses of the Commission's work. Since then commitments have been made by the Council of the EU to improve the situation within the process of drafting CSPs. **QCEA welcomes this development and recommends that the European Commission makes this a priority in the near future, so that conflict analysis of high quality will be part of the process in drafting the next strategy papers.** A good starting point for analysis could be the Commission's

checklist of root causes of conflict. As suggested by an official at EuropeAid, it would be good for the Commission to contract experts familiar both with conflict sensitivity and the relevant country. The Commission needs to start considering how it should do this, and draft terms of references if it is to be carried through effectively in the next CSPs. **QCEA also believes that such an analysis needs to be updated annually since conflict and fragile situations often transform quickly.**

1 Introduction

The European Union (EU) introduced the approach of ‘mainstreaming’ conflict prevention into all elements of its programming and policy-making through the European Commission Communication on Conflict Prevention of 2001 and the Partnership Agreement signed between the EU and the African, Caribbean and Pacific (ACP) countries in Cotonou, Benin in 2000 (the Cotonou Agreement).

Mainstreaming conflict prevention means that conflict prevention is systematically incorporated into all areas of EU policy and engagement in third countries. This implies conflict sensitivity in all areas of programming. Development cooperation is an important part of EU relations with developing countries, and the link between development and conflict prevention is increasingly being realised by the EU as well as by other donors. Development cooperation is likewise highlighted in the Commission Communication from 2001 as a policy area where conflict prevention needs to be mainstreamed.

This report studies the impact this new approach has had on EU action in the ACP-countries. It is the second report in a series and focuses especially on the European Commission’s traditional development cooperation, such as infrastructure and rural development. The report focuses especially on policy formulation and programming, that is to say how conflict prevention is mainstreamed through the work in the European Commission’s headquarters in Brussels and in the delegations. The first report focused on direct conflict prevention measures, such as disarmament and security sector reform, and is available on the Quaker Council for European Affairs (QCEA) website.³

QCEA feels that this is an important issue for the citizens of the ACP countries and the EU to be aware of. We have not set out to prove that the EU is doing nothing or even that it is doing something. Rather, we set out to discover what is going on, and whether mainstreaming is positive or negative in preventing conflict. It is intended to identify any gaps in information as well as possible areas for further research. We have endeavoured to publish a report that can form the basis of future advocacy.

The report starts by explaining what is meant by mainstreaming conflict prevention in development and why it is important. The following chapter outlines the commitments made by the EU through various communications and agreements. The fourth chapter illustrates how these commitments are translated into practice and assesses how Community aid is implemented, with a specific focus on how conflict prevention is integrated. It describes which financial instruments apply, how the cooperation is programmed and how this is translated into practice. In order to look more closely at the implementation, the concluding chapter is a case study of one of the EU’s partner countries - Uganda.

³ <http://www.quaker.org/qcea/mainstreamingcp/index>

2 Mainstreaming Conflict Prevention

Activities aiming to prevent violent conflict include, for example, disarmament efforts, initiatives aiming to decrease the accumulation of small arms and attempts to reduce the illegal trade in natural resources that often funds warring parties. It entails much more than this, however. The root causes of conflict are often related to poverty, unequal opportunities for different parts of the population, lack of respect of human rights, failing rule of law or bad governance.⁴ Traditional development cooperation, therefore, has an important role to play in preventing conflict.

Development assistance can also trigger conflict, however, and end up doing more harm than good. People may feel bypassed or misled and frustrations may fuel violence. It is, therefore, important for development cooperation to mainstream conflict prevention or, in other words, be conflict-sensitive. The very least development cooperation should achieve is to 'do no harm', which is stated in for example the Organisation for Economic Cooperation and Development - Development Assistance Committee's (OECD-DAC) Guidelines on Helping Prevent Violent Conflict⁵. In addition, the Guidelines recommend that the underlying causes of conflict should be addressed effectively. Conflict-sensitive programming is a step in this direction. Apart from promoting peace it can also lead to better development results and more effective aid.

Conflict sensitivity is fundamental in countries and regions that are in conflict or that recently have emerged from war. The eruption of violence after the 2007 elections in Kenya is a recent example which shows that it is also necessary in seemingly stable countries.

2.1 Definition of Conflict Sensitivity

There are many different understandings of what conflict sensitivity entails. This report will use the definition developed by a consortium of northern and southern non-governmental organisations (NGOs), following two years of research and consultations with individuals and organisations. The resulting 'Resource Pack' on conflict-sensitive approaches to development defines conflict sensitivity as the ability of an organisation to:

1. understand the context in which it operates;
2. understand the interaction between themselves, their activities and the context;
3. act upon the understanding of this interaction, in order to avoid negative impacts and maximise positive impacts.⁶

The Resource Pack explains that in practice this entails:

1. Organisations should carry out a conflict analysis and update it regularly - in order to understand the context they operate in.
2. Organisations should link their conflict analysis to the programming cycle of the intervention (in planning, implementation, monitoring and evaluation) - in order to understand the interaction between themselves, their actions and the context.
3. Organisations should plan, implement, monitor and evaluate in a conflict-sensitive fashion and be prepared to change the intervention if necessary - in order to avoid negative impacts and maximise positive ones.⁷

⁴ See for example the European Commission's checklist for root causes of conflict: http://ec.europa.eu/external_relations/cfsp/cpcm/cp/list.htm

⁵ The guidelines are available here:

http://www.oecd.org/document/32/0,3343,en_2649_34567_33800800_1_1_1_1,00.html

⁶ APFO et al., *Conflict-sensitive approaches to development, humanitarian assistance and peacebuilding. A Resource Pack*. Introduction. (London: APFO, CECORE, CHA, FEWER, International Alert, Saferworld, 2004) [on-line], accessed 14 February 2008, available at www.conflictsensitivity.org

⁷ *ibid.*, Chapter 1, p. 3

Undertaking a conflict analysis and regularly updating it is key to this process. See the box for a more detailed explanation of conflict analysis produced by Saferworld.

What is conflict analysis?⁸

Conflict analysis is the systematic study of the profile, causes, actors and dynamics of conflict - they provide organisations with the 'who', 'what', 'why', 'when' and 'where' of a conflict.

Conflicts are very fluid and changeable but, although [it] can only provide a 'snap-shot' of the situation, a good conflict analysis will always help develop a better understanding of the context in which organisations work.

Conducting a conflict analysis requires a great deal of care and sensitivity because [it touches] on issues such as power, ownership and neutrality. However, a participatory process can actually be transformative - helping participants define their own conflict and take an important step toward addressing it. A conflict analysis would imply looking at the profile, causes, actors and dynamics of the conflict.

Profile

A conflict profile provides a brief characterisation of the context of a conflict, looking at political, economic and socio-cultural contexts, issues that emerge from these and the history of the conflict.

Causes

Causes of conflict may be:

- structural pervasive factors built into the fabric of a society (for instance, if there is unequal access to natural resources or a discriminatory system in place like 'apartheid' in South Africa)
- proximate factors which contribute towards a climate of violence (for instance, a proliferation of illicit small arms)
- triggers single events that may set off or escalate violence (for example, elections, coups, sudden currency collapses, etc)

There will never be one single cause of a conflict and especially protracted conflicts tend to generate new causes as they continue.

Actors

Thinking about people is central to conflict analysis. 'Actors' refers to all those individuals, groups and institutions contributing to or affected by a conflict.

Dynamics

The interaction between a conflict's profile, its causes and actors can be described as that conflict's dynamics - how the conflict changes and develops over time. Understanding a conflict's dynamics will help identify 'windows of opportunity' for peacebuilding and can help organisations plan future work.

Conflict-sensitive planning can be designed so that the conflict analysis is linked to the needs assessment, or it can be integrated into one tool. Whichever method is used, it is critical to involve all stakeholders through a participatory approach. A concrete example of this is when the UK's Department for International Development used a 'Strategic Conflict Assessment' in Nepal and found that greater transparency in the programmes they supported helped reduce local tensions.⁹

It is extremely difficult to determine the impact of peacebuilding efforts. The close linkage between peace and development does imply, however, that effective development projects also promote peace. Conflict sensitivity in development projects is therefore necessary in a broader peacebuilding strategy.¹⁰ It is also necessary to develop indicators for conflict-sensitive monitoring

⁸ Saferworld, *Conflict-sensitive development* (London: Saferworld Briefing, May 2008) [on-line], accessed 17 June 2008, available at http://www.saferworld.org.uk/publications.php/313/conflict_sensitive_development

⁹ *ibid.*

¹⁰ Barbolet et al. *The utilities and dilemmas of conflict sensitivity* (Berghof Research Center for Constructive Conflict Management, 2005), p 10 [on-line], accessed 5 February 2008, available at: http://www.berghof-handbook.net/uploads/download/dialogue4_barbolet_etal.pdf

and evaluation. The Resource Pack suggests two different types of indicators: objective and perception-based. For example, the recorded number of incidents of violence (objective indicator) compared to whether a respondent feels more or less safe (perception-based indicator). Since every conflict is unique, indicators have to be adapted to each specific situation, through discussions with the local population.¹¹

Conflict sensitivity requires new thinking and methods throughout the project cycle and adopting a new institutional mind set. More resources will have to be allocated to initiate a conflict-sensitive approach but, as the practice becomes established within the framework, structures and processes of the stakeholders, these costs will decrease. Additionally, the costs are not large compared to the potential costs if conflict sensitivity is not practised, for example unsustainable programming, forced project closure or withdrawal to safe area, and inability to implement activities or entire projects. The greatest cost, both in human and economic terms, is of course renewed or exacerbated conflict.¹²

For the purpose of this study, these recommendations apply especially to the European Commission. Apart from the Commission, a conflict-sensitive approach is also necessary in the bilateral cooperation of the EU Member States. It would also be useful to support partner countries' conflict sensitivity capacity, which for example the United Nations Department of Economic and Social Affairs (UNDESA) have done through their project on 'Building African Capacity in Conflict Management'.¹³ Researchers¹⁴ have emphasised that conflict sensitivity cannot be effective through the work of only one practitioner but involves spreading the understanding and application of the methodology to all partners and other stakeholders, including national governments, donors, international and local NGOs, and civil society.

2.2 Conflict Sensitivity in Practice

There are several different ways of financing development cooperation, ranging from budget to project support. This not only has implications on how the money is transferred but also on what role the donor has in deciding how to spend it. Conflict sensitivity is relevant regardless of the kind of support given, which is explained further below. But it is also important in relation to aid allocation, in deciding which country to provide aid to, and to what extent. The Resource Pack argues that development cooperation tends to focus increasingly, both with regard to the level of partnership and the amount of money given, on countries which perform well according to economic and political criteria. As a result, countries whose governments lack the ability or will to implement pro-poor policies are neglected. The Resource Pack argues that 'from a global security point of view, renewing development co-operation with these countries could become part of a civilian strategy to reduce conflict at a global level'.¹⁵

2.2.1 Budget Support

With budget support, money is given directly to the partner government by the donor (for example the European Commission). In general, the money goes to the Ministry of Finance or its equivalent and into the country's budget for public spending. It is used to supplement public expenditure on nationally agreed priorities. Budget support is usually given through general budget support, where the money goes straight into the partner country's general budget, or sector budget support, where the money is earmarked to be spent on a specific sector, such as infrastructure.

¹¹ APFO et al., *A Resource Pack*. Chapter 2, p. 6

¹² *ibid.*, p. 4

¹³ United Nations Department of Economic and Social Affairs, *Capacity building in conflict management* [on-line], accessed 17 June 2008, available at <http://esa.un.org/techcoop/flagship.asp?Code=RAF99024>

¹⁴ For example Barbolet et al., 2005, *The utilities and dilemmas of conflict sensitivity*

¹⁵ APFO et al., *A Resource Pack*. Chapter 1, p. 9

It is often argued that budget support is the best way to ensure recipient government ownership of the process, in accordance with the Paris principles for more effective aid (ownership, alignment, harmonisation, managing for results, and mutual accountability)¹⁶. It is of course also very efficient from the administrative perspective of the donor and the recipient. Budget support is not without its problems, however. Saferworld names several issues that relate to conflict sensitivity:

- if resources are used for the benefit of particular groups, this practice may unintentionally lead to conflict by deepening and prolonging economic inequalities;
- budget support can legitimise governments that are actively involved in violence against or marginalisation of sections of its population;
- in a regional perspective budget support can increase political tensions between countries as a result of perceived favouritism.¹⁷

In addition, if the government budget becomes more dependent on international donors than on tax revenues, there is a risk that the government will be more accountable to the donors than to its own citizens, which in turn may have a negative impact on stability since it undermines democracy.

2.2.2 Project Support

In project support, the donor has control over how the funds are spent and can decide what to focus on. Mainstreaming conflict prevention is therefore more straightforward here than in the other methods of aid delivery. It is not less important, however. For example, projects that are perceived to benefit only some groups of the population or some regions might fuel conflicts and conflict sensitivity needs to be applied both when selecting relevant projects and when they are implemented.

