



**Improving European Development Cooperation:
The Link Between Relief, Rehabilitation and Development**

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Executive Summary

This paper identifies aspects of European Union (EU) aid and development policy which provide opportunities to link between relief, rehabilitation and development.

- There is broad consensus that EU relief efforts should reinforce development and that development efforts should prepare states and poor people to better withstand disasters and emergencies.
- Although there have been a number of improvements in EU policy and awareness of the links between relief, rehabilitation and development (LRRD) since the original 1996 policy document, the 2001 Communication on LRRD failed to focus on effective solutions, and the recommendations proposed have yet to be fully implemented.
- The European Commission (EC) affirms the importance of LRRD in the Communication, acknowledging past shortcomings, and listing areas in need of improvement, including coordination, information sharing, flexibility of financial instruments, and simplification of procedures.
- Thus the EC emphasises flexibility, coherence and deconcentration, but lacks a practical focus on implementation and financial tools.

LRRD is often depicted as characterised by problems of financial resources, but this study suggests that it is not simply an issue of *management*, but rather one of *strategies* and *implementation*.

- LRRD involves a debate about the very essence of humanitarian aid, its purpose, scope and effectiveness.
- LRRD encompasses the way the EU conceives of development in terms of conditionality, local participation, and long-term strategies, and it is a crucial tool for reducing poverty and improving coherence between policies and practices.
- Because it is human-centred, LRRD frames interventions within a long-term perspective, highlighting both the linkages between relief and development and their failures.

European institutions are pioneering debates about LRRD and could shape its development at state and international levels. In order to do so, this study highlights two main areas of opportunity for change that require urgent attention:

- EU policy and strategic vision on LRRD including: poverty policy, the scope of participation of affected people, strategic features of LRRD, and the conceptual importance of rehabilitation and disaster preparedness; and
- EC management of humanitarian and development aid including: coordination, implementation, evaluation, and structures to implement its strategic approach.

This report makes **ten main recommendations** for improving the European Union's strategic vision and its policy implementation:

Main Recommendations:

Opportunities for Change: EU Strategy for LRRD

1. Policy

The European Union should acknowledge LRRD as an effective tool of poverty reduction.

2. Participation

The European Union should promote the participation of the most vulnerable in relief and development operations.

3. Approach

The European Union should adopt a contiguous, long-term approach to all emergencies.

4. Strategy

The European Union should be more strategic in planning for LRRD.

5. Disaster Preparedness and Mitigation

The European Union should develop a clear disaster prevention policy.

6. Rehabilitation

The European Union should explicitly recognise risk reduction as an essential objective of rehabilitation in policy and in practice.

Opportunities For Change: EC Implementation of LRRD

7. Coordination

The European Commission should coordinate its services in order to respond to needs in a timely and effective way.

8. Knowledge Management

The European Commission should develop systems to ensure that it learns lessons from implementing LRRD.

9. Financial Resources

The European Union should establish financial resources and systems that respond to needs rather than constrain potential responses.

10. Structures

The European Commission should engage all its services in LRRD.

INTRODUCTION

European Union (EU) policies on the link between relief, rehabilitation and development (LRRD) require urgent attention in order to improve the effectiveness of European aid delivery. Discussion about LRRD must be linked directly to wider European development policy. In particular, such debates must re-focus attention on poor and marginalised people and on the issue of poverty reduction, in addition to furthering discussions about definitions of concepts and administrative procedures.

Some progress has been made on LRRD in recent years, including:

- reaffirmation of the value of LRRD
- recognition of the contribution of disaster preparedness projects in the linkage between relief, rehabilitation and development
- recognition of LRRD as an issue of strategy and planning rather than simply financial resources and administrative procedures
- clarification of ECHO's general criteria for phase-outs and hand-overs
- discussion of budget lines and regulations to be used to link relief and development
- establishment of guidelines for ECHO's exit strategies
- work on entry strategies and their indicators
- acknowledgement of LRRD as one of ECHO's priorities in the 2003 Global Plan
- plans to set up an LRRD toolkit to ensure successful hand-overs
- plans to issue country strategy papers mainly focusing on LRRD

Despite this progress, however, the nature and extent of these improvements varies between different European Commission (EC) services. Moreover, while examples of successful LRRD exist, they depend more on personal commitments than on EU policy. As a consequence, there is a clear need to continue thinking about and debating LRRD.

At present, however, the EC is reluctant to produce blueprints to address LRRD in general, because flexibility and creativity are deemed essential to the effective delivery of aid: specific events call for country-specific approaches. As a result, the continued improvement of EC performance in LRRD depends on whether it is willing to learn from its own experiences, and that of other institutions and member states. The EC needs to move away from an overwhelmingly technical/procedural approach, toward a more holistic, long-term vision that explicitly addresses the linkages between development and emergency work. Such improvements are also important because the EC is pioneering the LRRD debate at the international level.

The gap between EU policies and practices in LRRD is often attributed to the limited availability of financial resources and an inflexibility of administrative procedures. However, this study points to the importance of broadening the debate about LRRD in two other areas. First, by examining the components of LRRD at a conceptual level, the study argues that components such as politics, concepts, regulations, structures, staff vision, funds and activities must be addressed both individually and collectively. And second, by considering LRRD in practical policy terms at the European level, the study argues for the need to reconsider disaster

prevention and rehabilitation, and centralise the experiences of the poor in order to develop an holistic approach to crises and to development.¹

The remainder of this introduction provides brief reviews of EU aid and the LRRD debate, while the study is divided into two sections: the first is on LRRD *strategy*, and the second is on LRRD *implementation*. The reason for the two-fold approach is that EU efforts to pursue an effective LRRD *strategy* have often been hampered by EC administrative bottlenecks that block the *implementation* of LRRD. Therefore, both must be addressed, particularly since 2002-2004 will be a time of sweeping reforms at the EU that will afford important opportunities to produce new approaches to LRRD. Thus the report concludes with a list of ten main recommendations.

