Complementarity of European Union Policies on Development Co-operation:
First elements of analysis and recommendations for an evaluation

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Introduction
The Treaty of Maastricht has highlighted the three notions of co-ordination, coherence and complementarity in the field of development co-operation. Since the Treaty, these notions have been reiterated many times by the Commission and Member States, but their implementation has been hampered by a series of constraints, and as a result not much progress has been made. This study is an initial evaluation of the notion of complementarity, taking into account the viewpoints expressed in studies on development and political science, various texts from the Community, research, and discussions with representatives of Member States. The first part introduces the definitions of complementarity, as presented in the numerous documents, as well as its instruments and their evolution. The second part describes the limitations of the notion of complementarity. It deals with the political, operational and instrumental aspects. The third and last part submits recommendations for the planned evaluation.

1 This article was a contribution to a study of the European Union’s ‘Three Cs’ - complementarity, co-ordination, and coherence - being prepared for the combined Evaluation Units of the European Commission and the Member States, and being led by Paul Hoebink, of the Centre for International Development Issues, at the Catholic University of Nijmegen. Thanks to the participants at an expert meeting held at Nijmegen on 27 April 2001, especially Louk de la Rive Box, for their comments on an earlier draft. Responsibility is the authors’.
1. THE DEFINITIONS OF COMPLEMENTARITY AND THEIR EVOLUTION

1.1. The definitions of complementarity

The respective competencies of the Union and the Member States. The European Union is an original model of integration compared to other multilateral institutions, going beyond co-operation between Member States that delegate part of their competence at community level. The Maastricht Treaty setting up the European Community, which was signed in 1992 and came into force in 1993, is the key text governing the levels of transfer of competence delegated by member States to the European Union. It should briefly be recalled that since the Treaty, the three pillars of the European Communities, Foreign and Common Security Policy, the Police and Legal Co-operation in Criminal Affairs support the European Union. The first pillar serves as the foundation for Community procedures while the two others support intergovernmental procedures, in which Member States retain their sovereignty.

The first pillar of the European Communities enables European institutions to manage jointly all common policies in the field of agriculture and fishing, trade and transport, and to contribute to a series of other fields, including the social sector, the environment, and competition, among others, and also development. Article 3(q) of the Treaty of Maastricht lays down the principle of the inclusion of a policy on development co-operation in all the activities of the Community. The action taken by the European Union, for non-exclusive fields of competence, is based on the principle of subsidiarity.

This principle is a major contribution of the Treaty of Maastricht (defined in article 3b), even though it has been incorporated since 1984 in European texts. It regulates the distribution of Community and national competence, as well as the relations between the European Union and Member States in the areas of shared competence. The modalities for controlling this principle differ, depending on the pillars of the Treaty. In areas included in the first pillar that do not come under the exclusive competence of the Community (agriculture and fishing, trade, and transport), subsidiarity means that the Community does not intervene unless it is clear that its action would be more effective than measures taken separately by one or several Member States, and that for reasons of scale or the impact of such action, it would be better handled by the Community. The principle of subsidiarity is accompanied by the principle of proportionality, which indicates the methods for taking measures by the Community when it is required to act. They must be linked to the objectives, include profit and be less expen-

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sive, especially in terms of intrusion in the affairs of Member States and the burden on their private sectors.

The level of transfer of competence from Member States to the Communities, from the national to the Community level, varies according to the fields. In some cases, the Union is fully competent and the policies strongly integrated, for example, agricultural, trade and monetary policies. For other policies, the States retain part of their prerogatives, for example in the fields of education, social welfare and culture.

There are certain ambiguities in the transfer of competence in some of the fields that can be considered to overlap two pillars of the Union. The growing links between the economy and security, the increasingly political nature of economic matters and trade negotiations blur the clear distinctions between the pillars and between the fields of exclusive competence and the joint responsibility of the Community and Member States⁴. Globalisation complicates the links between trade policies, environmental problems and labour laws⁵.