A project cycle usually comprises several stages, including planning, implementation, monitoring and evaluation, and the Resource Pack describes in detail how conflict sensitivity should be taken into consideration in each stage. The importance of regular conflict analysis is highlighted throughout. In the planning stage, the findings need to be taken into consideration when defining the objective and process of the project. In the implementation and monitoring stages, it is important to be prepared to adjust the project according to the findings. A conflict-sensitive evaluation is holistic and builds on a thorough understanding of actors and dynamics.

A more thorough description of conflict-sensitive project support is available in the Resource Pack.¹⁸ It is not elaborated upon here since this study does not analyse projects in detail, but rather looks at the policy and programming levels.

¹⁶ The Paris principles are part of the Paris Declaration on Aid Effectiveness, which was adopted by over 100 leaders of countries and organisations in 2005. More information is available here:

http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html

¹⁷ Saferworld, *Conflict-sensitive development*, p. 1

¹⁸ For a more detailed description of conflict-sensitive project support, please see the Resource Pack, chapter 3

3 EU Commitments Made

The European Union was created as a peace project in a war-torn Europe, and now, more than 50 years later, peace and security still make up one of the main policy areas of the union. Focus has shifted, however, from within the EU to the neighbouring countries and regions further away. There has also been a shift in thinking, towards a greater focus on conflict prevention and dealing with the root causes of conflict. In the last few years, both the European Council and the European Commission have endorsed several documents that make a clear link between conflict prevention and development, starting with the Cotonou Agreement in 2000. This chapter outlines recent commitments that the EU has made in this area.

The Cotonou Agreement addresses the need to see peacebuilding and conflict resolution as fundamental parts of sustainable development, with the first paragraph of its objectives reading that it will 'promote and expedite the economic, cultural and social development of the ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment.'¹⁹

The EU introduced the approach of 'mainstreaming' conflict prevention into all elements of its programming and policy-making through the European Commission Communication on Conflict Prevention of 2001. The Communication states that 'development policy and other co-operation programmes provide the most powerful instruments at the Community's disposal for treating the root causes of conflict.'²⁰ It further asserts that a long-term approach is necessary and that needs should be identified and targeted as early as possible.

The Commission Communication was followed by the EU Programme for the Prevention of Violent Conflicts, which was endorsed by the European Council in Göteborg in June 2001. The programme affirms a commitment to improve the effectiveness and coherence of EU external action related to conflict prevention. Development is listed as one of the EU long-term instruments for conflict prevention and the programme stipulates that the EU 'must use these instruments [i.e. development] in a more targeted and effective manner in order to address root causes of conflict such as poverty, lack of good governance and respect for human rights, and competition for natural resources'. In particular, the programme stresses that in order 'to strengthen EU instruments for long and short-term prevention all relevant institutions of the Union will mainstream conflict prevention within their areas of competence, taking into account the recommendations made in the Commission Communication on conflict prevention'. The programme also encourages the Commission to implement its recommendations on ensuring that its development policy and co-operation programmes are more clearly focused on addressing root causes of conflict.

The European Security Strategy (2003) and the European Consensus on Development (2005) both state that there cannot be sustainable development without peace and security and that, without development and poverty eradication, there will be no sustainable peace. This was reiterated in the Council Conclusions on Security and Development of November 2007, where the Council furthermore 'underline[d] that conflict prevention should be pursued as a priority goal in particular by fostering and strengthening development cooperation'.²¹ The conclusions also list more concrete actions that should be carried out, namely that the Council, Commission and Member States should 'systematically carry [...] out security/conflict sensitive assessment and conflict analysis, where appropriate, in the preparation of country and regional strategies and programmes' as well as

¹⁹ *ACP-EU Partnership Agreement* (Cotonou, 23 June 2000) [on-line], accessed 7 July 2007, available at http://ec.europa.eu/development/icenter/repository/agr01_en.pdf

More information about the Cotonou Agreement can be found in the first report of this study.

²⁰ European Commission, *Communication on Conflict Prevention* (April 2001) COM(2001)211 final, p. 4 [on-line], accessed 5 February 2008, available at

http://ec.europa.eu/comm/external_relations/cfsp/news/com2001_211_en.pdf

²¹ Council of the European Union, *Council Conclusions on Security and Development*, 2831st External Relations Council meeting (Brussels, 19-20 November 2007) [on-line], accessed 7 July 2008, available at http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/gena/97157.pdf

‘tak[e] into account the development dimension in the preparation of CFSP/ESDP activities, and tak[e] into account security aspects, including the CFSP/ESDP dimension, in preparation of development activities’.

In 2008, the third high level forum on aid effectiveness was held with the purpose of improving the quality and impact of development assistance. The forum, which included representatives of the EU, agreed on an ‘Accra Agenda for Action’ which includes that ‘donors and developing countries will work and agree on a set of realistic peace- and state-building objectives that address the root causes of conflict and fragility’.²²

Recently, there have been some disagreements concerning which of the EU institutions have the competence to work with peacebuilding. The Council of the European Union is responsible for the Common Foreign and Security Policy (CFSP) and sends civilian and military missions to conflict affected areas. The European Commission, on the other hand, is responsible for the EU’s development cooperation, of which peacebuilding is an integral part. In 2004, the Commission claimed that a decision by the Council of the European Union to support a small arms and light weapons (SALW) unit in the Economic Community of West African States (ECOWAS) was invalid according to the treaties. The Commission stated that Community development cooperation policy, in this case the Cotonou Agreement, covers the spread of SALW and that the Council, therefore, did not have the competence to take such a decision.²³ It was then up to the European Court of Justice to decide whether the Council had the right to do this or not. In May 2008, the Court found in favour of the Commission, stating that Community tools have precedence over Council tools.²⁴ The outcome of this case highlights the important place that peacebuilding has within the development policy of the European Union.

3.1 EU Commitments Relating Specifically to Africa

The 2005 Council Common Position on Conflict Prevention, Management and Resolution in Africa states that the EU will ‘support the mainstreaming of conflict prevention perspectives within the framework of Community development and its associated country and regional strategies’. It further aims ‘to introduce, as appropriate, conflict indicators and peace and conflict impact assessment tools in development and trade cooperation so as to reduce the risk of aid and trade fuelling conflict, and to maximise its positive impact on peace-building’.²⁵

The Joint Africa-EU Strategy, adopted in December 2007, was formulated together with African partners, and it is intended to offer a general framework for all cooperation between the EU and African countries. Through the strategy the EU and Africa recognise that peace and security are preconditions for political, economic and social development. Peace and security form one of the eight areas of strategic partnerships outlined in the strategy’s action plan. The interconnectedness of development and security is not strongly emphasised in the action plan, except that it repeatedly

²² Third high level forum on aid effectiveness, *Accra Agenda for Action* (2-4 September 2008) [on-line], accessed 15 December 2008, available at <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>

²³ Simon Duke, *Areas of Grey: Tensions in EU External Relations Competences*, EIPASCOPE 2006/1 (Maastricht: EIPA, 2006) [on-line], accessed 2 June 2008, available at http://www.eipa.nl/cms/repository/eipascope/Scop06_1_3.pdf

²⁴ Court of Justice of the European Communities, *Judgement of the Court of Justice in Case C-91/05*, press release no 31/08 (20 May 2008) [on-line], accessed 2 June 2008 available at <http://curia.europa.eu/en/actu/communiqués/cp08/aff/cp080031en.pdf>

²⁵ Council of the European Union, *Council Common Position on Conflict Prevention, Management and Resolution in Africa*, 2005/304/CFSP (Luxembourg, 12 April 2005) [on-line], accessed 7 July 2008, available at http://ec.europa.eu/development/icenter/repository/L_09720050415en00570062_en.pdf

mentions the significance of addressing the root causes of conflict. It also states as one of its activities to 'strengthen cooperation and enhance dialogue on issues relating to the security/development nexus, including on the identification and the use of best practices.'²⁶

It is still unclear what implications a strengthened EU-Africa partnership will have on the broader EU-ACP relations governed by the Cotonou Agreement. One of the main aspects emphasised by the Africans in the negotiations of the partnership was the importance of treating Africa as one. Only countries in sub-Saharan Africa are part of the ACP group of states, however. The European Commission also has separate strategies for its cooperation with the Pacific and Caribbean regions. The needs and expectations of the various regions within the ACP are changing and becoming differentiated and some argue that the role of the ACP-region as a whole is decreasing.²⁷ The Cotonou Agreement's mid-term review is due in 2010, and discussions held in 2009 will be crucial in shaping the future of the agreement.

²⁶ *The Africa-EU Strategic Partnership - A Joint Africa-EU Strategy, First Action Plan 2008-2010* (approved 9 December 2007), pp. 5-9 [on-line], accessed 14 July 2008, available at http://ec.europa.eu/development/icenter/repository/EAS2007_action_plan_2008_2010_en.pdf#zoom=100

²⁷ Laporte, Geert, *The 2010 revision of the Cotonou Partnership Agreement* [on-line], accessed 16 December 2008, available at <http://ictsd.net/i/news/tni/30640/>

4 EU Development Cooperation

The European Economic Community (EEC) was established through the signing of the Treaty of Rome in 1957, and this Treaty also provides for association with countries outside Europe. It expressed solidarity with former colonies and a commitment to contribute to their prosperity. The first European Development Fund (EDF) was created the following year. Thus, the EU has been involved in development cooperation since its start in the 1950s.

The ACP-EC Partnership Agreement (hereafter the Cotonou Agreement) was adopted in Cotonou, Benin in 2000 by seventy-seven countries of the ACP Group of States and the (then) fifteen EU Member States. The Cotonou Agreement provides the basis for ACP-EC development and trade relations, and Community aid through the EDF is governed by it. It covers a period of twenty years, with provisions for review every five years. The Cotonou Agreement builds on several previous agreements, the first being signed in Yaounde (Cameroon) in 1964. This was an agreement mainly with countries in French-speaking Africa. When the United Kingdom joined the EU in 1973 the partnership was widened and the first Lomé agreement was signed in 1975 by the then nine Member States of the EEC and the forty-six countries of the recently formed ACP Group of States. Lomé I covered five years, and was followed by Lomé II, III and IV, where the latter covered ten years between 1990 and 2000 and led up to the Cotonou Agreement.²⁸

Currently, the EU's development cooperation is based on the European Consensus on Development, which was agreed upon in 2005.²⁹ Through the consensus, the EU Member States, the Council, the European Parliament and the Commission adopted a common vision for development. It defines the main objective of EU development cooperation as the eradication of poverty, including in the pursuit of the United Nations (UN) Millennium Development Goals (MDGs). The consensus consists of two parts, one political document covering the whole of EU and another more detailed focusing on Community cooperation.

In December 2005, the Council of the European Union adopted a new strategy for Africa entitled '*The EU and Africa: Towards a Strategic Partnership*'. The purpose of the strategy is 'to give the EU a comprehensive, integrated and long-term framework for its relations with the African continent'. The overarching aims of the strategy are to support Africa's efforts to reach the MDGs and to make Europe's partnership with Africa more efficient, in terms of both the African Union (AU) and individual African countries. The strategy supports the achievement of peace and security, economic growth, sustainable cross-border infrastructure and the MDGs.³⁰

African leaders objected to the fact that the strategy had been developed by the European Union, and argued that a strategy for Africa needed to be formulated in partnership with African governments. A few years later, in 2007, the Joint Africa-EU Strategy was therefore adopted. It was formulated together with African partners, and it is intended to offer a general framework for all cooperation between the EU and African countries. It is based upon the principles of 'the unity of Africa, the interdependence between Africa and Europe, ownership and joint responsibility, and respect for human rights, democratic principles and the rule of law, as well as the right to development.'³¹ One of the objectives of the strategy is to promote peace and security.

²⁸ For more details, see the European Commission's website:

http://ec.europa.eu/development/geographical/cotonouintro_en.cfm

²⁹ Joint Statement by the Council and the Representatives of the Governments of the Member States Meeting within the Council, the European Parliament and the Commission, *The European Consensus on Development* (2005) [on-line], accessed 10 July 2008, available at

http://ec.europa.eu/development/icenter/repository/eu_consensus_en.pdf

³⁰ European Commission, *The EU Strategy for Africa* [on-line], accessed 10 October 2007, available at

http://ec.europa.eu/development/Geographical/europe-cares/africa/eu_strategy_en.html

³¹ *The Africa-EU Strategic Partnership - A Joint Africa-EU Strategy* (9 December 2007) [on-line], accessed 24 January 2008, available at http://www.eu2007.pt/NR/rdonlyres/D449546C-BF42-4CB3-B566-407591845C43/0/071206jsapenlogos_formatado.pdf

The European Commission is responsible for delivering the European Community's development aid. Development programmes are also implemented through the European Investment Bank, which offers loans to partially fund projects. In addition, all EU Member States have their separate development cooperation programmes, but these are not analysed in detail in this report.