A Brief Overview of EU Aid

The EU is a particularly influential actor in the arena of development assistance, not least because the volume of EU aid constitutes a significant proportion of global development assistance. EU countries are collectively the world's top aid donors, accounting for approximately half of all overseas development assistance in 2000 (\$25 billion), while the EC directly manages over 10% of world public aid.

The EU supports development activities through the budget lines for external relations and the European Development Fund (EDF). Member states make voluntary contributions of Overseas Development Assistance to the EDF, to support developing countries in the Africa, Caribbean and Pacific regions (ACP), and overseas territories. The support provided by the EDF is channelled through programmable aid in the National Indicative Programme, and aid provided under budget lines is divided into geographical regions and horizontal themes. Geographical initiatives include Mediterranean basin countries (MEDA), Asia and Latin America (ALA), and the initiative for Rehabilitation in the Balkans (CARDS). Horizontal themes include humanitarian and food aid, co-financing NGOs, democracy and human rights initiatives, and aid to up-rooted people.

Development policy currently comes under the remit of the Directorate General for External Relations (DG Relex) and the Directorate General for Development (DG Dev). DG Dev deals with the programming, policy and strategies phase of the project cycle for ACP countries, and DG Relex deals with the programming, policy and strategies phase of the project cycle for non-ACP countries. The EuropeAid Cooperation Office is the implementing agency for EC external actions, and is responsible for DG Dev and DG Relex projects, including evaluation. EC Delegations represent the Commission in partner countries, and are formally responsible to DG Relex. A key part of current EC reforms is "deconcentration", which is intended to give Delegations greater responsibility for the implementation of EC programmes. Humanitarian aid is dealt with by the European Community Humanitarian Office (ECHO), but lacking operational capacity, it channels funds through implementing partners. In 2001, the Rapid Reaction Mechanism (RRM) was established to operate in the context of crisis (mainly conflict) management, although unlike ECHO, the RRM is not politically neutral, as the assistance it offers is intended to provide political stability.

A Brief Overview of the LRRD Debate

¹ Clearly, conflict prevention and peace building are also essential elements of LRRD, but they are outside the scope of the present study.

LRRD is the acknowledged relationship between emergencies and development, intended to create greater linkage between the two in order to produce mutual advantages for international relief and development actors and recipients. The basic idea is that emergencies are costly in terms of human life and resources, and they disrupt development, while at the same time, development can be insensitive to risk and fail to protect vulnerable people. Through LRRD, improved development can reduce the need for emergency relief, and improved emergency relief can contribute to development.² LRRD is important: it addresses peoples' need to rebuild their livelihoods rather than simply survive a crisis; the development community has seen much of its investment eroded or negated by humanitarian crises; and relief agencies recognise the need for sustainable solutions if their work is to have long-term significance.

At present, there is agreement in the EU about the importance of LRRD, but no consensus as to its definition. Prior to 1996, programmes with an LRRD perspective were carried out under article 255 of the Lomé Convention on rehabilitation; in 1993, LRRD informed the “Special Initiative for Africa” approved by the Council to assist in the transition of different African states. In 1996, the EC produced the first Communication on “Linking Relief, Rehabilitation and Development”, which adopted a linear (continuum) approach to emergencies by dividing them into different phases - ranging from relief to development through rehabilitation - with different interventions for each phase. However, it outlined neither clear administrative responsibilities nor any means of identifying the different phases in practice. Regulation 1257/96 provided a legal basis for ECHO to extend its relief mandate to humanitarian mandates, which allowed actions in the “aftermath of emergency” and the implementation of disaster preparedness activities known as “DIPECHO”.

Following the tightening of financial procedures in 1999, ECHO’s focus on its “core humanitarian mandate” allowed it to avoid dangerous disruptions in humanitarian aid flows, but the further consequences of such reforms was to increase the responsibility of other departments within the EC, which had to implement activities in uncertain situations with inadequate financial and planning tools. The result was an aid and development system characterised by flaws and contradictions, exemplified by the EU intervention in Central America in 1999/2000, in which EC relief mechanisms reacted promptly in the aftermath of the emergency caused by hurricane Mitch, but the rehabilitation phase was highly problematic.³

In response, the EC’s Communication to the European Council and European Parliament of April 2001 acknowledged the flaws of the past and listed a series of themes to address in future. The Communication noted that LRRD should be understood “...as part of an integrated approach towards preventing crises and disasters, in particular through disaster preparedness as well as preventing and resolving conflicts and assuring a return to structural stability.”⁴ The EC thus opted for a *contiguum* perspective, which assumes the necessity of the simultaneous

² Maxwell S. and Buchanan Smith, “Linking Relief and Development”, IDS discussion paper, 1994.

³ In April 1999, DG Relex presented the Regional Programme for the Reconstruction of Central America (PRRAC), providing 250 million Euros to be committed between 1999 and 2002. As a multi-sectoral programme, the PRRAC covered the entire region, took into account local involvement and encouraged decentralisation. It included rehabilitation of infrastructure, management of education and disaster prevention to ensure consistency between different EC activities. In theory, the PRRAC contained all the necessary elements for a successful coordination of relief and development, but its flaws became apparent during implementation. First, activities on the field had not started two years after hurricane Mitch, and only a limited number of projects had been launched. Second, the proportion of funding directed towards civil society was small, while reconstruction of infrastructures was prioritised, because rehabilitation was understood as physical reconstruction. And third, coordination problems resulted from setting up entirely new structures.