Policies on co-operation are a complex example of shared competence. While aid for development comes under the Community⁶ and is also given by Member States, promotion of international co-operation is the responsibility of the Foreign and Common Security Policy. This also has the task of protecting the common values and fundamental interests of the Union, strengthening its security, maintaining international peace and security, as well as reinforcing democracy, the Rule of Law, and Human Rights all over the world. Within the framework of the Foreign and Common Security Policy, the decision-making process is undertaken not at Community but at intergovernmental level⁷. A Member State can block a decision or its implementation. The Council is aware of the need to ensure total coherence between development co-operation and the Foreign and Common Security Policy⁸.

1.1.1 The principal texts referring to complementarity

The notion of complementarity in the field of development has been defined in a series of texts that have evolved over time in terms of definition and instruments.

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⁴ Smith (1996) on « mixed agreements » relating to trade negotiations, placed under the joint responsibility of the Commission and Member States.
⁵ Rollo and Winters (2000).
⁶ Historically, the Community’s policy on aid for development was generated by its external trade policy, leading to the Yaoundé Agreement, and then that of Lomé.
⁷ Borchardt (2000).
The term complementarity appeared for the first time in the Resolutions of the Council on development, adopted in the seventies and eighties, but it is with the Treaty of Maastricht that it became a major concept in co-operation policies.

The Maastricht Treaty incited a number of Member States to provide a clearer definition in the areas of bilateral co-operation and the Union. The notion of complementarity is explicitly mentioned in article 130u of the Maastricht Treaty in Part Three, which is devoted to relations between the Community and developing countries. The Treaty formalises the existence of a European development policy functioning in liaison with those of Member States, and it recognises their interdependence. In articles 130u to 130y, the Treaty lays down the objectives, subsequently known as the 3 “Cs”, co-ordination, coherence and complementarity, that should guide the development co-operation of the European Union and Member States. In the consolidated version of the Treaty, signed in Amsterdam in 1997, articles 130u to 130y become 177 to 181 respectively.

According to article 130u, the development policy of the Union, which should complement the policies pursued by Member States, should have as its objectives the economic and social development of developing countries, especially those that are particularly disadvantaged, their integration in the world economy and the fight against poverty. It should contribute to the general aim of establishing democracy and respect for human rights. The Community and Member States should take into consideration the objectives approved by the United Nations and other multilateral organisations.

Complementarity has been the subject of two specific Communications and Resolutions. A Communication released by the Commission on 3 May 1995 focused on complementarity between development policies and action taken by the Community and Member States, followed by a Resolution of the Council of 1 June 1995 affirming its support of structural adjustment, under the aegis of the Bretton Woods institutions. The Commission is of the opinion that complementarity can only be achieved if the Community and Member States are guided by common objectives, reflected in joint approaches at the sectoral and operational levels, the efficiency of which is evaluated by both the Commission and Member States. It stresses that increased complementarity can be attained at all levels, both within the Council and the Committees, as well as the recipient

10 Church and Finnemore (1994).
countries and expert groups\textsuperscript{13}. At this stage, it identifies strategic planning, programming and co-ordination as valuable instruments of complementarity.

Complementarity was also the topic of a Communication issued by the Commission on 6 May 1999 on the complementary nature of the policies of the Union and Member States in the field of development co-operation, followed by a Resolution passed by the Council on 21 May 1999. The Commission insisted on the importance of optimising the resources of the Union and on the “value added” that Community aid should incorporate compared to aid given by Member States. Furthermore, it underlined the conditions: political determination, operational co-ordination and a development strategy for the recipient country\textsuperscript{14}. In the course of its debates in May 1999, the Council insisted on co-ordination based on country strategy papers, carried out at local level, and aimed at achieving complementarity through the comparative advantages of each one\textsuperscript{15}.