This chapter aims to assess how Community aid is implemented with a specific focus on how conflict prevention is integrated. It describes which financial instruments apply, how the cooperation is programmed and how this is translated into practice.

4.1 Lisbon Treaty

The Lisbon Treaty was signed in December 2007. One year later, it still has not been ratified by all Member States, mainly due to a referendum in Ireland where it was rejected. The Treaty is still high on the agenda, however, and is expected to come into force in the latter half of 2009.

The Lisbon Treaty will most certainly have consequences for EU development cooperation, even though the details of how or what this will impact are still unclear. Poverty eradication will, for the first time, be the primary objective of the EU's external action, implying that security policy as well as other policies concerning relations with developing countries will all share the aim of poverty eradication. A new High Representative for Foreign Affairs and Security Policy will be both the Commissioner of External Relations and the chair of the Foreign Affairs Council, and will have the potential for improving coherence between the EU's external policies.³²

There are concerns that development commitments risk being sidelined when the EU's external action is strengthened, and that foreign policy objectives will instead have priority. QCEA calls on the EU to be true to its commitment to prioritise poverty eradication as the main objective of all external action and to bear this in mind when restructuring the institutions to serve the Lisbon Treaty better.

4.2 European Commission

The European Commission is divided into Directorate Generals (DGs), of which three are instrumental for its work on development cooperation: DG Development, DG External Relations (DG Relex) and DG External Cooperation Programmes (EuropeAid³³). The Commission has representations in its partner countries - the delegations - which are part of DG Relex. Humanitarian assistance is covered by DG Humanitarian Aid (DG ECHO).

DG Development and DG Relex are responsible for policy formulation and programming. DG Development manages aid with the ACP countries, whereas DG Relex deals with other regions of the world (Asia, Latin America and the southern and eastern Mediterranean countries) as well as thematic issues that are not regionally specific. EuropeAid and the Delegations, on the other hand, are responsible for the implementation of the programmes. A reform initiated in 2000 resulted in a so-called devolution, where key operational tasks, such as project identification and appraisal, contracting and disbursement of Community funds, and project monitoring and evaluation were shifted from Brussels to the delegations. EuropeAid is responsible for overall coherence, and for general, thematic and quality support.

³² Koeb, Nora, *Whither EC aid? WECA Briefing Note: the Lisbon Treaty* (ECDPM, ActionAid) [on-line], accessed 21 November 2008, available at <http://weca.files.wordpress.com/2008/05/treaty-of-lisbon16may1.pdf>

³³ EuropeAid will be used in this report, but it is often used interchangeably with the French abbreviation: AIDCO

4.3 Financial Instruments

The European Commission has several financial instruments that are relevant to development cooperation in ACP countries, namely: the EDF, the Development Cooperation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), and the Instrument for Stability (IFS)³⁴.

Development cooperation with the ACP countries is funded through the EDF and the DCI. The EDF covers the national and regional programmes for the ACP countries, whereas the DCI covers certain thematic areas that are also relevant for the ACP countries, as well as South and Central America, Asia, Central Asia and South Africa. These areas are: investment in human resources; the environment and the sustainable management of natural resources; non-state actors and local authorities; the improvement of food security; and cooperation in the area of migration and asylum. In addition, the EIDHR supports and promotes human rights and democracy globally, with a specific focus on civil society and non-state actors. The IFS, on the other hand, is a short-term instrument tailored to respond to crises.

All of the instruments except the EDF are included in the European Commission's budget. Their frameworks are therefore defined through the so-called financial perspectives on a multi-annual basis. The current period runs from 2007 to 2013. The EDF is not covered by the budget and runs on a slightly different timetable, where the current period is between 2008 and 2013.

This section analyses the four instruments, looking specifically at how they can be used to fund conflict-sensitive development.

4.3.1 EDF

The EDF is the oldest of the instruments dealt with in this report, dating back to the Treaty of Rome in 1957. It is the main instrument for providing development aid to the ACP countries. Each EDF is concluded for a period of around five years, and normally follows the programming cycle. The current one, the 10th EDF, runs from 2008-2013 and amounts to 22.68 billion euros.

The EDF³⁵ is governed by the Cotonou Agreement, which clearly emphasises the link between development and peace in its objectives. The Cotonou Agreement stresses the need to address root causes of conflict at an early stage, as mentioned in the previous chapter of this report. The importance of mainstreaming conflict prevention in development cooperation is therefore well supported through the EDF instrument. How this is translated into practice is discussed later under section 4.4 on programming.

The EDF is not part of the EU budget but funded through contributions from the EU Member States, and decisions are made by a committee composed of representatives of Finance or Development Ministers of EU Member States. It therefore differs from the other instruments that are all included in the Community budget and managed by the European Commission. In 1993, the European Parliament requested that the EDF be included in the budget, which would mean they would have powers of co-decision over it and the right to scrutinise its implementation. The Commission supports this request, but the Council ruled against it in 2005, at least for the 10th EDF. Opinions differ as to which option would be the best. Since the EDF is not subject to Parliamentary approval, it is currently, in the words of the Commission, 'excluded from one of the most important political

³⁴ For other regions, the European Neighbourhood and Partnership Instrument (ENPI), and Instrument for Pre-Accession Assistance (IPA) are also significant

³⁵ The full text of the EDF - Council regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement, is available here: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:152:0001:0013:EN:PDF>

decision-making processes of the Union'.³⁶ This also has an effect on the Parliament's ability to monitor its implementation. The counterargument, however, is that if it is included in the budget money might be moved away from development to other budget lines. The latter view is supported by several African governments.³⁷ QCEA recommends that the EDF be included in the budget so that the Parliament can control that the Commission implements its commitments concerning conflict prevention and development.

The main part of the EDF consists of grants, and is managed by the Commission. In addition to this, it includes an investment facility of risk capital and loans, which is managed by the European Investment Bank (EIB). The EIB is described further below, under section 4.7.

Allocation of Funds

The European Commission thus intervenes on the national, regional and intra-ACP levels. At the national level, the Cotonou Agreement distinguishes between programmable aid in the so-called 'A-envelope' and funds available to cover unforeseen needs such as emergency assistance through the 'B-envelope'. Resources are allocated from the A-envelope based on needs and performance criteria as outlined in the Cotonou Agreement and the European Consensus on Development. To ensure continuity the initial allocations for the 10th EDF are based on the amounts of the 9th EDF and then determined further according to quantitative needs and performance criteria. The needs criteria include income per capita, demographic dynamics, AIDS prevalence and the human poverty index developed by the United Nations Development Programme (UNDP). The performance indicators measure financial, economic and social performance. In addition, an incentive tranche may be added, which is based on more qualitative criteria of democratic governance. The B-envelope is more flexible and not programmed to the same extent.³⁸

The Governance Incentive Tranche

The governance incentive tranche was introduced in the 10th EDF to allow the European Commission to encourage democratic governance processes. It consists of 2.7 billion euros that top up the funds allocated initially according to the governments' 'willingness to undertake reform in this area'. It can represent up to thirty-five per cent of the national funds allocated. These extra funds are used to support the programme drawn up with the partner country and do not necessarily go to governance reform.

In order to establish whether a country is eligible for the extra funds, the European Commission first assesses the situation in the country. It does this by drawing up a 'governance profile', which is based on a detailed questionnaire covering the following areas: political/democratic governance; political governance and rule of law; control of corruption; effectiveness of the government (including public finance management); economic governance (including investment climate and management of natural resources); internal and external safety; social governance; international and regional context; quality of the partnership. The governance profile is drawn up by the Commission in cooperation with the EU Member States represented locally in each country.

The results of the governance profile are then shared with the partner countries, which are invited to make a list of commitments, a 'governance action plan'. This action plan is evaluated by the Commission and the Member States on the criteria of relevance, ambition and credibility. Special attention will be given to countries coming out of crises or in a situation of instability, so that the

³⁶ European Commission, Communication from the Commission to the Council and the European Parliament of 8 October 2003: *Towards the full integration of cooperation with ACP countries in the EU budget* [COM(2003) 590 final [on-line], accessed 17 November 2008, available at http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=en&type_doc=COMfinal&an_doc=2003&nu_doc=590

³⁷ For more information on the EDF, see DG Development's website: http://ec.europa.eu/development/how/source-funding/edf_en.cfm

³⁸ European Commission, *Aid allocation criteria for the geographic cooperation with the ACP countries in the framework of the 10th European Development Fund covering the period 2008-2013* [on-line], accessed 5 January 2009, available <http://www.oecd.org/dataoecd/52/34/39760004.pdf>

ambition of the plan is assessed in relation to the relative situation. How much the countries are allocated depends on the quality of the action plan but all countries which take part in the process are allocated an initial level.³⁹

The governance tranche has been criticised by NGOs, which claim that the process is neither transparent nor participatory. For instance, the process in which the governance profiles are created is controversial, since it is not done in cooperation with the partner government or in consultation with local civil society, and the assessment is normally not shared with the partner countries or made public. In addition, CONCORD, the platform for European development NGOs, claims that the EU does not have the right to define what 'good governance' is and impose these ideas on other states. CONCORD further argues, that the process focuses far too much on the developing countries, and that the EU does not reflect on the responsibilities it has itself in the lack of accountability in some countries and the lack of transparency in its own processes.⁴⁰

The African Peace Facility

The African Peace Facility (APF) is also part of the EDF. It was created at the request of the AU and aims to fund peacekeeping operations that are led, planned and staffed by Africans. The AU together with the Regional Economic Communities⁴¹ (RECs) have the right of initiative over the facility, but funding needs to be approved by the Commission and the EU Member States. In 2004, an initial 250 million euros were allocated to the APF from the 9th EDF. This decision was controversial since it meant spending money earmarked for development cooperation on peace keeping. The argument was made that development requires peace and that the facility would, therefore, benefit the more long-term objectives of development. Consequently, another 300 million euros were allocated under the 10th EDF.

An African-led peace facility is a welcome initiative. To date, the APF has mainly funded military peacekeeping operations,⁴² however. The military can at most stop people from fighting temporarily, but cannot provide any long-term solutions. In addition, QCEA also finds it unethical that the EU is allowing money that is earmarked for development cooperation to be used to fund military operations. The OECD DAC directives on what counts as official development assistance (ODA) are quite clear on this point⁴³, and QCEA calls for a better use of the EDF funds. QCEA recommends a stronger focus on civilian peacekeeping, and that a greater part of the APF is spent on capacity building of the African institutions. If this were the case, it would be more acceptable to use money earmarked for development to fund it.

4.3.2 DCI

The DCI is relevant for ACP countries through its thematic programmes, including support for human resources, the environment, non-state actors and local authorities, food security and cooperation in the area of migration and asylum. The instrument was established in 2006, following the reform of the European Community's financial perspectives, and has been operational from 1 January 2007.

³⁹ *ibid.*

⁴⁰ CONCORD, *Governance*, Briefing paper (24-28 November 2008) [on-line], accessed 5 January 2008, available at http://www.concordeurope.org/Files/media/internetdocumentsENG/4_Publications/3_CONCORDs_positions_and_studies/Positions2008/Microsoft-Word---PNG-briefing-governance-final-EN.pdf

⁴¹ There are multiple regional blocs, many of which have overlapping membership. Most of them are trade blocs, whereas others also have strong political and military cooperation. The Institute for Security Studies in South Africa provides more information on the RECs:

http://www.iss.co.za/index.php?link_id=3893&link_type=12&tmpl_id=2

⁴² The APF cannot fund for example weapons, but it does fund soldiers' per diems, so in effect it funds the military.

⁴³ OECD DAC, *Conflict prevention and peace building: what counts as ODA?* (3 March 2005) [on-line], accessed 20 December 2008, available at <http://www.oecd.org/dataoecd/32/32/34535173.pdf>

The DCI⁴⁴ does not include any specific reference to peacebuilding or conflict prevention. It only mentions peace once, in very general wordings in the introduction, where it acknowledges that ‘a political environment which guarantees *peace and stability*, respect for human rights, fundamental freedoms, democratic principles, the rule of law, good governance and gender equality is fundamental to long-term development’ [italics added]. So, even though the connection between development and peace is recognised in the first paragraphs of the instrument, it is not taken into consideration at all in the subsequent sections that lay out the actual framework.

The areas of cooperation which are listed under the geographic element of the instrument include post-conflict situations and fragile states. It does not mention preventing escalated violence or renewed conflict, however, but focuses on rehabilitation and the delivery of basic services. The same list includes ‘governance, democracy, human rights and support for institutional reforms’. This provides for ‘cooperation and policy reform in the fields of security and justice’ and can thus be used to fund actions related to security sector reform and transitional justice. Later, under the thematic area of investing in people, it specifically mentions children in conflict-affected areas as a priority. Rehabilitation, security sector reform and focusing on children affected by conflict are all very important aspects of peacebuilding, but should comprise only part of a more holistic approach.