⁴ European Commission “Communication from the Commission to the Council and European Parliament: Linking Relief, Rehabilitation and Development – An Assessment”, April 2001.

delivery of humanitarian aid, rehabilitation and development. Such an holistic approach is suitable for efforts that seek to match the realities of crisis with the needs of affected people, but NGOs were concerned with an absence of both a practical focus and financial measures in the Communication. Moreover, its language is uncertain, and risks perpetuating a linear (continuum) approach.

Therefore, while LRRD is acknowledged as an important issue in the EU, it requires further discussion and debate, not least because the gap between relief, rehabilitation and development is not simply a product of administrative issues or budgetary structures: it is also a consequence of policies that direct how existing resources are used.

Note: This study draws on a more comprehensive paper on LRRD, and EU policy and practices. The source paper includes acknowledgements, theoretical and comparative debates, further analysis of EC procedures, successful experiences and future orientation, and an extensive bibliography. It is available upon request from ActionAid Alliance.⁵

⁵ Viciani, I. "Linking Relief, Rehabilitation and Development (LRRD) in EU Policies and Practices", Unpublished ActionAid report (2003).

OPPORTUNITIES FOR CHANGE: EU STRATEGY FOR LRRD

1. Policy

Linking relief and development is complex, as it may mean harmonising conflicting political aims:

“On the one hand relief is unconditional and delivered outside the state. On the other hand, development aid is conditional; the government is the legitimate and primary counterpart for aid relations. Relief and development are categorically distinct in terms of their political meaning.”⁶

Debates about LRRD must address the problem of reconciling relief and development, in which the core issue is harmonising apolitical humanitarian assistance with politicised development aid. But in addition to political differences, development policy and humanitarian aid are also difficult to link because they have different objectives: the former focuses on structures and long-term improvements while the latter focuses more on short-term, individual needs.

1.1 The European Perspective

The main purpose of EU development policy is to reduce, and eventually eradicate poverty. At present EU policy on combating poverty is compatible with humanitarian intervention. Indeed, humanitarian assistance is a weapon in the fight against poverty, as long as it is provided independently and impartially. However, since the main priorities of Common Foreign and Security Policy are security and migration control, there are growing tensions between development priorities and foreign policy. Of course the issues are linked, as poverty reduction could help achieve these foreign policy goals, but there is tension in terms of both priorities and objectives. Finally, it is also important to note that EU treaties contain human rights clauses and performance criteria that bind the provision of aid. It is possible that the delivery of development aid might be hampered as a result of these requirements, although so far the EU has avoided such a strict application to states affected by crisis. Therefore, in terms of policy, it is evident that LRRD could play an essential role in poverty reduction, and yet the EU considers LRRD a simple technical issue, focusing on its administrative performance and on financial management issues.

1.2 Recommendation 1:

The European Union should acknowledge LRRD as an effective tool of poverty reduction

1.2.1 LRRD is essential to a pro-poor focus

To reduce poverty the EU must recognise that the poor are most vulnerable to the impact of natural disasters and complex emergencies. LRRD is the verification of the effectiveness of poverty reduction policies, because it introduces the need to approach development planning in terms of potential emergencies. In this light, it provides an opportunity to redress some of the failures of development policy in terms of those most seriously affected, to whom the

⁶ Macrae, *Aiding Peace and War: Returnee Reintegration, and the Relief-development Debate*. Working Paper 14. New Issues In Refugees Research, UNHCR, Geneva.

distinction between relief and development programmes is artificial and meaningless. In short, LRRD will help to lessen or eliminate the now-frequent disruptions in planning and funding that occur during crises, thereby maintaining the momentum and effectiveness of EU commitments.

1.2.2 EU foreign policy impact on LRRD

During the next round of EC administrative reforms, the role of DG Dev may be eliminated, and its programming handled by DG Relex. Such a change may result in the EU's external political, security and trade interests becoming central to its relationship with developing countries. While this might enhance coherence between various services, prevent disruption, and hold a single body to account, this search for coherence could conceivably lead to the withholding of humanitarian aid in order to achieve peace. The outcome of such administrative changes is at present unclear, but it is crucial to prevent the drive for coherence and stabilisation from harming people affected by crises.

1.2.3 LRRD and human-centred interventions

LRRD is a human-centred approach that is based upon centralising non-discrimination and human dignity in development aid and emergency relief. This helps to avoid focusing on structures at the expense of people, and it also acknowledges the capacities of people affected by crises. By focusing on people, LRRD allows for a broader recognition of needs, includes the most vulnerable (usually the poorest) people, and avoids the problem of relief aid being withheld or denied because of conditionality.

2. Participation

The need to involve individuals and local communities throughout relief operations is vital. Local participation at all stages, from programming to implementation and evaluation, is important because local communities know best the dynamics of their societies. Investing in people through capacity-building and the strengthening of civil society institutions is also cost-effective and time-efficient, and external actors must acknowledge that LRRD prioritises affected people in crises rather than the priorities of interveners.

2.1 The European Perspective

The 2001 Communication on LRRD does not clearly mention local ownership or local capacities. In fact, it underlines speed, efficiency and flexibility in LRRD. Of course, "flexibility" might allow for a participative approach, but only if supported by a decentralised structure and a policy that encourages participation. Administration should be opened up to local participation, but the 2001 Communication only allows Delegations a facilitating role. The idea of participation in the Communication is essentially simple information sharing, and it does not acknowledge the central role of affected people in recovering from emergencies. However, the November 2002 Communication from the EC on "participation of non-state actors in EU development policy" is promising: "special attention will also be given to small and grass roots organisations, which have the capacity to reach and represent vulnerable and isolated groups of the population."