Complementarity is also mentioned in the Communication of the Commission addressed to the Council and the European Parliament of 26 April 2000\textsuperscript{16}. It recommends that the Community should concentrate on its added value, the reduction of poverty as a new priority, a higher degree of complementarity through a “sectoral programme” approach replacing the « project » approach, as well as on policies. This document recognises the Comprehensive Development Framework (CDF) and the Poverty Reduction Strategy Papers (PRSP) of the World Bank as appropriate structures for complementarity and an efficient distribution of tasks. This Communication was followed by the Declaration of the Council and the Commission on the development policy of the European Community of 10 November 2000. It recommended that the Community should refocus on a restricted number of fields, including six established by the Commission in its Communication. The Declaration pointed out the need for co-ordination, complementarity and coherence between the policies and programmes of the Community and Member States in order to maximise their impact. Better complementarity should be sought both within the Union and with other donors, especially in the context of country strategies\textsuperscript{17}.

\textsuperscript{13} European Commission (1995).
\textsuperscript{14} European Commission (1999).
\textsuperscript{15} Council of the European Union (1999).
\textsuperscript{16} European Commission (2000a).
\textsuperscript{17} European Commission (2000b).
1.1.2 The meanings of complementarity

Article 130u of the Treaty of Maastricht stipulates that the action of the Community should complete and not replace the policies pursued by Member States. Article 130x in fact lays stress on the co-ordination of their respective policies, while Article 130y demands the co-operation of each side with third countries and international organisations, but explicitly mentions the right of Member States to act unilaterally. Article 130x on co-ordination applies to the Community and Member States, while Article 130u relates to the Community alone. This article fixes the objectives of Community policy on co-operation. It does not, however, define the objectives for the national policies of States, nor does it impose any obligations on them.

The notion of complementarity, therefore, poses the question of its direction, in other words, is it up to the Community to complement the activities of Member States, or the other way around? Another issue is the equal partnership between the Commission and Member States, and reciprocal participation in the elaboration of their respective policies.

The notion of complementarity is the result of pressure on budgets earmarked for development, criticism aimed at aid policies implemented so far, the “aid fatigue” of public opinion, and the lower sums of money allocated (in sub-Saharan Africa, for instance, it dropped from $32 per capita in 1990 to $19 in 1998). Another aspect in the context of its emergence is that the European Union is the leading funding organisation at world scale, even though its identity in international debates does not reflect this position. Complementarity, therefore, seeks to respond to this objective for more effective aid from the European Union, associated with the obligation to achieve visible results. It should be pointed out that concerns for better co-ordination, complementarity and efficiency are not specific to the field of development but affect other European institutions, such as the Council of the European Union.

Complementarity is a difficult concept to put into practice in a concrete way. An extreme illustration is that sixteen policies cannot easily complement each other, especially if their nature is heterogeneous and if one of them is multilateral and the others bilateral. The notion of complementarity can be interpreted

18 Church and Finnemore (1994).
23 Bossuyt et al. (1999).
from different angles and it has provoked a series of debates. The Treaty of Maastricht gives the Community explicit competence to formulate and implement policies capable of completing those of Member States. At best, complementarity can back up the idea of increased control by the Commission of national programmes and accepted as a path towards the « Europeanisation » of aid\textsuperscript{24} or, on the contrary, it can support the idea of a “renationalisation” of European development co-operation\textsuperscript{25}.

Complementarity is an organisational principle entailing the sharing of competence and the specialisation of tasks among Member States and the European Union but it does not cover the idea of replacing the competence of Member States. Competence is shared, only the tasks are redistributed. It introduces the notion of the eventual comparative advantages of the Community both in relation to other multilateral entities and bilateral donors, as well as to the comparative advantages of Member States in certain sectors of activity, for example, geographic, sectoral, instrumental, thematic or functional\textsuperscript{26}.

Another point of debate is whether the relation of complementarity should be considered in the light of the principle of subsidiarity established in Article 3b of the Treaty\textsuperscript{27}.

\textbf{1.1.3 The links between complementarity, co-ordination and coherence}

Article 130u of the Treaty of Maastricht defines the “3 Cs” of development co-operation: co-ordination, coherence and complementarity. These three notions have the same aims, i.e. to improve the effectiveness of Community aid, rationalise the allocation of resources, avoid duplication or contradictions between activities, and reduce transaction costs and expenses for the governments of recipient countries arising out of their relations with numerous donors. A certain degree of confusion in the relevant literature can sometimes be encountered as to the meanings of these three notions, as well as their respective relations and their order of importance.