The article on South Africa (article 10) is the only one that mentions regional stability. It states that additional attention should be paid to ‘supporting the consolidation of a democratic society, good governance and a State governed by the rule of law and contributing to regional and continental stability and integration’. South Africa is the only African country south of the Sahara which is covered by the geographic component of the DCI, the rest are included in the EDF.

The instrument thus only touches on certain aspects related to peacebuilding. Commission staff have argued that this is not a problem - the fact that it is not mentioned does not necessarily mean that money cannot be spent on for example conflict-sensitive development projects. On the other hand, the instrument does not provide any reason to do so. QCEA believes that if the DCI specifically mentioned how it could be used for peacebuilding it would become a more powerful instrument, which would be a step on the way to more effective and sustainable development cooperation.

4.3.3 EIDHR

The EIDHR⁴⁵ aims to promote and support human rights and democracy worldwide. It differs from other instruments in that it focuses on civil society and other non-state actors and can provide assistance to organisations without the host government’s approval. Other instruments also support civil society organisations, but through programmes that are agreed with the partner government.

The EIDHR was established in 2006 and became operational in the beginning of 2007. It builds on the European Initiative for Democracy and Human Rights, which grouped together the previous budget lines that focused on human rights and democracy. Human rights and democracy are core values of the EU, embedded in the founding Treaty. They are further emphasised through the Charter of Fundamental Rights in 2000.

Neither peace nor conflict is mentioned in the legal text of the instrument. This despite the fact that the instrument targets some of the primary root causes of conflict, such as the right to freedom of opinion, religion, peaceful assembly, movement etc., and despite the fact that the gravest human rights violations are committed in situations of conflict. The introduction of the instrument mentions that it will complement the IfS and the CFSP, but how this will be done is not elaborated upon.

⁴⁴ The full text of the DCI - Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, is available here: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:378:0041:01:EN:HTML>

⁴⁵ The full text of the EIDHR - Regulation (EC) of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide is available here <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:386:0001:0011:EN:PDF>

Some aspects of conflict prevention are referred to in the EIDHR. Within the scope of the instrument, it mentions ‘promoting and strengthening the International Criminal Court, ad hoc international criminal tribunals and the processes of transitional justice and truth and reconciliation mechanisms’ as well as support of ‘measures to facilitate the peaceful conciliation of group interests’ as objectives.⁴⁶ The first is specific to post-conflict situations whereas the second can be interpreted as more general conflict prevention.

The current strategy for EIDHR (2007-2013) emphasises its role in peacebuilding, in spite of the lack of mention of this in the instrument’s financial regulation.⁴⁷ In the first pages of the strategy it is made clear that human rights and democratic principles are ‘integral to the process of poverty reduction, alleviation of inequality and achievement of the Millennium Development Goals, as well as vital tools for conflict prevention and resolution’.⁴⁸ The connection between human rights and potential conflict is repeated throughout the strategy. It is also made clear that the instrument has a flexible component, which will be used when implementing *ad hoc* measures in situations of crises or urgency. This makes it possible to respond quickly to situations where the other instruments cannot and therefore to react quickly to increasing tensions or deteriorating situations. The strategy mentions that it seeks to be conflict-sensitive in that it will support measures to facilitate the peaceful conciliation of group interests, including support for confidence-building measures relating to human rights and democratisation. It will also help tackle root causes of conflict, by implementing for example measures to combat discrimination, to build consensus in society, and to pursue reconciliation processes in post-conflict situations. It can, therefore, play a crucial role for conflict prevention and it is unfortunate that this is not made clearer in the instrument itself.

A concrete example of peacebuilding activities mentioned in the EIDHR strategy is within the regional support under the second objective, that of ‘strengthening the role of civil society in promoting human rights and democratic reform, in facilitating the peaceful conciliation of group interests and in consolidating political participation and representation.’ Activities could include ‘dialogue and practical cooperation activities aimed at assisting the peaceful management, mediation or resolution of conflicting interests or sources of deep-seated conflict or potential violent conflict. [...] Activities may seek to strengthen transnational networks for child protection, promote solutions on divisive matters (e.g. of citizenship, migration, refugees and asylum), support reconciliation among leading stakeholders and civil society organisations from neighbouring countries, and to develop civil society based early warning systems’.⁴⁹

Call for proposals for Rwanda

The European Commission has issued a call for proposals for Rwanda focusing on the second objective in the EIDHR strategy, which ‘provides for Country-Based Support Schemes (CBSS) aimed at strengthening the role of civil society in promoting human rights and democratic reform, in supporting the peaceful conciliation of group interests and in consolidating political participation and representation in specific countries’.

One of three priorities is said to be: ‘building towards consensus on disputed or controversial areas of policy, by means of civil society dialogues which seek to bridge societal divides and which bring together a wide range of stakeholders to share experience and analyse common problems such as:

- unity and reconciliation
- inter-ethnic understanding
- conflict prevention
- land reform.

⁴⁶ Official Journal of the European Union, *Regulation (EC) of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide* [on-line], accessed 3 November 2008, available at

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:386:0001:0011:EN:PDF>

⁴⁷ i.e. the legal framework of the financial instrument

⁴⁸ European Commission, *European Instrument for Democracy and Human Rights (EIDHR) Strategy Paper 2007 - 2010* (DG RELEX/B/1 JVK 70618) [on-line], accessed 3 November 2008, available at

http://ec.europa.eu/europeaid/where/worldwide/eidhr/documents/eidhr_strategy_paper_2007-2010_en.pdf

⁴⁹ *ibid.*

The EIDHR already funds initiatives targeting root causes of conflict, as is clear from the current strategy and from the example given in the box above.⁵⁰ A large proportion of the funds is spent in countries which show signs of fragility and supports organisations in their efforts to promote a more democratic and equal society. With an emphasis on peacebuilding in the actual regulation of the instrument this would be strengthened further and the instrument could reach its full potential in supporting human rights and democracy movements where it is most pertinent.

4.3.4 IfS

The IfS covers direct conflict prevention actions and is able to fund projects where the other instruments cannot. The IfS consists of 2.1 billion euros for the period of 2007-2013. This can be compared with the 22.6 billion of the EDF in 2008-2013. It has a short-term component, which enables quick reactions in order to prevent conflict or respond to natural disasters. The duration of programmes can be up to 18 months. The IfS also has a long-term component focusing on three issues: threats to law and order, proliferation of weapons of mass destruction and enhancing pre- and post-crisis preparedness. This third aspect is aimed at supporting partners such as international, regional and sub-regional organisations, as well as state and non-state actors through capacity building, information exchange, research and analysis. A Peacebuilding Partnership has been set up by the Commission for this purpose, which especially focuses on support for civil society and think tanks. Its implementation is managed by DG Relex, as is the short-term component, whereas the other two aspects are managed by EuropeAid.⁵¹

It can be argued that the IfS contributes to development by preventing conflict. Due to its short-term nature, however, it cannot be a substitute for long-term, conflict-sensitive, development cooperation. The strategy paper of the IfS makes this clear by explaining that the instrument 'should primarily be an instrument for crisis response, and that long-term measures under this Instrument should not be a substitute for those that could be more effectively delivered under country or regional strategies funded from the main geographic financing instruments.'⁵² One aspect that, unfortunately, is not covered specifically by the instrument is the need to ensure a smooth transition from short-term responses under the IfS to long-term development cooperation.

4.3.5 Financing Conflict Prevention

Neither the DCI nor the EIDHR make any clear reference to conflict prevention. The short-term IfS cannot replace long-term development programmes and QCEA is disappointed that this situation has been allowed to develop. Considering that the European Commission's competence in relation to peacebuilding has been clarified through the recent Court Case, there is no reason why this situation should remain.

European Commission staff interviewed for this project have argued that it is not a problem that conflict prevention is not mentioned specifically and that it does not necessarily mean that money cannot be spent on for example conflict-sensitive development projects. This is also evident from the current strategy of the EIDHR. On the other hand, the instruments do not provide any reason to do so. QCEA believes that if the EIDHR and the DCI specifically mentioned how they could be used for peacebuilding they would become more powerful instruments, which would be a step on the way to more effective and sustainable development cooperation. The mid-term review (2008/9) of the financial instruments provides a good opportunity for this improvement.

⁵⁰ European Commission, EuropeAid, On-line Services, *Call reference EuropeAid/127681/L/ACT/RW* [on-line], accessed 17 November 2008, available at

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1226912930925&do=publi.detPUB&Pgm=7573843&debpub=18%2F09%2F2008&orderby=upd&orderbyad=Desc&nbPubliList=25&aoref=127681>

⁵¹ For more information about the IfS, see EuropeAid's website:

http://ec.europa.eu/europeaid/where/worldwide/stability-instrument/index_en.htm

⁵² European Commission, *The Instrument for Stability Strategy Paper 2007-2013* [on-line],

accessed 22 October 2008, available at http://ec.europa.eu/europeaid/where/worldwide/stability-instrument/documents/ifs_strategy_2007-2011_en.pdf

Most development cooperation with ACP countries is funded through the EDF, however. The connection between development and peace and the importance of working on conflict prevention are well covered in the Cotonou Agreement, which governs this instrument. There is, therefore, no reason why the EDF should not fund conflict-sensitive development.

4.4 Geographic Programming of Funds

This section focuses on the geographic programming done concerning ACP countries. Every five years the Commission, together with the partner countries, drafts strategy papers to guide the development cooperation and allocate resources for that financial period. There are country strategy papers (CSP), regional strategy papers (RSP) and an intra-ACP strategy paper. The current papers correspond to the 10th EDF, which has been allocated €22.68 billion in total. The strategies will be monitored annually and reviewed at mid-term (2010) and at the end (2012).⁵³ Implementation approaches are set up through national indicative programmes (NIP) and regional indicative programmes (RIP), which describe the financial aspects in further detail.

The ACP Group of States was formed in 1975 with the aim of coordinating cooperation between its members and the EU. It no longer focuses on the EU but also on internal cooperation and in other fora such as the World Trade Organisation (WTO). One of its main objectives is to build solidarity among its member states. The ACP Group comprises 79 member states of which 48 countries from sub-Saharan Africa, 16 from the Caribbean region and 15 from the Pacific region.⁵⁴

The first part of this section describes the process leading to the approval of the strategies, focusing on the actors involved at the different stages. The second part looks at what is expected to be included in the strategies and specifically what mechanisms are in place to ensure the mainstreaming of conflict prevention.

4.4.1 Process

According to the Guidelines for the implementation of the common framework for CFPs, preparing a strategy paper usually entails three phases: (1) drafting process, (2) quality control and (3) formal approval.⁵⁵ It is a complex process involving consultations with the government and civil society of the partner country, as well as EU Member States and other donors, in order to, as the Commission explains, 'ensure that, on one side, the EC's overall objectives are in line with the strategies of the countries concerned and, on the other, to look for possible synergies between the EU action and the intervention of other donors'.⁵⁶

The first version of a CSP is usually prepared by the delegation working in collaboration with the geographical desk officer in Brussels. The drafting process includes analysis of the country and consultations with the partner government and non-state actors. In ACP countries, this consultation is mandatory (article 4 of the Cotonou Agreement). The draft is then discussed between the different Commission services involved in the particular country, to ensure coherence between the different policies. Once there is a consistent draft, it is checked by the European Commission's

⁵³ European Commission, DG Development, *Source of Funding - 10th EDF* (last updated: 23 March 2007) [on-line], accessed 8 July 2008, available at http://ec.europa.eu/development/how/source-funding/10edf_en.cfm

⁵⁴ The Secretariat of the African, Caribbean and Pacific Group of States, *African, Caribbean and Pacific Group of States* [on-line], accessed 9 October 2008, available at http://www.unctad.org/sections/press/docs/acp_depl_en.pdf

⁵⁵ European Commission, Secretariat of the IQSG, *Guidelines for the implementation of the common framework for Country Strategy Papers* (Brussels, 4 May 2001) [on-line], accessed 21 November 2008, available at http://www.acp-programming.eu/wcm/dmdocuments/guid_common_framework_implementation_CSPs_2001.pdf

⁵⁶ European Commission, IQSG, *Programming of the EC Development Co-operation* [on-line], accessed 20 November 2008, available at http://ec.europa.eu/development/how/iqsg/programming_what_en.cfm

interservice Quality Support Group (iQSG), which was set up in 2000 for this purpose. The draft is then again checked by the partner government (this is mandatory for ACP countries). The draft is then submitted to the European Commission College for formal approval.⁵⁷

4.4.2 Content

In drafting the CSPs and the RSPs, the Commission staff has guidelines on what should be included. The first prerequisite is that it should adhere to the EU Treaties and to the European Consensus from 2005. It should also stick to regional agreements, such as the Cotonou Agreement and the EU Strategy for Africa, and bilateral programmes agreed with the governments of the partner countries. Coherence, as well as the key principles from the Paris Declaration⁵⁸ should be respected, such as ownership and harmonisation, and cross-cutting issues should be mainstreamed. In this context, the cross-cutting issues refer to those defined by the European Consensus, which are: 1) democracy and human rights, good governance, children's rights and the rights of indigenous peoples, 2) gender equality, 3) a sustainable environment and 4) HIV/AIDS.⁵⁹ As discussed in the third chapter of this report, both the European Consensus and the Cotonou Agreement clearly state the interconnectedness of peace and development, but despite this it was not identified as a cross-cutting issue in the European Consensus.