2.2 Recommendation 2:

The European Union should promote the participation of the most vulnerable in relief and development operations

2.2.1 Capacity building

Local communities and structures are invaluable assets for taking over development or relief work and reducing the workload of administrative structures. It is important to support local institutions, to allow communities to define their development priorities and to express their needs. The challenge is to map and build upon existing organisations, mechanisms and capacities. This entails a long-term approach, and NGOs should be considered a resource for local capacity building (e.g. by setting up training) and as a means to measure achievements and unintended side effects.

2.2.2 Participation of the most vulnerable people

There is a need to recognise that existing local structures do not always represent the most affected people. In the framework of a concrete poverty reduction policy the EU should prioritise marginalised people in capacity building. The marginalisation of poor people, who are often the most seriously affected, may be a symptom of the underlying causes of an emerging crisis, and they are a resource to address it. This requires appropriate systems based on realistic and relatively simple indicators to monitor the quality of participation.

2.2.4 Make participation real

The EC's emphasis on the efficient delivery of assistance through the clearly defined use of procedures limits participation. New staff profiles to be deployed in Delegations focus on procedures and implementation rather than social development. Delegations have the potential to enhance participation, but they may be hindered by the demands of daily contract management. Moreover, participation should not be only a Delegation concern: other EC services should also assume responsibility. For example, the RRM might help to address local participation and capacity building.

3. Approach

The contiguum or holistic approach assumes the need for the simultaneous delivery of humanitarian aid, rehabilitation and development. It is based on the idea that although people are in the midst of a crisis, they have different capacities and needs beyond mere survival. Experience suggests that the contiguum approach is suitable in chronic emergencies, and that, moreover, it may be applied at different levels:

- at the project level components of all three elements are present;
- at the country level different kinds of intervention could be carried out depending on different local conditions; and
- at the donor level both relief and development instruments are present and are tailored to the local security situation.

However, while the contiguum approach has replaced the previous paradigm of a linear continuum, the word "continuum" is still the most commonly used in day-to-day language and in evaluation documents (e.g. timed-continuum, dynamic continuum, co-ordinated continuum, continuum and contemporariness), indicating the persistence of the linear approach in practice.

3.1 The European Perspective

The language of the April 2001 Communication is unclear about the continuum/contiguum distinction, and it maintains a linear approach to natural disasters. In general, the Communication seems to have adopted the contiguum approach only for conflict situations.

Expressions such as “meaningful transition” as a synonym for LRRD reiterate the idea of a linear movement between interventions. Contiguum, conversely, focuses on interventions that address the needs of affected people. Evidence from effective LRRD experiences shows that the contiguum approach is the most effective both in terms of natural disasters and conflict situations. However, it is not clear whether the contiguum approach means simultaneity, and this lack of clarity produces a concern with overlapping interventions. As a result, initial coordination problems have been avoided, but the EU has missed an opportunity to tackle the underlying causes of crisis.

3.2 Recommendation 3:

The European Union should adopt a contiguum, long-term approach to all emergencies

3.2.1 Better responses to expectations

The contiguum approach reflects the ways in which people are affected by crises. In emergencies, survival is a primary concern, but so too is ensuring one’s livelihood, because people must recover in the long-term, once the emergency is over. Compartmentalising interventions during emergencies risks further dependency on external assistance, whereas a contiguum approach allows for measuring the success of interventions in terms of benefits to people rather than simply in terms of financial efficiency. At a practical level, this implies a continuous refinement of needs assessment, and different methods for ranking needs. Emergency projects should also contain components to address long-term needs, particularly in chronic emergencies, and the contiguum approach is also relevant for stable development phases, in which some emergency preparedness is crucial.

3.2.2 Pro-active responses to crisis

The contiguum approach addresses multiple aspects of crises, in terms of both needs and underlying causes. This diversification allows for a better response to complex needs and for an improved ability to stabilise crises. Such an approach prevents jeopardising humanitarian activities or broadening the humanitarian mandate, so that relief does not turn into a crisis limitation tool. At an administrative level, the EC’s services should implement continuous field assessments and undertake pilot initiatives to explore the possibilities of further engagement.

4. Strategy

The inadequacy or lack of a strategic framework that draws together political, economic and social factors is the greatest obstacle to LRRD implementation. This is partly due to the fact that LRRD is perceived as an emergency tool. This view entails a compartmentalised management style in which the most serious problem is the timely establishment of responsibilities. But rather than understand LRRD as an emergency tool, it is more helpful to see it as an issue of development planning following failure. This is why LRRD should be considered a development issue rather than a coordination problem.

4.1 The European Perspective

Past experiences illustrate that LRRD was implemented effectively wherever a “transition” assumption has been at the basis of EC services, such as in Cambodia or Mozambique. Strategic clarification allowed staff to act creatively and develop appropriate procedures for specific situations. More problematic, however, is planning based on Country Strategy Papers (CSP), which are the main tool for programming EU assistance. The difficulty is that CSPs are

based on multi-annual planning and reviewed every five years, and as a consequence are unsuitable for the fast-paced demands of emergencies. In response, the European Parliament has proposed the quick drafting of CSP Addenda to follow actions taken by ECHO or the RRM. However, this proposal implies a purely reactive approach to emergencies and LRRD.