In reality, the coherence of different Community policies is a condition of their efficiency. Likewise, complementarity involves convergent objectives and common policies, in other words, co-ordinated activities and participation in their conception and formulation. Co-ordination and harmonisation of the co-operation policies of the Community and Member States can be considered as a

\textsuperscript{24} Loquai (1996).
\textsuperscript{26} Koning and Laporte (1995); Bossuyt et al. (1993).
\textsuperscript{27} Jorna (1995).
means and, therefore as a prior condition, to achieve their complementarity\textsuperscript{28}. Co-ordination is even looked upon as the main instrument of complementarity in a Declaration by the Council of November 1992\textsuperscript{29}. Complementarity should be introduced in the field. One condition is co-ordination with other non-European donors, as well as with other multilateral organisations.

Thus, according to the principles covering partnerships laid down by the Council of the Union and the Aid for Development Committee, one of the main objectives of Community co-ordination is to reinforce the capacity of the beneficiary country and its co-ordinating role. The objectives should also aim to improve the effectiveness of co-operation between the Community, Member States and other donors, and to ensure coherence with the guidelines of the Council and complementarity of the action taken. Complementarity should be placed within the framework of one single strategy developed by the beneficiary country itself. Co-ordination also encompasses the idea of maximising the added value of aid for beneficiary countries\textsuperscript{30}. Complementarity is therefore the result of co-ordination. There are different ways to ensure better co-ordination: exchanges of information, a joint examination of strategy documents, standardised procedures, adoption of common sectoral approaches (for example, in the case of sub-Saharan Africa, through the Special Programme for Africa and Sector Wide Assistance Projects\textsuperscript{31}).

In practice, it is now been well documented that co-operation policies have not been co-ordinated, coherent or complementary. Beneficiary countries have often had to face sixteen different types of co-operation policies. The three notions of coherence, co-ordination and complementarity involve the question of the leadership, sought or established by historic trajectories, of certain donors. In some countries, leadership already exists owing to certain bilateral arrangements (ensuing from colonisation, for example).

\textit{1.1.4 The notion of subsidiarity}

The notion of complementarity covers a number of elements that are common with subsidiarity. The latter notion refers to the fact that action must be taken at the lowest government level at which specific objectives can be achieved. The supranational level is only pertinent when the lower decision-making levels are less efficient.

\textsuperscript{28}Loquai (1996).
\textsuperscript{29}Quoted in the European Commission (1995).
\textsuperscript{30}Director Generals of Development(1998).
\textsuperscript{31}Brown et al. (2001).
These two notions are nevertheless different because subsidiarity refers to a distribution of competence and to decisions taken at the most appropriate level. Complementarity refers to the use of competence and implies that the decisions taken by Member States, within their own prerogatives, should all be consistent and have common objectives reflected in joint sectoral policies. Article 130u does not imply that Community policies are subsidiary to those of Member States. They are complementary in that they complete and add to those of Member States without, in principle, determining the importance in volume of Community policies compared to those of Member States. According to certain views, the Union only completes the action of Member States and it should not consider co-ordination as a possibility for taking the place of Member States, as this would go against the principle of subsidiarity.

The notion of subsidiarity is not used in the area of development co-operation, nor is it mentioned in the Council Resolutions. Its possible connotation of management by a Member State of Community funds may perhaps explain this reticence. Furthermore, subsidiarity is rarely cited because it implies a risk that development could be better implemented by Member States. There are two possible scenarios: either Member States propose themselves as the leaders, in a context where bilateral donors have objectives that differ between themselves and with those of the Commission, or they have adopted positions that match the conceptual frameworks drawn up by other multilateral organisations.