The iQSG has developed common frameworks on what should be included in the CSPs and the strategies of the thematic programmes. The framework for CSPs states that 'the overall security situation' should be analysed, and that 'insecurity and violent conflict are amongst the biggest obstacles to achieving the MDGs'.⁶⁰ It continues, however, by explaining that the purpose of this analysis is to define the type of partnership (efficient, difficult/fragile state, post-conflict), and that conflict prevention activities are only relevant for the latter two. QCEA believes that a conflict analysis is not only necessary to define the type of cooperation, but needs to be done thoroughly and be part of the process in defining the priorities and activities of every CSP.

This was highlighted in the 2007 OECD-DAC peer review of European Community's Development Cooperation Policy, which states that the EU should make 'more systematic use of conflict analysis as part of country-level programmes and projects' to 'improve their impact and ensure they "do no harm"'.⁶¹ QCEA welcomes that the Council recognised that a more systematic approach to conflict analysis needs to be taken in the context of the CSPs and RSPs in the Conclusions on Security and Development later the same year. QCEA further recommends that the European Commission makes this a priority in the near future, so that conflict analysis of high quality is part of the process in drafting the next strategy papers.

The guidelines for RSPs have a stronger emphasis on conflict prevention, explaining that: 'political instability and the prevalence of conflicts within and between countries have a major impact on development and integration objectives. Successful regional integration can help to prevent future conflicts, as countries become stakeholders in each other's stability.'⁶²

⁵⁷ The process is described in detail here:

http://ec.europa.eu/development/how/iqsg/programming_mainsteps_drafting_en.cfm#10

⁵⁸ See section 2.2.1

⁵⁹ European Commission, iQSG, *Programming, at the heart of Development Policy* [on-line], accessed 10 July 2008, available at http://ec.europa.eu/development/how/iqsg/index_en.cfm

⁶⁰ European Commission, *Common Framework for Country Strategy Papers* (2006) [on-line], accessed 10 July 2008, available at

http://ec.europa.eu/development/icenter/repository/Framework_CSP_2006_en.pdf

⁶¹ OECD DAC, *European Community, Development Assistant Committee (DAC) Peer Review* (2007), p. 67 [on-line], accessed 18 December 2008, available at <http://www.oecd.org/dataoecd/57/6/38965119.pdf>

⁶² European Commission, *10th EDF Programming Guidelines - Annex 1B - Standard Structure for Regional Strategy Papers (RSPs)* (17 May 2006), p. 4 [on-line], accessed 10 July 2008, available at http://ec.europa.eu/development/icenter/repository/ACP_template_rsp_en.doc

In every CSP, a few priority areas are defined, on which Community efforts will focus. The European Consensus defines nine areas from which to choose:

- trade and regional integration;
- the environment and the sustainable management of natural resources;
- infrastructure, communications and transport;
- water and energy;
- rural development, territorial planning, agriculture and food security;
- governance, democracy, human rights and support for economic and institutional reforms;
- conflict prevention and fragile states;
- human development;
- social cohesion and employment.

In addition to these priorities, the four cross-cutting issues should be mainstreamed.⁶³ Conflict prevention is thus one of the possible focal areas.

The iQSG provides guidelines through several so-called ‘programming fiches’ that cover the different areas of Community action. These are tools aimed at facilitating the programming exercise.⁶⁴ One of these is on conflict prevention, specifically. The document describes the basic principles for Community support for conflict prevention and gives examples of indirect and direct conflict prevention and peacebuilding initiatives. The fiche explains that ‘what we need to ensure is that EC external assistance and policies are contributing towards tackling the root causes of the conflict and that EC assistance does not have unintended negative impact on the conflict dynamic.’ It continues by stating that direct or indirect conflict prevention actions should be ‘based on an analysis of the causes of conflict, risk factors, actors and their interests and agendas and options for action. Conflict prevention objectives can be targeted indirectly through sector programmes and/or direct conflict prevention and peace building initiatives.’⁶⁵

The programming fiche also includes a table of the European Commission checklist of root causes of conflict, where possible actions under each are suggested. The checklist includes questions to assess each of the following eight areas: legitimacy of the state; rule of law; respect for fundamental human rights; civil society and media; relations between communities and dispute-solving mechanisms; sound economic management; social and regional inequalities; and geopolitical situation. The purpose of the checklist is to increase awareness within the EU decision making process of conflict risks in partner countries or regions, but also to improve the EU response and ensure that EU policies contribute to conflict prevention where necessary.⁶⁶ The checklist is a useful starting point for thorough conflict analyses when drafting CSPs. In addition, the programming fiche provides a practical tool on how to use the checklist to improve conflict-sensitive programming. The programming fiche and the checklist are both available on the Commission’s website⁶⁷.

There is thus ample scope to draft strategies that would mainstream conflict prevention. It is highlighted in the policy and in the programming framework and, in addition, the programming fiche and checklist on root causes provide excellent guidance on how to do it in practice. It is, however, not a requirement. The programming fiche is presented on the iQSG’s website as a tool to be used in CSPs where conflict prevention has been identified as one of the focal sectors. The fiche itself emphasises the importance of considering the implications for conflict through for example sector programmes, but this is lost when the fiche is presented as being relevant only for direct

⁶³ European Commission, *10th EDF Programming Orientations - Annex 1A - Country Strategy Paper* (16 April 2008), p. 6 [on-line] accessed 10 July 2008, available at http://ec.europa.eu/development/icenter/repository/ACP_template_08_04_16_csp_en.pdf

⁶⁴ All the programming fiches can be found here: http://ec.europa.eu/development/how/iqsg/tools_fiches_en.cfm#a3

⁶⁵ Buxton, I. and Van Bellington, M., *Relex A/2, European Commission, Programming Guide for Strategy Papers - Programming Fiche Conflict Prevention* (January 2006), p. 1 [on-line], accessed 10 July 2008, available at http://ec.europa.eu/development/icenter/repository/F29_conflictprevention_fin_en.pdf

⁶⁶ European Commission, *European Commission Check-list for Root Causes of Conflict* [on-line], accessed 8 July 2008, available at http://ec.europa.eu/external_relations/cfsp/cpcm/cp/list.htm

⁶⁷ Programming fiche: http://ec.europa.eu/development/how/iqsg/tools_fiches_en.cfm#a3
Checklist: http://ec.europa.eu/external_relations/cfsp/cpcm/cp/list.htm

conflict prevention activities. This is not to say that it is never used for this purpose, but there seems to be a lack of consistency in the guidance, and it is left up to the individuals in the Commission, both in Brussels and in the delegations, whether to use it or not. A report by International Alert, SaferWorld and EPLo further shows that the fiche was only used in a few cases when the current CSPs were drafted.⁶⁸ QCEA would welcome a stronger emphasis by the European Commission on the importance of mainstreaming conflict prevention, through awareness raising and training of staff. We also recommend that the iQSG use the programming fiche for conflict prevention more consistently, and that staff in the delegations are trained in how to use it in their work.

4.4.3 Budget Support

Among the donor community, the European Commission is one of the strongest advocates of budget support. It provides it either as general budget support (GBS) to the country's budget, or as sector budget support to a specific sector. According to DG Development, forty-four per cent of the resources of the 10th European Development Fund (covering 2008-2013) will be provided through general or sector budget support.⁶⁹

The Commission argues that this is the best way in which to strengthen country ownership, and promote sound and transparent public finances,⁷⁰ and it lowers the transaction costs. Arguments against this include that it gives the donor more power over how the partner countries manage their budgets and how they prioritise, as a form of conditionality. Another argument is that if the government receives most of its finances through contributions by international donors rather than through revenues raised by taxes, the government will also be held accountable for its spending by donors rather than by its own people. It is also questionable in cases where the governments do not have reliable systems or institutions able to tackle corruption effectively. The views on budget support vary greatly among partner countries, where several eastern African countries favour the idea whereas for example South Africa and India oppose it.⁷¹

In order to receive budget support a partner country has to meet certain eligibility conditions. In the case of the European Commission, these cover three main areas:

- a well-defined national or sectoral development or reform policy and strategy;
- a stability-oriented macroeconomic framework;
- a credible and relevant programme to improve public financial management.⁷²

Other donors have similar conditions, but often include some human rights or governance criteria. The Swedish International Development Cooperation Agency (Sida), for example, makes it clear that the country's poverty-reduction strategy needs to have 'a clear policy of promoting human rights and improving living conditions for the poor'. It further states that 'if the political will to promote democracy and human rights and to reduce poverty weakens, the decision to provide budget support will be reconsidered.'⁷³ As a comparison, budget support accounts for just over five per cent of total Swedish bilateral assistance.

⁶⁸ International Alert, SaferWorld, EPLo, *Acting on commitments: How EU strategies and programming can better prevent violent conflict* (2007), p. 8 [on-line], accessed 1 December 2008, available at <http://www.epllo.org/documents/IA-SW-EPLo-final3.pdf>

⁶⁹ European Commission, *Aid Delivery Budget Support and Economic Governance* [on-line], accessed 18 June 2008, available at http://ec.europa.eu/development/how/aid/budget_en.cfm

⁷⁰ European Commission, EuropeAid, *Delivering Aid Effectively and Efficiently* [on-line], accessed 12 September 2008, available at http://ec.europa.eu/europeaid/how/delivering-aid/index_en.htm

⁷¹ Philippe, Romain, *Whither EC aid? WECA Briefing Note: Budget support* (ECDPM, ActionAid) [on-line], accessed 21 November 2008, available at <http://weca.files.wordpress.com/2008/05/budget-support-12may1.pdf>

⁷² European Commission, *How the Commission provides budget support* [on-line], accessed 19 December 2008, available at http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm

⁷³ Swedish International Development Cooperation Agency (Sida), *Budget support enables contributions to healthcare and education* [on-line], accessed 19 December 2008, available at http://sida.se/sida/jsp/sida.jsp?d=1357&a=25012&language=en_US%2F

In order to increase the predictability of GBS, the European Commission has introduced the idea of so-called MDG contracts. It would entail more long-term strategies of six instead of three years and more predictable disbursement, conditioned to the performance with regard to MDG indicators. A discussion led by ActionAid and the European Centre for Development Policy Management (ECDPM) found support for the idea of increased predictability and for using the MDG contract for monitoring the impact of budget support, whereas in the past 'donors have taken (uncoordinated) positions towards freezing their budget support because of political or economic instability, corruption, cases of late disbursements, etc.' Challenges include the lack of transparency in how it will work in practice.⁷⁴

Another challenge identified by ActionAid and ECDPM is how to strengthen and develop national accountability mechanisms in the partner countries. There is a need to accompany GBS with support to stakeholders such as civil society, national parliaments and the media. Additionally, the European Commission needs to pay special attention to groups who are often excluded from the debates, such as women and people in rural areas. The European Commission's mandate to 'engage in more political questions involving the supervisory role of parliaments, power relations between line ministries and ministries of finance, interaction between national and local levels of authorities, etc.'⁷⁵ is unclear, however. This is a result of the fact that some EU Member States prefer to see the Commission more as a technical than a political institution. QCEA believes that the EU Member States need to strengthen the Commission's mandate in order for its budget support to reach its full potential in development terms. Considering that the Commission is one of the biggest donors when it comes to budget support, a stronger political profile would also be beneficial to the EU's ability to better coordinate its development aid.

The OECD-DAC did an evaluation of budget support in 2006. Concerning mainstreaming, it found that 'for the non-political cross-cutting issues (gender, HIV/AIDS, the environment), [... GBS] is a useful complementary instrument to other aid modalities, because it coordinates, creates forums for dialogue and makes links across sectors.'⁷⁶ It further states that 'GBS is not a substitute for all specialist cross-cutting work, but has potential to assist in cross-sector visibility and mainstreaming, as well as harmonisation across International partners. This is especially so because of the [GBS] focus on the national budget and core public policy processes.'⁷⁷

The European Commission has guidelines on how to programme, design and manage GBS. The guidelines have a section on cross-cutting issues, which affirms that 'there are a number of critical cross-cutting issues which should be addressed during programme preparation. [...] However, it is important not to overload the GBS tool with too many issues, and ensure that it can focus on a number of key aspects. In this respect gender issues, good governance, and the environment are particularly important'.⁷⁸ Concerning governance it describes that the policy dialogue with partner governments in relation to GBS will focus on the economic dimensions of governance, even though the social and political aspects will also 'regularly occur'.