4.2 Recommendation 4:

The European Union should be more strategic in planning for LRRD

4.2.1 Keep partnership in CSP Addenda

While the EU and partner governments negotiate CSPs, addenda are unilaterally approved by the EU. Such a procedure constitutes a move away from the idea of partnership. The RRM is a crisis prevention tool to be deployed before a crisis erupts. The idea of drafting a CSP addendum whenever RRM intervenes, however, risks either infringing on the idea of partnership with local governments or limiting RRM deployments. It is important to note that affected states share responsibility with the EU for ensuring the implementation of LRRD, and so the possibility of renegotiating the CSP must be explored during its annual revision.

4.2.2 Draft pre-crisis addenda

The drafting of CSP addenda should occur prior to ECHO and RRM interventions. These drafted pre-crisis addenda could be developed as contingencies or planning exercises, based upon reliable early-warning information, and could be shared with concerned states. Such a pre-emptive exercise could provide influential leverage in terms of prevention and also enhance a culture of preparedness among different EC services. Finally, the involvement of the concerned state would underline its role as a partner in implementing LRRD.

5. Disaster Preparedness and Mitigation

Disaster prevention is a laudable goal that significantly contributes to poverty reduction. Preparedness and mitigation are key approaches to achieving that goal. However, the subject of preparing for and mitigating the impact of natural disasters has, in recent years, fallen into the background of efforts to realign thinking on complex political emergencies. The Development Assistance Committee (DAC) argues that “in situations of continuing instability, disaster prevention and mitigation are essential aspects of the rehabilitation effort.”⁷ Disaster preparedness and mitigation also provide a bridge during development phases, and a link between development and relief cultures by:

- emphasising that emergencies are not one-off events;
- underlining that relief operations do not take place in a vacuum, because structures and capacities are locally present, even though under stress;
- limiting the disruptive consequences of emergency interventions by linking development and relief; and
- focusing on human-centred, rather than resource-based interventions.

5.1 The European Perspective

The April 2001 Communication stated that “disaster preparedness is the only alternative to putting countries into intensive care every time a crisis occurs.” Similarly, VOICE’s position paper for the Stockholm meeting on post-hurricane Mitch reconstruction argued that “the transition to sustainable development necessarily has to take into account prevention and

⁷ DAC, “Helping Prevent Violent Conflict”, 2001

disaster mitigation.”⁸ Despite these claims, however, disaster preparedness and mitigation are often treated as separate from the LRRD debate, because they are integrated into neither relief nor development programmes. DIPECHO does seek to address local vulnerabilities, but its financial resources are tiny and go beyond ECHO’s core humanitarian mandate. Other EC services should consider disaster preparedness and mitigation part of their agenda, but the issue seems to be marginalised, partly due to a lack of visibility and also due to difficulty in assessing effectiveness. The EU recognises the importance of prevention in terms of conflict, but the concept needs to be extended to natural disasters.

5.2 Recommendation 5:

The European Union should develop a clear disaster prevention policy

5.2.1 Disaster Prevention Policy

DIPECHO’s aim was to show an often-sceptical audience the benefits of taking community-based pre-emptive actions before disasters occurred. However it is crucial to shift prevention out of the humanitarian agenda and into the development framework in order to broaden its effectiveness. In short, it is important to move from narrowly-focused disaster preparedness to the wider aims of disaster prevention, and this should be seen as a long-term goal in development. The European Parliament has called for the promotion of a “culture of prevention”, and the newly-established EU Conflict Prevention policy, the current discussion about a Civil Protection Force, and a Disaster Prevention Strategy within DG Environment may all provide opportunities to broaden the debate on prevention among other services.

5.2.2 Disaster prevention, poverty reduction and cost-effectiveness

A coherent poverty reduction policy should aim to prevent or mitigate disasters. Focusing on potential vulnerabilities is also an essential element of effective poverty reduction. In short, poverty and vulnerability are related, and addressing both could contribute to interrupting the cycle of poverty and crisis. Efforts to increase community resilience also address poverty in chronic emergency situations. Evidence shows that every Euro spent on mitigation can save 4-10 Euros in the cost of recovery from disasters⁹, but the EU does not consider economic advantages a priority, as mitigation, disaster preparedness and prevention are rarely mentioned in CSPs.

5.2.3 Legal Basis

At present, only the Cotonou Agreement offers the possibility of improving disaster preparedness and mitigation in the long-term (through Art. 30, 1; 32; 72, 3). All other treaties should include disaster prevention as an autonomous issue. The importance of such a legal basis is, first, that it makes prevention a priority, and second, a legal foundation places the onus for developing an adequate policy on states rather than the EU alone. The EU could introduce vulnerability reduction as a means of assessing development programmes and other EU policies, such as fisheries and agriculture, thereby promoting coherence and the value of development. However, this should not become a further level of conditionality, but instead remain a means to engage third states in further negotiations.

6. Rehabilitation

⁸ VOICE-Euronaid, “European NGOs’ proposals to improve disaster preparedness in co-operation with the EC”, 1998.

⁹ CRED, UCL and ActionAid, “Development at Risk”, 2002

The principal aim of rehabilitation activities is to initiate the reconstruction of infrastructure at national and local levels and to restore livelihoods. Rehabilitation is something of a “missing middle”, lost in a grey area between relief and development: inadequately planned, poorly documented, and imperfectly implemented. It has focused heavily on physical infrastructure and the formal economy, but only recently on the social sector and environmental issues. The informal economy, local capacities, and psychological trauma have received less attention, while politics and security issues have been relegated to the bottom of the agenda. As a result, donors have been reluctant to finance reconstruction activities which in turn has meant fewer achievements with which to secure further financial commitment.