Yet for some, the concepts of complementarity and subsidiarity are tied together, the first being subsidiarity in the field of development. Subsidiarity can therefore be a useful principle for organising and prioritising the consensual objectives of development: the international community or part of it can adopt simple general objectives and entrust their evaluation and implementation at national and sub-national levels. The two principles can also be combined with a view to involving regional or sub-national bodies in the conceptualisation and implementation of co-operation. One of the differences is that subsidiarity only operates in one direction, that is to say, from the Community towards Member States, while complementary functions in both directions. A second difference is due to the fact that Community co-operation is the counterpart of that

33 Legal Service (1995).
34 For example, the position of the Netherlands in 1994, Owoye (1995).
36 Maxwell (1999).
provided by Member States, for they are all applied at the same level. There is no transfer of competence from the Commission to Member States, except to talk about delegations of Community funds, and this is not an operational function. Quite the contrary, there is a transfer of competence from Member States to the Commission, but it is for establishing a 16th donor, with characteristics approximately similar to those of the 15 principals. The specific investment of a donor in a given sector, in accordance with an approved distribution of tasks, is not so much a matter of subsidiarity since the Commission can play a role as a donor that delegates or assumes a task.

Subsidiarity nevertheless comprises a series of characteristics that can also apply to complementarity. In the opinion of many legal experts, subsidiarity is an ambiguous and complex concept to manipulate, and it does not have a clear demarcation line between competencies. The debates it provokes have, in fact, brought to light a number of democratic defects of the Community. For some authors, both European institutions and States accepted the concept with the ulterior motive of being able to use it to serve their respective interests. For others, it could be a useful tool to reassure public opinion in Member States, where there is a fear that the integration and extension of the legal and political powers of the Community might threaten the mechanisms of democracy and cultural diversity. This concept is characterised by great ambitions and rhetoric in proportion to the political limitations in reality. Subsidiarity appears as a principle that is, above all, political, especially in terms of controlling its application.

The principle could have been interpreted in a maximalist way - the maximum of functions kept at a national scale - or minimalist - the Community only carrying out those tasks that the States cannot undertake independently or efficiently. It has been interpreted as having opposite meanings, such as support for the idea of a centralised Europe (a “centralised federalism”) or, on the contrary, a non-centralised one; compensation for the broadening of community competences or, on the contrary, a curb to extending the powers of the Commission and a «subsidiary» role for the Community; protection of the national sovereignty and role of Member States, as well as a defence of inter-go-

38 Neunreither (1993).
39 Green (1994).
40 Bermann (1994).
41 Strozzi (1994).
42 Teasdale (1993).
43 Church and Finnemore (1994).
44 Toth (1992).
vernability or, quite the opposite, a plea in favour of strengthening supranational powers and a federalist concept of the Union - a more suitable response or a substitute for federalism\textsuperscript{45}.

The way the meaning of subsidiarity has been interpreted has also varied over time and has followed the changes and differences in the concept of Europe and the political divergences that have marked the construction and cohesion of the Union since 1992. When subsidiarity was first mentioned in the European Parliament at the end of the seventies, it aimed at justifying a broadening of the competence of the Commission. In the nineties, however, it was interpreted more in the sense of limiting the powers of the Commission, of inter-governmentability and the sovereignty of nations\textsuperscript{46}.

Just as the objectives and instruments of aid for development are influenced by national traditions, the notion of subsidiarity is understood in diverse ways according to the political traditions of Member States, and of the power they wish to grant to the Community authorities. The points of view differ. For example, in Great Britain, which has a more centralised tradition\textsuperscript{47}, subsidiarity is believed to restrict the Community’s competence and to give back power to Member States. In Federal Germany, subsidiarity is perceived as a guiding principle of federalism and a support for infra-national authorities. In France, on the other hand, it is seen as the recognition of the role of the State\textsuperscript{48}. Subsidiarity is a concept derived from medieval political philosophy\textsuperscript{49}, then Catholic beliefs, implying the protection of vulnerable groups against the abuses of governments. This notion also exists in certain sections of German law, especially federalism and communal autonomy\textsuperscript{50}. The decentralisation of the decision-making process is also more or less part of the political customs of European countries. The complementarity of aid policies is thus equally influenced by national traditions, both in terms of content and in the decision-making method. These aid policies have different styles and contents, depending on the Member States. They place more or less emphasis, for instance, on poverty, gender, and the environment. Member States apply different norms for delegation and collaboration in their decisions.