QCEA believes that European Commission GBS cannot be truly effective without the willingness and the ability to discuss conflict-sensitive issues. As was described in section 2.2.1 of this report, conflict sensitivity in relation to GBS is especially relevant in cases where government spending benefits particular groups or where the government is involved in violence against or marginalisation of sections of its population. This is elaborated upon in the following chapter in the context of Uganda.

⁷⁴ Philippe, Romain, *WECA Briefing Note: Budget support*

⁷⁵ Philippe, Romain, *WECA Briefing Note: Budget support*

⁷⁶ OECD-DAC, *Evaluation of Budget Support - Synthesis Report* (May 2006) [on-line], accessed 19 December 2008, p. 26 available at <http://www.oecd.org/dataoecd/25/43/37426676.pdf>

⁷⁷ *ibid.*, p. 28

⁷⁸ European Commission, *Guidelines on the Programming, Design & Management of General Budget Support* (January 2007), p. 60 [on-line], accessed 19 December 2008, available at http://ec.europa.eu/europeaid/what/economic-support/documents/guidelines_budget_support_en.pdf

4.5 Implementation

DG Development and DG Relex are responsible for policy formulation and wider programming, and EuropeAid and the delegations are together responsible for the details in the implementation.

An official working at the unit of governance, security, human rights and gender in EuropeAid interviewed for this study, explained that there are different mechanisms in place at programme and implementation level to ensure that conflict prevention is mainstreamed, and EuropeAid is responsible for the latter. This includes the iQSG, as well as a similar unit within EuropeAid. He recognised that even though the mechanisms exist, there is a gap in making them work. One aspect highlighted by the official is the lack of conflict analysis, which is crucial in order to develop conflict-sensitive projects. He highlighted that these need to be carried out by experts, and that it would therefore be wise to commission them from external consultants.

The European Commission's conflict prevention policy will be evaluated shortly. The process has just started and it is estimated to be concluded in 2010. QCEA believes this is a good opportunity for the Commission to scrutinise its efforts and calls for concrete conclusions on how to better coordinate between the different DGs and ensure the effective implementation of commitments made.

4.6 The Question of Mainstreaming Conflict Prevention

As has been presented above, an ample number of EU documents make reference to the intention of mainstreaming conflict prevention and the close connection between development and security is reiterated again and again. Unfortunately the EU Consensus, which provides the basis for programming decisions and which defines cross-cutting issues to be mainstreamed, does not. The list of characteristics of cross-cutting issues described in the Consensus does not in any way disqualify conflict prevention, but on the other hand it states that it is a political decision whether an issue is classified as 'cross-cutting' or not.

Despite many strong statements on the importance of mainstreaming conflict prevention, it is not sufficiently realised in the programming since this is guided by the EU Consensus. This has strong implications for the availability of funds, and QCEA thus regrets that conflict prevention is not included as one of the cross-cutting themes.

4.6.1 Policy Coherence

Another notion of relevance for this study is that of policy coherence for development. This means that different policy areas, such as for example trade and agriculture, should be consistent with development policies and at the very least not undermine them. For the EU, this is embedded in the treaties and special emphasis is put on policies related to external relations. The Treaty establishing the European Union (Title I, Article 3) reads: 'The Union shall be served by a single institutional framework which shall ensure the consistency and the continuity of the activities carried out [...]. The Union shall in particular ensure the consistency of its external activities as a whole in the context of its external relations, security, economic and development policies.'⁷⁹ Furthermore, the EU cites development as one of the main objectives of community policy and the European Community is obliged to ensure policy coherence for development.⁸⁰

⁷⁹ Official Journal of the European Communities, *Consolidated Version of the Treaty on European Union* (24 December 2002), [on-line], accessed 19 December 2008, available at http://eur-lex.europa.eu/en/treaties/dat/12002M/pdf/12002M_EN.pdf

⁸⁰ Official Journal of the European Communities, *Consolidated Version of the Treaty Establishing the European Community*, (24 December 2002), [on-line], accessed 19 December 2008, available at http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E_EN.pdf

It is crucial that the priority is development in order to prevent that development cooperation is used to benefit the donor country. The European Commission's Staff Working Paper on Policy Coherence for Development, however, states that 'development cooperation [is sometimes also seen as] contributing to the objectives of other EU policies. In general, a two-way approach is progressively being developed.'⁸¹ QCEA is of the opinion that this interpretation fundamentally undermines the purpose of policy coherence for development, and of development cooperation as a whole. This is not to say that the objectives never are compatible, but the priority must always be development.

The European Security Strategy, agreed in 2003, does not mention mainstreaming but does state that the EU needs to be more coherent in its actions, in order to fully realise its potential. It talks both about coherence of the programmes and instruments of the EU institutions, such as the EDF, and also of coherence with the external activities of the Member States.⁸²

Coherence between security and development policy is increasingly discussed. There seems to be a tendency, however, to prioritise security over development, and therefore breach the commitment of policy coherence for development. As an example, the European Parliament recently organised a public hearing on security and development,⁸³ where the discussions focused on peacebuilding from a military perspective, and the more long-term approach of for example conflict-sensitive development was not considered at all.

4.7 EIB

The European Investment Bank (EIB) was created in 1958 through the Treaty of Rome. Its main objectives are lending within the EU to contribute towards 'integration, balanced development and economic and social cohesion of the EU Member States'. It raises funds on the capital market, which it lends favourably to projects in line with EU policy objectives. On its website, the EIB states that it 'continuously adapts its activity to developments in EU policies'.⁸⁴

The EIB has developed structures to assess and monitor each project that it finances and considers the project's realistic chances of being successful. Apart from economic, technical and financial principles, each project is also assessed according to its impact on the environment and in relation to EU policies.⁸⁵

The EIB also lends to projects outside of the EU and this is then based on the respective EU external action and development policies. This lending focuses on: private sector development, infrastructure development, security of energy supply and environmental sustainability.⁸⁶ For the ACP, assessments are made in relation to the Cotonou Agreement which, according to the EIB website, 'mandates the EIB to provide reimbursable aid to projects, alongside grant aid from the

⁸¹ European Commission, Commission Staff Working Paper, Accompanying the Commission Working Paper, *EU Report on Policy Coherence for Development* (COM(2007)545 final) (20 September 2007)

⁸² Council of the European Union, *A Secure Europe in a Better World, European Security Strategy* (Brussels, 12 December 2003), p. 13 [on-line], accessed 14 July 2008, available at <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

⁸³ European Parliament, Committee on Foreign Affairs, Committee on Development, Subcommittee on Security and Defence, Public Hearing on Security and Development, Tuesday 4 November 2008

⁸⁴ European Investment Bank, *About the EIB* [on-line], accessed 1 October 2008, available at <http://www.eib.org/about/index.htm>

⁸⁵ European Investment Bank, *Mission* [on-line], accessed 1 October 2008, available at <http://www.eib.org/about/mission/index.htm>

⁸⁶ European Investment Bank, *Strategy* [on-line], accessed 1 October 2008, available at <http://www.eib.org/about/strategy/index.htm>

European Commission in seventy-nine ACP countries'.⁸⁷ In 2007, the EIB supported twenty-five projects in ACP countries.⁸⁸

The EIB lends to public and private 'clients', who must be in line with the objectives of the EIB and be 'economically, financially, technically and environmentally sound'. The EIB does not fund entire projects but can lend up to fifty per cent of the costs. In the ACP countries, the EIB also provides technical assistance for project preparation.

The EIB manages part of the EDF's resources under the so-called investment facility. This facility supports investment projects in the commercially run public sector and in the infrastructure sector, which are key to the development of the private and financial sectors. The EIB also manages the EU-Africa infrastructure trust fund and supports the ACP-EU water facility.⁸⁹ This enables the EU to combine loans from the EIB with grants from the Commission and the Member States.

Outside the EU, the EIB aims to support sustainable development through, as it claims, 'strict application of its rigorous project selection criteria'. The EIB emphasises the importance of corporate social responsibility (CSR) and achieving a balance between economic growth, social well-being and the protection of the environment. It has mechanisms in place to ensure this, for example through social and environmental assessments of projects. It also emphasises the importance of good governance and transparency of both itself and its partners.⁹⁰

The EIB does not have a specific policy concerning implications on conflict. Nonetheless, it can be argued that it incorporates aspects of conflict prevention in its work on governance and social responsibilities. The EIB works in many areas which have been affected by conflict in the past and QCEA considers it necessary to take this into consideration when funding projects here. Many projects affect local populations even though they might not be the main beneficiaries of the projects, for example in developing hydroelectric dams or through mining, and a conflict analysis and participatory process will probably decrease the potential risks of conflict. In September 2008, an off the record meeting took place between the European Peacebuilding Liaison Office (EPLO) and EIB representatives to exchange views and discuss conflict sensitivity within EIB's work.

QCEA recommends that the EIB formulates a statement making clear how it supports EU policies concerning conflict prevention and development. Each project needs to be preceded by a conflict analysis, where the Commission's list of root causes of conflict can be used as a tool. This analysis can be carried out by the EIB or its partners. This does not have to mean a lot of extra work but is more about altering the assessments already in place to also take conflict into account. Especially where conflict is a sensitive issue and a conflict assessment might offend partners, issues related to conflict could be incorporated in the general assessments of projects. By being clear about its commitment to conflict-sensitivity, however, the EIB can also positively influence its partners to better practice.

⁸⁷ European Investment Bank, *African, Caribbean and Pacific (ACP)* [on-line], accessed 1 October 2008, available at <http://www.eib.org/projects/regions/acp/index.htm>

⁸⁸ European Investment Bank, *The ACP Partner Countries*, Annual Press Conference 2008, Briefing Note No 11 (Luxembourg, 28 February 2008)

⁸⁹ Both the infrastructure fund and the water facility have been established in order to raise further funds towards these sectors. They are funded by the European Commission and the EU Member States.

⁹⁰ European Investment Bank, *Statement on Corporate Social Responsibility* (May 2005)

5 Case Study: Uganda

The previous two chapters have described the EU's commitments and development cooperation relating to the ACP countries in more general terms. In order to better explain how this translates in practice, this chapter gives an overview of the European Commission's work in Uganda. Uganda has been chosen because the Commission has been involved in development cooperation in Uganda for a long time, and because it is a country affected by conflict. Uganda was also one of the countries studied in the initial phase of this project.⁹¹ This chapter begins by giving a background to the situation in the country, both concerning the conflict situation and the national poverty reduction strategy. This is followed by an account of the European Commission's development cooperation with the country.

5.1 Background

There has been violent armed conflict in Uganda almost continuously since its independence from Great Britain in 1962. The first decades of autonomy were marked by political instability; governments replaced each other, often through political force and often intimidating the population by committing grave human rights abuses in the process. According to International Alert, 'one of the factors sustaining violent conflict in Uganda is an economy that has fuelled and supported war, rather than peace'. The country's geographical position in an unstable region and a lack of national identity among its citizens complicates the issue further.⁹²

Yoweri Museveni took power in 1986 through the so-called 'bush war' waged by the National Resistance Army, and has ruled the country since. He has been praised internationally for achieving economic growth and introducing multi-party democracy, but he has also been accused of corruption and intimidating the opposition in the 2006 elections. Museveni's leadership has also been weakened by Uganda's military involvement in the Democratic Republic of the Congo (DRC) and other conflicts in the region, as well as by the civil war raging in the northern parts of the country.⁹³

5.2 Internal Tensions

There are different rebel groups active in several parts of Uganda, even though Uganda is considered as a relatively stable country. The worst internal conflict affects the Acholi people in the north of the country, and is between the Lord's Resistance Army (LRA), led by Joseph Kony, and the Ugandan government.

Conditions in the region surrounding Uganda also have severe implications on the country. Sudan to the north and the DRC to the east are both marked by long-term insecurity and conflict. This has an impact on Uganda both through refugees crossing into the country and also by support that the different rebel movements have been receiving from the neighbouring countries.

⁹¹ <http://www.quaker.org/qcea/mainstreamingcp/index>

⁹² International Alert, *Uganda* [on-line] accessed 18 February 2008, available at http://www.international-alert.org/our_work/regional/great_lakes/uganda.php

⁹³ BBC, *Country profile: Uganda* (18 December 2007) [on-line] accessed 18 February 2008, available at http://news.bbc.co.uk/2/hi/africa/country_profiles/1069166.stm

5.2.1 Northern Uganda

The original source of the north/south divide in Uganda was British ‘divide and rule’ colonialism, followed by post-colonial internal Ugandan politics. When current President Museveni and his National Resistance Movement (NRM) took power in 1986, the government further alienated the northern population, which fuelled existing hostilities. The post-1986 insurgency against the Ugandan government began with the rebellion of the Ugandan People’s Democratic Army (UPDA) and evolved into the current conflict with the LRA.