6.1 The European Perspective

The explicit intent of the EU in terms of rehabilitation is to provide an intermediate stage of physical reconstruction, the improvement of infrastructure and services and institutional reinforcement, all aimed at the resumption of sustainable development. Rehabilitation operations intended to enable medium-term development perpetuate the idea of a linear approach to emergencies, resulting in an unclear concept, fragmented activities and limited strategic achievements. One administrative solution sometimes attempted by donors is to set up a brand new rehabilitation unit, but this does not necessarily ensure better performance, and, in fact, the usefulness of the term “rehabilitation” is under question within the EC.

6.2 Recommendation 6:

The European Union should explicitly recognise risk reduction as an essential objective of rehabilitation in policy and in practice

6.2.1 “Risk reduction” as a strategic orientation

A recent independent evaluation of EC rehabilitation activities stated that the imprecise definition of the concept resulted in staff uncertainty.¹⁰ Because many officials did not understand its scope, they relied on procedures to limit their responsibilities, and as a result rehabilitation efforts lost momentum. A thorough analysis of the concept should consider that instability risks are the main obstacles faced by EU development efforts and that ensuring the minimum conditions for development is a plausible aim of EU assistance in such situations. As a result, the first priority of rehabilitation should be to have risk reduction and prevention in mind.

6.2.2 Legal basis for “new” rehabilitation in geographical Regulations

When different Regulations have introduced a reference to rehabilitation it has helped to ease and justify timely interventions (such as Arts. 11-5, 72, 73 1-2 of the Cotonou Agreement and Art. 2 of CARDS). Rehabilitation finds its general legal basis in Regulation 2258/96, but it provides no suitable procedures, list of financial resources, or scope of interventions. Although other treaties mention rehabilitation, they tend to focus more on physical reconstruction, and some regulations, such as MEDA and ALA, are being redrafted to include it. But despite these improvements there has not been any move toward refocusing on the social features of rehabilitation.

6.2.3 Rehabilitation throughout crises

Rehabilitation is a component of the contiguum approach. Rehabilitation assistance should be provided throughout crises, including during emergency phases when normally only ECHO funding is present. It should focus on vulnerability reduction and the enhancement of locally

¹⁰ Nordic Consulting Group, "Evaluation of Actions of Rehabilitation in ALA/MED Countries", 2000.

existing capacities; ECHO is presently adopting such an approach by supporting community livelihood during chronic emergencies as in, for example, the Democratic Republic of Congo.

6.2.4 Manage rehabilitation at field level

Recognising risk reduction as one strategic orientation of rehabilitation could mean that it is seen as a tool for crisis management to be dealt with by the RRM. Rehabilitation assistance must be developed to manage sensitive local issues in a timely fashion, focusing on risks and context-tailoring, and be small scale and decentralised, focusing on communities and clearly visible to those affected. This promotes people's resilience both in times of conflict and in natural disasters. But this adaptive approach needs an ongoing field presence and monitoring; Delegations are best placed to fulfill these tasks as long as they have clear guidelines and adequate staff expertise and capacities.

OPPORTUNITIES FOR CHANGE: EC IMPLEMENTATION OF LRRD

7. Coordination

Coordination amongst aid agencies is often problematic, but the key to coordination problems is not necessarily hierarchical authority. There are two organisational approaches to this issue: the first is a top-down system of formalised collective control, and the second is a bottom-up collaboration amongst autonomous entities to build networks.

7.1 The European Perspective

The EC promotes a collaboration-based approach and underscores the importance of information management. The lack of internal coordination and unclear responsibilities for decision-making are acknowledged to be the main causes of disruption in aid flow. Thus, coordination is seen as synonymous with information sharing, which promotes long-term institutional relations, and avoids administrative adjustments and new regulations. Its initial success depends on individual willingness to participate in information-sharing, but a focus solely on information-sharing cannot solve all administrative problems. As it is a peer process based on consensus, it risks proliferating information without addressing the equally important issues of responsibility, accountability and transparency.

7.2 Recommendation 7:

The European Commission should coordinate its services in order to respond to needs in a timely and effective way

7.2.1 Sharing and focusing information

In terms of decision-making, the EC should consider information a priority for achieving consistency in its external actions. Shared information develops a common vision, which in turn fosters a sense of ownership and involvement. The exchange of information should be continuous before the emergence of a crisis; EC services should regularly meet to share plans and views about a particular situation and create focal points to facilitate information flow, create common information storage and improve institutional memory. Focal points and quality criteria should filter information to prevent the proliferation of irrelevant data.

7.2.2 Clarifying the role of EC services

The “humanitarian core mandate” is the strategic orientation for ECHO, but it places increasing responsibility on other departments to be involved in fast-changing crises. A redefinition of mandates would allow for simultaneous actions rather than disrupt aid. Currently ECHO focuses on “exit strategies” to clarify the limits of its mandate and allow for the participation of other services. However, LRRD involves more than hand-overs, and “exit strategies” do not imply any institutional responsibility to ensure LRRD and avoid disrupting the flow of aid. Of more use would be the establishment of clear criteria to allow different EC services to enter and implement (even simultaneously) a general strategy. These “entry strategies” would introduce elements of contingency and preparedness within development plans, encourage the development of early warning systems, and enhance the transparency of decision-making. Entry strategies would allow for linkages between development and emergency interventions from the beginning of a crisis. The current ECHO focus on "forgotten crises" and the establishment of indicators to identify them is a positive step toward the development of “entry strategies”.

7.2.3 Focusing operational features within Delegations

Delegations should be involved in the LRRD debate, because field attachments can provide timely and ongoing information on vulnerabilities and capacities on the ground. They should assume a key role in coordinating all EU interventions in crisis, and their staff should be trained to facilitate local participation, but should not be paralysed by an excessive workload.