Finally, the principle of subsidiarity is not completely clear with respect to

\textsuperscript{45} Bermann (1994).
\textsuperscript{46} Kersbergen et Verbeek (1994).
\textsuperscript{47} Scott et al. (1994).
\textsuperscript{48} Teasdale (1993) ; Pakkala (1997).
\textsuperscript{49} After Aristotle, Thomas Aquinas in particular.
\textsuperscript{50} Schwarze (1993).
the modalities for putting it into operation. Which body can apply it, and with what kind of coercive capacity? The Commission has a leading role in its implementation, which is subject to examination by the Council. In the same way, the questions of needs, comparative efficiency, and respective added values, remain open. What is more, subsidiarity makes no contribution to the co-ordination and integration of policies, for example, the establishment of uniform standards at European scale.

To conclude, it can be stressed that both subsidiarity and complementary are highly political questions that cannot be treated from one single legal viewpoint. Furthermore, although it is quite simple to define and achieve complementarity in the field of development, putting it into practice is much more difficult in the case of subsidiarity because of the ambivalence surrounding the meaning of the term and the identity of the status between the co-operative activities of the Community and those of Member States.

1.2. Trends since the Treaty of Maastricht: a more accurately defined implementation of complementarity

Complementarity can be analysed in terms of the objectives, fields and instruments of development co-operation.

1.2.1 The general objectives

During the decade following the Treaty of Maastricht, the management of European aid has been the target of explicit criticism, both from Member States and observers, pointing to the complexity of the organisation and procedures of the Commission, as well as the constraints imposed on the latter by Member States. This decade has also been marked by changes in the thinking of all donors on development co-operation, in particular, the debate on the effectiveness of aid, recognition of excessive dependence on aid by some countries, the emergence of concepts of participation and ownership by recipient countries, and poverty reduction as a primary objective and justification for aid. The fight against poverty is actually the main point Article 130 of the Treaty of Maastricht.

This context explains the change of direction in the debates on the notion of complementarity. Most of the objectives are common to the three principles of co-ordination, coherence and complementarity. All the proposed reforms for Community co-operation are, in fact, designed to meet the need for a genuine partnership with beneficiary governments, to strengthen their responsibility and

51 Church and Finnemore (1994).
52 Lister (1999); for a member State like Great Britain, for example DFID (1998).
autonomy in the elaboration of their own development strategies and leadership in the co-ordination of action taken by donors, support local capacities, to alleviate the negative effects of bilateral interests and to make arrangements for permanent dialogue. The Commission and Member States must help countries to reinforce their involvement in the co-operation process, policies and sectoral programmes, but also within the framework provided by the Bretton Woods institutions (such as the Comprehensive Development Framework and the Poverty Reduction Strategy Papers) as well as by the United Nations.

1.2.2 The distribution of tasks and refocusing of fields
The implementation of complementarity has developed towards a more precise definition of relations between the Union and Member States, a distribution of tasks, an elimination of duplication, economies of scale for the donors arising from a concentration of their expertise in specific fields and a maximisation of the added value of each donor for the recipient country. In order to be effective, complementarity requires a distribution of tasks between the Commission and Member States, the guiding principle being that the partner country should play a pre-eminent role. It means that donors develop and operate according to their comparative advantages and expertise, giving them a potential co-ordination capacity in the specific sectors they decide to invest in. These comparative advantages are dynamic and have developed over time with the emergence of new fields and themes for co-operation. Member States display a great diversity of savoir-faire, as well as specialisation in certain sectors (health, education or environment, for example). Many sectors do not overlap.