The LRA claims to be fighting to protect the Acholi people against discrimination from the Ugandan government, but in reality the Acholis themselves bear the brunt of the conflict. The LRA also claims to be fighting for the establishment of a government based on the biblical Ten Commandments.

The International Criminal Court (ICC) has issued an arrest warrant for Joseph Kony and several other members of the LRA. Following a 2001 amnesty law, LRA members can be granted amnesty in exchange for an end to the violence. However, the LRA leaders are excluded from this due to the ICC arrest warrants. On 29 August 2006, the LRA and the Ugandan government entered into a ceasefire agreement.

The so-called Juba peace process was successful at first, and resulted in several protocols signed by both sides. The Final Peace Agreement has not yet been signed, however, and in November 2008 Joseph Kony again failed to show up at a signing ceremony. LRA’s fighting has mostly moved on to Southern Sudan, but sustainable peace is still a far way off in northern Uganda, according to a recent report by the International Crisis Group.⁹⁴

5.2.2 Other Conflict-Affected Regions

Karamoja, in the north-eastern region of Uganda, suffers from pastoral conflicts stemming from competition for scarce land and water resources, cattle raiding, and the proliferation of small arms. The Rwenzori region of western Uganda is another conflict-affected part of the country, where the Allied Democratic Forces have wreaked havoc on local populations. The movement claimed to be fighting against what they perceive to be a one-party state, but the real objective is unclear. The West Nile region in the north-western corner of the country has also suffered from insurgency and displacement, including by a group called the West Nile Bank Front fighting for multiparty democracy.⁹⁵

5.3 Uganda’s Poverty Eradication Action Plan

Uganda’s development strategy is set out in the Poverty Eradication Action Plan (PEAP). The current PEAP runs from 2004-2008, and there are currently consultations on its revision. According to the website of the Finance Ministry, the revision process includes an evaluation of the PEAP since its start, 1997-2007,⁹⁶ and will include consultations at national level, district level and sub-county level.⁹⁷ In addition, Uganda has just finalised the African Peer Review and, according to the Finance Ministry, these results will be an important building block for the next National Development Plan.⁹⁸

⁹⁴ International Crisis Group, *Northern Uganda: The Road to Peace, with or without Kony* (Africa Report N° 146, 10 December 2008) [on-line], accessed 17 December 2008, available at <http://www.crisisgroup.org/home/index.cfm?id=5804&l=1>

⁹⁵ Uppsala universitet, Department of Peace and Conflict Research: Conflict Database, *Uganda* [on-line], accessed 16 December 2008, available at http://www.pcr.uu.se/gpdatabase/gpcountry.php?id=160®ionSelect=2-Southern_Africa#

⁹⁶ Ugandan Ministry of Finance, Planning and Economic Development, *PEAP Revision Process* [on-line], accessed 19 February 2008 at: http://www.finance.go.ug/peap/docs/revision_process.pdf

⁹⁷ Ugandan Ministry of Finance, Planning and Economic Development, *Consultation Process* [on-line], accessed 19 February 2008 at: <http://www.finance.go.ug/peap/consultation.html>

⁹⁸ Ugandan Ministry of Finance, Planning and Economic Development, *PEAP Revision Process*

The overall objective of the PEAP is to eradicate mass poverty and transform Uganda to a middle-income country by 2015. It mentions conflict and regional equity as one of the core challenges. It aims to address the challenges through five pillars, where the third focuses on security, conflict resolution and disaster management. This pillar recognises the link between peace and development, and policies proposed include conflict resolution and control of small arms.⁹⁹

5.3.1 Peace Recovery and Development Plan for Northern Uganda

The Government of Uganda's Peace Recovery and Development Plan (PRDP) for northern Uganda was launched in 2007 and covers the period until mid-2010. The PRDP focuses on the central areas worst affected by the LRA, the Karamoja region in the west, and the Nile region in the east. The overall goal of the PRDP is stability in order to regain peace, recovery and development. It is both an action plan in order to strengthen coordination, supervision and monitoring of national and internationally supported activities to better achieve results, and a tool in order to mobilise resources.¹⁰⁰

5.3.2 Uganda Joint Assistance Strategy

The Uganda Joint Assistance Strategy (UJAS) has been designed by seven development partners, in order for them to provide a more harmonised support to Uganda's PEAP. The partners are the African Development Bank, Germany, the Netherlands, Norway, Sweden, the United Kingdom's Department for International Development, and the World Bank Group. Apart from a more harmonised approach, the principles of the UJAS are to improve effective collaboration between the development partners and the government, and to focus on results and outcomes.¹⁰¹ The European Commission is not part of the UJAS, but adheres to its principles.

5.4 European Commission Aid in Uganda

Most of the European Commission's aid to Uganda is financed by the EDF and, therefore, covered by the CSP. Additionally, a substantial amount is allocated from the EIDHR. The Commission has a delegation in Kampala, the capital of Uganda. This chapter describes the current CSP briefly, and then the budget support and the two focal sectors are discussed further in the following sub-sections. There is also a short section outlining support under the EIDHR in Uganda. For the purpose of this study, four officials working, or previously working, at the European Commission's delegation to Uganda have been consulted.

5.4.1 The Country Strategy Paper

The CSP under the 10th EDF was signed in July 2008 and covers the period of 2008-2013. It provides the framework for European Community cooperation with Uganda for this period. According to the CSP, it is in line with Uganda's PEAP as well as with the principles and guidelines of the UJAS.¹⁰²

An official who was until recently working at the governance section of the European Commission's delegation to Uganda was consulted in this project. She mentioned that some progress has been made towards mainstreaming conflict prevention in Uganda where it is absolutely necessary, as in northern Uganda and Karamoja.

⁹⁹ Government of Uganda and the European Commission, *Country Strategy Paper and National Indicative Programme, 2008-2013*, p. 8 [on-line], accessed 1 September 2008, available at: http://ec.europa.eu/development/icenter/repository/scanned_ug_csp10_en.pdf

¹⁰⁰ Uganda Clusters, *Peace Recovery and Development Plan for Northern Uganda* [on-line], accessed 18 December 2008, available at <http://www.ugandaclusters.org/prdp.htm>

¹⁰¹ OECD-DAC Evaluation Resource Centre, *Uganda Joint Assistance Strategy 2005-2009* [on-line], accessed 15 December 2008, available at http://www.oecd.org/LongAbstract/0,3425,en_35038640_35102099_36187311_1_1_1_1,00.html

¹⁰² Government of Uganda and the European Commission, *Country Strategy Paper*, p. 8

The overall objective of the CSP is to support Uganda's PEAP and Uganda's efforts to achieve the MDG. The funds will go mainly to budget support, transport infrastructure and rural development. The document also states that: 'cross-cutting issues such as democracy, good governance, gender equality, environment, *conflict sensitivity*, human rights, HIV/AIDS are all to be mainstreamed throughout the programme' (italics added).¹⁰³ It is unfortunately not clear how the mainstreaming of conflict sensitivity should be accomplished, however, since it is not sufficiently referred to in the rest of the CSP. Nevertheless, it is the first time that conflict sensitivity has been mentioned as an issue to be mainstreamed in a Uganda CSP and is a great improvement from the last one (2002-2007) where conflict prevention was only mentioned once, and then only as a possible inclusion in the regional strategy.¹⁰⁴ The RSP (2002-2007) did, indeed, contain quite a lot of references to conflict prevention.

The official explained that the governance section in the Uganda delegation has been advocating the mainstreaming of conflict sensitivity in the CSP, especially concerning northern Uganda. She highlighted, however, that implementation will depend on the staff at the delegation, and that continuous advocacy efforts are important and useful so it is not forgotten. Implementation of conflict sensitivity depends on the officials' personal skills and understanding, since conflict training is not sufficiently integrated in the training package.

A conflict analysis has been made and is included as an annex to the CSP. The analysis is divided between the different conflict-affected regions, however, and there is no holistic discussion about the findings, covering all of Uganda. In the Karamoja region, the Commission aims to use 'development as an incentive for peace' by rewarding local leaders who are willing to resolve the conflict peacefully with resources.¹⁰⁵ The official recognises that the bulk of European Commission aid is not covered by a conflict analysis, including the budget support and the main road and agricultural projects.

In order to focus its efforts and not spread the resources too thinly the European Commission always concentrates on two or three sectors in each country and these may change between the different financial periods. In the current CSP for Uganda, the focal sectors are transport infrastructure (thirty-nine per cent of the funds) and rural development (fourteen per cent). Most of the funds are, however, allocated through general budget support (forty-two per cent). Infrastructure is a sector that the European Commission does a lot of work on in general and under the last four EDFs, or funding periods (from 1985-2007), transport has always been a focal sector in Uganda. Other sectors in past EDFs include rural development, economic reform, the social sector and agriculture.

5.4.2 Budget Support

Forty-two per cent of the 10th EDF allocation to Uganda will be provided through GBS, which is an increase from thirty-eight per cent under the 9th EDF. According to the CSP, GBS contributes to the national budget and the maintenance of macroeconomic stability, but it also supports Uganda's poverty reduction reforms, 'with particular emphasis on improving public service delivery and public finance management'¹⁰⁶. The budget support will also include capacity building components such as preparing Uganda's trade sector for the Economic Partnership Agreements (EPA).

GBS is based on policy dialogue as well as mechanisms for monitoring and providing institutional support. The CSP describes that these 'will take into account the government policies on the environment, the promotion of (gender) equality, good governance and HIV/AIDS.'¹⁰⁷ It does not, however, mention conflict sensitivity here, even though that is one of the issues that should be mainstreamed throughout the programme. The dialogue referred to in the case of GBS is with the Ministry of Finance, and is technical in nature, with a list of requirements that need to be met. As is clear from the CSP this list includes the cross-cutting issues, and the Commission agrees that conflict prevention could be included. The officials in DG Development interviewed for this project

¹⁰³ Government of Uganda and the European Commission, *Country Strategy Paper*, p. 28

¹⁰⁴ *ibid.*, p. 22

¹⁰⁵ *ibid.*, p. 77

¹⁰⁶ *ibid.*, p. 28

¹⁰⁷ *ibid.*, p. 29

emphasised, however, that this is often quite sensitive and therefore rather dealt with in the political dialogue under article 8 of the Cotonou Agreement, which is on a higher level, sometimes including the president. As discussed in the previous chapter of this report, a stronger political line by the Commission might also be sensitive within the EU and rejected by some of the Member States.

An official at the European Commission's delegation to Uganda added that the GBS is designed to be relatively free of political implications and that, instead of conditions, indicators are set up to measure the performance. The mainstreaming of conflict prevention in GBS, therefore, has to be done in an indirect fashion. He gave three examples of how this could be done:

- use high-level discussions linked to GBS to raise issues related to conflict prevention;
- choose performance indicators, which are conflict-sensitive;
- advise the government on ways to mainstream some of these issues in its budget policy.

Concerning conflict-sensitive indicators, he mentioned that this could entail focusing on social indicators, which would act as proxies for identified problems in conflict-affected regions (for example school enrolment or immunisation rates in the ten worst performing districts). Possibilities for this are currently being discussed in the context of preparing budget support under the MDG contract. He emphasised that his experience in mainstreaming other issues in the context of the national budget process has been mixed in terms of actual impact despite strong commitment of some senior civil servants in the Ministry of Finance to these initiatives (for example gender budgeting). The official also mentioned the impact on mainstreaming issues in Commission project support, which is more straightforward.

GBS in Uganda will be implemented together with other development partners, through a newly established joint budget support framework. It will be aligned with government systems and centred on the annual review of a joint performance assessment framework.

At the end of 2005, several donors, including the United Kingdom, the Netherlands, Sweden, Norway and Ireland, withdrew or decreased their GBS to Uganda, some transferring the funds to humanitarian efforts in northern Uganda. The decision was made due to concerns about the country's democratic development leading up to the elections in early 2006, especially following the arrest of opposition leader Kizza Besigye.¹⁰⁸ The European Commission did not use GBS as a political tool in this way.

In the CSP, the European Commission refers to the OECD-DAC evaluation of 2006, arguing that budget support has helped decrease poverty in Uganda and led to 'gains in budgetary and operational efficiency'¹⁰⁹. It has also led to increased support for local governments and had a positive impact on harmonisation with other donors and alignment with government policies. The CSP also highlights that there is a need for better alignment with the national strategy, the PEAP, to increase absorption capacity and ownership,¹¹⁰ and this is probably an important reason as to why GBS is favoured by the European Commission in its cooperation with Uganda.