7.2.4 Reporting on changes

Assessments of coordination have been ad-hoc in the past. An EC-wide mapping report on coordination and implementing LRRD that is continuously updated should be collectively managed by the different coordination units. Ongoing EC restructuring has risks, however, such as fragmenting institutional learning, by-passing the EC’s administrative capacities while developing strategies, and possibly hampering the implementation of such strategies, and thus it would be important to monitor such side effects on LRRD.

8. Knowledge Management

Administrative structures need not be unresponsive monolithic bodies, but can be utilised to develop social and knowledge capital, and the exchange of expertise. Of course, institutional learning is more difficult to achieve than information sharing, because lessons learned and evaluations do not necessarily translate into institutional knowledge. Relief agencies have placed much greater emphasis on generating raw data about the beginning and end points on the relief-development spectrum rather than on more practical issues in the middle of the process.

8.1 The European Perspective

“Mainstreaming” LRRD is a crosscutting issue that affects everything in the EC from CSPs to project evaluations. The objective of mainstreaming is to break the cultural divide between development and humanitarian actors, in order to build on the strengths of the human factor and on the commitment of officers. This in turn would allow for the effective implementation of LRRD without the creation of new structures.

8.2 Recommendation 8:

The European Commission should develop systems to ensure that

it learns lessons from implementing LRRD

8.2.1 Clarifying policy

Mainstreaming clashes with the administrative culture of strictly established responsibilities, procedures and performances. It involves a combination of trust amongst officers, and country-specific orientations, and it allows for a clear policy that favours creative approaches over administrative procedures. If political clarity is absent, officers will develop clarity through a rigid application of regulations, which makes institutional learning virtually impossible.

8.2.2 Developing performance indicators

Because mainstreaming generally takes decades to implement, it is difficult to maintain political commitment to it. As a result, it is necessary for the EC to commit to focusing on the way thematic issues are mainstreamed, and to develop targets and indicators of lessons learned. LRRD could fit into this process by ensuring measurable results and deadlines, and indicators should cover disaster preparedness performance and entry and exit strategies. This would allow for the standardisation of knowledge, the ease of information flows, increased public accountability, and improved partners' planning.

8.2.3 Best practices and training modules

Generalised lessons must be drawn from successful LRRD experiences despite the fact that every context of LRRD intervention is unique. Staff training and the forthcoming guidelines for Delegations would benefit from knowledge of successes based on more than general references to flexibility, institutional innovation, and adaptive approaches.

8.2.4 Staff experience and staff turnover

Successful LRRD often relies on human factors, and specifically on committed desk officers who have field experience in both development and humanitarian operations. Thus, while staff movement can contribute to links between DG Dev and ECHO, it may also result in a loss of institutional knowledge and overall effectiveness (as does overwork). At present, this particularly affects EuropeAid, limiting its coordination role during initial stages of deconcentration.

8.2.5 Establishing joint evaluations

LRRD is a cross-cutting issue that requires joint evaluations by all EC actors. In order to develop an informed debate, capitalise on previous experiences and raise awareness of it, there is an urgent need to undertake an evaluation of relevant EC activities in terms of LRRD, with EuropeAid a focal point.

9. Financial Resources

The biggest constraint on LRRD is the sporadic and short-term nature of donor commitments. Relief inevitably involves short-term funding as it deals only with short-term needs. But affected people need support at just the time when relief funding usually ends and recovery is still being planned. Some bilateral agencies have created budget lines to address this financial gap, but these financial resources are small (on average, 15% of humanitarian aid budgets), they entail restrictive time-limits, and they are unable to sustain a large geographical coverage.

9.1 The European Perspective

There is common agreement among EC officials that current financial instruments cover all needs. Among the instruments that are better suited to finance LRRD, the EC lists NGO co-

financing and up-rooted people budget lines. However, other budget-lines which could be helpful in addressing LRRD are rehabilitation, food aid/food security and de-mining. Additionally, the *Humanitarian Plus* experiment could be considered a financial alternative, working via the EDF (although it is considered costly and lacks sufficient capacities in Delegations).¹¹ In respect of the proposed rationalisation of Community budget lines, its impact on LRRD is unclear; rationalisation could either assist further mainstreaming or lead to further marginalisation.

9.2 Recommendation 9:

The European Union should establish financial resources and systems that respond to needs rather than constrain potential responses

9.2.1 Increase resources for pre-crisis and post-crisis phases

The existing range of financial resources from rehabilitation budget-lines such as de-mining, up-rooted people and rehabilitation is unable to address two major crises simultaneously. Generally, in the case of significant events in which the EU intervenes, the Parliament and the Council create ad-hoc budget lines which drain resources from other areas. Instead, a transparent system of financial reserves should be established, as in the case of the National Indicative Programme for ACP countries, which includes reserves to be spent in case of unforeseeable needs. ECHO reserves could also be considered in extreme cases. In terms of pre-crisis resources, DIPECHO resources may be increased by 5% by 2005, as proposed by the European Parliament, with clear budget allocations to disaster prevention spending included in each National Indicative Programme. Systems to allow the use of unspent resources already committed in other budget lines should also be explored further.

9.2.2 Diversification of funding

Diversification of funding allows quick reactive financial flows depending on local requirements. This is a financial feature of the contiguuum approach which allows for the financing of pilot or risky interventions. Suspension of official cooperation does not mean interruption of cooperation funds, as unallocated EDF or the up-rooted people budget line can be used to fund longer-term projects in more stable regions. These financial headings could be expanded in other areas as ECHO exits. Diversification allows for a long-term field presence, as is the case of the food aid/food security and up-rooted people budget lines. They have been successful because their regulations address the entire problem without time limits.

9.2.3 Geographic and thematic expenditure tracking systems

Any tracking system aims at improving accountability. Although a majority of European citizens claim to be in favor of an increase in EU development aid, many are sceptical when asked whether it reaches those who need it.¹² To reverse this perception and publicise EU achievements it is necessary to make performance data available to the public, just as there is a need to enhance accountability in financial resource allocations and disaster prevention performance. Moreover, the proposed merging of thematic budget lines into geographical lines

¹¹ The objective of *Humanitarian Plus* for Sudan is “improving the living conditions and human dignity of distressed civilian population, by re-establishing a minimum capacity for self-reliance...”. The concept of *Humanitarian Plus* is not officially defined and staff are reluctant to introduce new terminology. In some ways it is the administrative translation of a contiguuum approach: it consists of carrying out different relief and development activities in one state, with a wide range of funding mechanisms. At the project level it implies the introduction of long-term components (road rehabilitation, strengthening structures), decentralised management, and working with local institutions as counterparts.

¹² Eurobarometer, “Development aid”, 1999.

implies that all are to be considered concepts to be mainstreamed. Despite the administrative advantages of this shift, the subsequent loss in transparency has to be counterbalanced by a detailed monitoring system based on the themes of the merged budget lines; the problem is that LRRD risks being further sidelined as so many other issues are mainstreamed.

9.2.4 Reduce procedures for fund allocation

In transition states, financial resources are generally available but very difficult to access due to complicated procedures. This is particularly relevant for financial instruments in which funds have been earmarked but need further approval for spending. For ACP countries, it is necessary to reduce the burden of the EDF Committee's involvement, either by allowing ACP countries to decide or by giving the Commissioner for Development a major role in management. Another proposal currently under discussion is the Global Authorisation, a multi-year authorisation by the EDF Committee for an amount of 60 million Euros, saving 6 months on the average disbursement time.

9.2.5 Reduce procedures for contracts

Although the EU acknowledges that resources could also be made directly available to non-state actors, complicated tenders and financial controls requiring bank guarantees constrain the number of grants awarded. There is a clear need to find a new trade-off between transparency/accountability and more timely disbursement. Drawing on the EC's experiences in Mozambique and Liberia, officials suggested an "LRRD procedure" be enforced after a country is declared in LRRD. This could allow a project manager access to all budget lines, reducing the number of signatures and controls required for approval. The idea of an LRRD partnership agreement with NGOs for post-crisis activities could also be explored, as could the possibility of including southern organisations.

10. Structures

There is some question as to whether LRRD is mainly an institutional problem about linking relief departments with developmental departments. In this respect, the debate is one of semantics, obscuring the larger issue of how emergency and development assistance is actually organised. The problem is one of institutional mandates, which, dictated in part by funding, define the limits of outsiders' understanding and their approach to timing. In short, institutional changes have not kept pace with conceptual changes, and this institutional problem requires an institutional solution.

10.1 The European Perspective

In encouraging linkages between existing organisations, there is an interest in avoiding the creation of new structures. New structures need time to work and ad-hoc structures, such as Task Forces for Rehabilitation, did not perform well and are features of a top-down approach. To progress, existing structures such as DG Dev and DG Relex need to play a more active role and redefine their mandates in order to bridge the gap between them. However, both seem reluctant to assume such responsibility, claiming a lack of capacity or the desire not to overstretch their mandate.

10.2 Recommendation 10:

The European Commission should engage all its services in LRRD

10.2.1 Balance between inaction and responsibility

As a practical consequence of the contiguum approach, different EC services should proactively look for opportunities to intervene. Once the EU acknowledges its commitment to simultaneous interventions, EC services could be held accountable for inaction, and they would be more interested in field development, favouring participation of NGOs on the ground. With a pro-active approach to crisis, the contiguum approach requires the EU to take risks, and accepting them should be coupled with more freedom for officers and for services to take responsibility for their (in)actions.

10.2.2 Seize the potentiality of existing structures

The April 2001 Communication attaches great value to Delegations in implementing LRRD. However, their responsibilities may become overwhelming because in future, Delegations are intended to be centres for information, local participation, contracts, and strategic analysis. Other structures are also intended to contribute: the creation and strengthening of EuropeAid as the central implementing body for EC development policies has some potential for addressing management problems while also serving as a focal point for information sharing. And the RRM is promising, though it is not seen as a transitional tool. As part of DG Relex, RRM brings the Directorate closer to field needs, which is significant as so far, DG Relex has not been willing to deal with small grants.

Conclusions

- By examining the link between relief, rehabilitation and development in the European Union, this study has found that there is a great deal of opportunity for further change and improvement.
- Focused around ten main recommendations, it is the conclusion of this report that such change is essential in order to improve the effectiveness of European aid delivery.
- By re-focusing LRRD debates in the EU on poor and marginalised people around the issue of poverty reduction, the report argues that there is more to be gained than merely another discussion about the *management* of aid.
- Specifically, the report identifies two opportunities for change: the first involves EU *strategies* for LRRD, and the second involves EC *implementation* of LRRD.
- The report therefore points to the importance of broadening the debate about LRRD by examining its components at a conceptual level, and by considering it in practical policy terms at the European level.

In sum, the report argues that it is essential for the EU to be both a think-tank and a learning organisation:

- continued improvement of EU performance in developing the link between relief, rehabilitation and development requires efforts to continually re-think LRRD policy, in terms of both strategy and implementation; and
- continued improvement also requires efforts to expand the learning capacity of the EC via the development of training tools, best practices, comprehensive joint evaluations and by capitalising on existing expertise.

Therefore, strategy and learning are the central components for developing effective EU strategies for LRRD, and for the effective implementation of LRRD: they must be prioritised as such within the European Union.

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