GBS is not uncontroversial, however, and one official mentioned that it would probably be useful to reflect on the issue of the conflict creating potential of budget support. A study by Saferworld highlights the risks with budget support in Uganda, claiming that it may exacerbate conflict. They argue that service delivery and budgetary allocation inadequately address and are poorly adapted to the particular need of conflict-affected regions, despite government commitment to regional equity. 'This increases both the perception and reality of marginalisation of these populations and is a key factor sustaining the conflict. By aligning with government sector priorities and providing

¹⁰⁸ Bogere, Hussein, Sweden Withholds \$8.2m Aid, *The Daily Monitor*, (20 December 2005) [on-line newspaper], accessed 6 January 2009, available at <http://allafrica.com/stories/200512191218.html>

¹⁰⁹ Government of Uganda and the European Commission, *Country Strategy Paper*, p. 22

¹¹⁰ *ibid.*, p. 22

budgetary support, donors may inadvertently be feeding into this conflict dynamic.’ Another aspect brought up by Saferworld is the possible diversion of government funds to defence and military expenditure at the expense of poverty reduction priorities.¹¹¹

QCEA recognises that the discussion of conflict-related issues within the GBS framework is sensitive but, if conflict sensitivity is to be mainstreamed, which the CSP claims it will be, then conflict implications need to be considered at all levels and in all sectors. The fact that such a big part of the funds is given through GBS makes it even more important. This should be possible considering that the CSP has been agreed with the government of Uganda and that the link between peace and development is also recognised in the government’s own PEAP.

5.4.3 Transport Infrastructure

The European Commission is one of the main donors within the infrastructure sector in Uganda and focuses especially on transport and roads. According to the CSP, it has a comparative advantage and other development partners recognise its leading role in this field.¹¹² Furthermore, it is in line with the EU-Africa partnership on infrastructure.

Through the 10th EDF the Commission will support the national road sector development programme. The objective of the support is to contribute to the improvement of road infrastructure to support economic and social development, as well as to promote regional integration. It will do this mainly through three areas: 1) institutional support, 2) maintenance of the national road network, and 3) rehabilitation of the northern corridor route.¹¹³ The CSP mentions that gender and HIV/AIDS will be mainstreamed, and that the impact on the environment will be assessed. It does not mention conflict prevention.

An official at the European Commission’s delegation to Uganda was interviewed for this study. He confirmed that conflict prevention is not mainstreamed within the infrastructure sector and that conflict analyses are not carried out systematically for the projects currently managed by the delegation. Likewise, he was not aware of any case where infrastructure has not been developed because of a potential risk concerning conflict, for example through increased cross-border trade in arms. He argued that infrastructure projects have a long planning period, often of three to four years, and that they are not flexible in nature. They are therefore not responsive to changing conflict dynamics. He did not see this as a major issue in the current projects, however, since the Commission mainly focuses on improving roads already in place. Since the Commission is a big donor, it focuses on the major networks and coordinates this with other donors.

One of the biggest priorities within this sector is financing the development of the northern corridor route, which runs in southern Uganda. It is an important trading route for the western parts of Uganda and Rwanda and Burundi since it connects them with each other and with the port of Mombasa in Kenya. It also connects the DRC but this only accounts for a very small part of the traffic. The road is important for the regional development in the East African Community and regional integration is one of the main objectives of continued Commission support. The programme does not focus on building new roads, but rather on improving road safety and reducing travel time, road maintenance and vehicle operation costs. Recently, rehabilitation works financed by the World Bank have also commenced on the north-south axis, connecting southern Sudan to the route. The official explained that decisions relating to the implementation are on a macroeconomic level and that local communities are only involved later in the project level.

Roads at district level are often included in rural development and, thus, not a focus of the infrastructure sector. A small part of the infrastructure support goes to other initiatives where the official claimed that northern Uganda and internally displaced persons (IDPs) are given priority. He

¹¹¹ SaferWorld. *Programming and implementation of the Country Strategy Paper for Uganda: Taking conflict into account*. Briefing paper. June 2006. [on-line] accessed 20 February 2008, available at http://www.saferworld.org.uk/publications.php/190/programming_and_implementation_of_the_country_strategy_paper_for_uganda_taking_conflict_into_account

¹¹² Government of Uganda and the European Commission, *Country Strategy Paper*, p. 29

¹¹³ *ibid.*, pp. 29-30

gave one example of a road project in the Karamoja region and explained that it was controversial because, in some cases, choices had to be made between development and security considerations when selecting the roads. From a security perspective a north-south link was a priority, whereas from a socio-economic development perspective an east-west link was perceived as more important. This was reiterated by another official at the delegation, and she argued that care needs to be taken in the implementation phase. The conflict potential needs to be taken into account given that the roads will pass through the territories of various ethnic groups in Karamoja, and this has an impact on, for example, the choice of local labour. The first official interviewed stated that this was taken into consideration in the implementation phase where two or three contractors were hired locally in the different territories as a result, even though it would have been easier and cheaper in the short-term for the Commission to hire one contractor for the whole project.

Aspects that might be of relevance from a conflict perspective include that an improved road could also facilitate the transport of arms or trade in natural resources used to fuel the crises in Eastern DRC. The official did not know of any projects that had been cancelled or postponed for this reason, and it did not seem to be an issue considered within the infrastructure sector. Another issue that could have conflict implications on a regional level is corruption. According to an article in a Rwandan newspaper, corruption along the North Corridor Route is common. This has regional implications since drivers from Rwanda feel that they are being treated unfavourably and forced to bribe officials at road controls along the route to a greater extent than Ugandan and Kenyan drivers.¹¹⁴

5.4.4 Rural Development

The European Commission's funding of the rural development sector aims at supporting production and productivity enhancement in agriculture and the improvement of rural livelihoods and incomes. The focus is two-sided: helping smallholder farmers in their shift towards a more commercially oriented agriculture, and promoting agricultural recovery and livelihoods with a view to facilitating the return of displaced communities to their places of origin in northern Uganda. The CSP clearly recognises the need for conflict sensitivity within the work in northern Uganda, explaining that interventions 'will need to be structured around conflict resolution principles - such as natural resource protection - to address some of the root causes of conflict in the longer term.'¹¹⁵

The national indicative programme describes four interventions under this sector, of which two have a specific focus on peace, namely support to the recovery of rural livelihoods in northern Uganda and a peace and development intervention in Karamoja. The CSP states that this last intervention 'will use development as an incentive for peace. Community reconciliation and conflict resolution activities are accompanied by concrete efforts: to address the problems of natural resource management and service delivery in pastoral societies; to improve civil-military liaison; to promote alternative livelihoods, and to counter the negative effects of cross-border small arms trafficking.'¹¹⁶ It further explains that activities funded from the IfS, namely support for the Juba talks and to Karamoja conflict resolution will pave the way for conflict resolution actions under the 10th EDF.¹¹⁷ The intervention depends on increased stability in the region and, if this fails, the support will instead target IDPs with more short-term objectives.

5.4.5 Other Sectors

Apart from the focal sectors of transport and rural development, the Commission also supports work in other areas, such as governance, health and education, water supply and civil society.

One of the officials interviewed mentioned that conflict sensitivity has been integrated into the governance programme at project level, and gave as an example the Northern Uganda Rehabilitation Programme under the 9th EDF. This is confirmed in the CSP, and support to the

¹¹⁴ Barigye, Tony, 'Corruption High Along Northern Corridor', *The New Times*, 15 November 2008, Kigali - Rwanda [newspaper on-line], accessed 24 November 2008, available at <http://allafrica.com/stories/200811150048.html>

¹¹⁵ Government of Uganda and the European Commission, *Country Strategy Paper*, p. 30

¹¹⁶ *ibid.*, pp. 30-31 and 35-36

¹¹⁷ *ibid.*, pp. 30-31

governance sector will continue in the 10th EDF. It is also worth mentioning that Uganda has been allocated an ‘incentive tranche’ of 88 million euros ‘on the basis of the present level of governance and the Government’s commitment’. This is used to top up the focal and non-focal sectors.¹¹⁸

On the delegation’s website, current programmes are listed, explaining their main objectives and main focus. Apart from the governance sector, only one mentions conflict resolution or peacebuilding, namely the Providing Access to Modern Energy in Northern Uganda programme. It aims at reducing ‘poverty by lowering energy expenses, improving the quality of communal services [such] as education and health, generating employment and income, contribution to the rehabilitation and stability of post-conflict areas.’¹¹⁹

5.4.6 EIDHR

The EIDHR funds projects implemented by non-governmental organisations to a greater extent than the EDF. In order to receive funding the organisation has to answer a call for proposals and respond to questions about the organisation as well as how it will implement the project concerned. The EIDHR sets general guidelines on what should be requested in projects under different themes. This is then adapted to the specific context by the delegation. Depending on the region, conflict prevention is included in Uganda.

According to an official at the European Commission’s delegation in Uganda, the Commission aims to foster local conflict resolution strategies of the communities and regions rather than impose global solutions. In issuing guidelines for calls for proposals, she said that ‘a line or two is included indicating that applicants should explore opportunities to improve the effectiveness of development interventions in contributing to conflict prevention and reduction, and to consider conflict-sensitivity mainstreaming as a comprehensive, yet incremental process of integrating sensitivity to conflict throughout the entire project cycle, and to consider

- incorporating peace building and conflict-transformation principles into the organisations’ strategic policies;
- linking conflict analysis with the objectives of the project in the project design;
- ensuring all planning processes include other cross-cutting elements and that they are conflict-sensitive.’

She provided an example of guidelines for funding micro-projects in the Rwenzori region in southwestern Uganda, under the heading of ‘Advancing Equality, Tolerance and Peace’ from 2006. The call aimed to fund actions aiming to support indigenous peoples (e.g. capacity building, livelihoods, land issues, participation in decision-making, human rights) or promote peaceful relations between different ethnic groups and communities.¹²⁰ She explained that most of the NGOs funded through this call for proposals had general development programmes but had to demonstrate clearly how they were going to mainstream conflict resolution and other cross-cutting issues. Eligible organisations would demonstrate how their strategy relating to conflict was linked to their mandate and what institutional arrangements were in place to address mainstreaming.

5.4.7 Donor Training - Northern Uganda

The regions in northern Uganda are those worst affected by instability. As has been described above, the European Commission does a lot of work here, both within its rural development programme and through the EIDHR. Through the PRDP, the Government of Uganda also has its own plan on working towards stability in the region.

¹¹⁸ Government of Uganda and the European Commission, *Country Strategy Paper*, p. 31

¹¹⁹ European Commission, delegation of the European Commission to Uganda, *Related Programmes* [on-line], accessed 16 December 2008, available at <http://www.deluga.ec.europa.eu/en/programmes/index.htm>

¹²⁰ European Commission, delegation of the European Commission to Uganda, *Advancing Equality, Tolerance and Peace - EIDHR Micro-projects, Guidelines for grant applicants responding to the call for proposals for 2006*, Reference: EUROPEAID/122-669/M/G

A group of donors has agreed to conduct annual joint donor training on northern Uganda. The group is called the Northern Uganda coordination group for Reconstruction and Development (NURD) and was started up by Denmark, the European Commission, Germany and Norway. In 2007, the Commission through EuropeAid was responsible for organising the training, the objective of which was 'to enhance a harmonized understanding within the donor community of Post-Conflict Recovery and Development, and of how donors can effectively engage - both at programming and at implementation levels - to support Post-Conflict Recovery and Development.' The event covered two days and had 32 participants, including both local and international staff, four representatives of civil society organisations and three from the Government of Uganda.

According to the report of the event by the organisers, it was useful and appreciated by the participants. The need for regular training was, however, highlighted in the conclusions: 'the impact of one-time events seems to be rather weak so that a strategy for more continuing learning should be considered. A shorter time period between training events might be helpful as well as some means of consolidated learning in between events. Especially in the humanitarian aid and peace building contexts where developments happen at fast pace, the need for just-in-time learning is evident.'¹²¹

5.5 Conclusions

It is evident that, while progress has been made concerning conflict prevention in European Commission aid to Uganda, there are still gaps in consistency. The fact that conflict sensitivity is included as a cross-cutting issue in the CSP is very positive and will hopefully enable a more systematic approach. Currently, it seems to be mainly the governance section of the delegation pushing for it, however, and the implementation depends on the knowledge and commitment of individuals. Conflict dynamics are taken into consideration in interventions in northern Uganda and in Karamoja, but there seems to be a lack of a broader discussion related to national policies which should be approached in the context of budget support and within the infrastructure sector.

¹²¹ Channel Research on behalf of the European Commission, *Developing the content of a training module and training course, harmonizing donor support for the Government of Uganda's Peace, Recovery and Development Plan for Uganda, 2007-2010 (PRDP) - Final Report*, AIDCO G/4/SN/D(2007)/19701 (24 December 2007)

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In an increasingly interconnected world, progress in the areas of development, security and human rights must go hand in hand. There will be no development without security and no security without development.

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