The Commission has added value and comparative advantages in a series of fields in which it has been asked to refocus. The objective of efficiency and budgetary constraints should lead to the comparative advantages of both the Commission and Member States being exercised in a restricted number of countries and sectors. A distinction can, in fact, be made between sectoral specialisation (health, transport, etc) and instrumental specialisation (for example, support for structural adjustment)\(^53\). The Communication of the Commission released in May 1999 identified as forms of complementarity those that exist at country level. These include support for structural adjustment, complementarity (especially financial) and backing for sectoral policies and projects, in which complementarity can be reflected through a better distribution of support in different sectors or at different levels of the latter, or else in a concentration in the same given sector or programme. This Communication also stressed that complemen-

\(^{53}\) Cox et al. (1997, chap. 8).
tarity can be exercised in the management of human resources of the Commission and Member States\textsuperscript{54}.

Six fields in which the Community should refocus its activities have been pinpointed in the Declaration of the Council and the Commission of 10 November 2000. These are the link between trade and development, support for regional integration and co-operation, support for macro-economic policies, transport, food security and sustainable rural development, reinforcement of the Rule of Law and institutional capacities, especially in the area of good public affairs management. “Horizontal” preoccupations are added, such as the promotion of the rights of the human beings, particularly children, equality between men and women, the environment, transmittable diseases and information technologies. The Commission has a clear comparative advantage in the linkage between trade policies and development policies, particularly for the least developed countries, since trade is a competence of the Community, this being an essential component in the regional integration process. Large-scale infrastructures and road networks, frequently of a regional dimension, are also a field in which the Commission can be more effective than separate bilateral arrangements. However, the criteria that make it possible to pinpoint the comparative advantages can turn out to be difficult to establish in other fields.

1.2.3 More effective instruments

The critical context of European aid and trends in thinking on complementarity have become a reason for now placing emphasis on a more precise definition of the methods and instruments required for effective complementarity. These should be more concrete, adapted on a case by case basis, and be the result of abstract criteria; they should also be more realistic, transparent and participative, based on comparative advantages, and they should have a better cost/advantage ratio and lower administrative transaction costs. Countries should be partners and the principal players in the elaboration of country strategy papers, in which all donors participate. Complementarity is easier to implement if it is boosted by a demand from the beneficiary country itself. An instrument like the devolution of responsibilities in the countries involved encourages partnership\textsuperscript{55}.

In operational matters between the European Union (Commission and Member States), the partner country and the other donors, complementarity means the distribution of tasks but aims at placing the beneficiary country and its own development policies at the centre of the process. Donors should, accord-

\textsuperscript{54} European Commission (1999).

\textsuperscript{55} Council of the European Union (1999).
ing to the Community’s recommendations, be aware of the political tendencies and policies of governments, and take them into account. Governments should also participate in the sectoral co-ordination groups of donors. Aid should be part of a strategic, national or sectoral approach, in which the government has leadership. It should centre more on an aid programme rather than an aid project. Co-funding activities of the Community and Member States should be encouraged\textsuperscript{56}. Donors should also accept to submit to local administrative and financial procedures. Financial regulations continue to be a problem because there are sixteen types of financial regulations.

The effective directions of complementarity, from the Commission towards Member States, or the reverse, depend in particular on the individuals involved on the spot. Complementarity requires some flexibility on the part of donors. The Distribution of tasks, concentration or specialisation cannot be carried out ex ante, but depend on the situation and the concrete capacities of the countries in question\textsuperscript{57}. Pragmatism and solutions on a case by case basis should be the guiding principles.

One of the preferred instruments is budgetary support. Partner countries should be able to integrate external financing in their budgetary procedures. This instrument is linked to the other favoured instrument: a sectoral approach combining several donors. The latter should concentrate their activities in a limited number of sectors in order to avoid the inefficient and expensive dispersal that has previously prevailed. Donors rarely have the human and financial resources in the countries involved to be able to intervene effectively in all the sectors. Governments are unable to maintain a dialogue with all donors because there are too many of them. Among the six sectors mentioned in the Declaration of November 2000, each Member State can choose a restricted number of sectors, according to its own priorities. Concentration on certain sectors does not mean that a donor needs to confine itself to one single sector or that the beneficiary country will depend only on one single donor in this sector. It is merely a question of preventing all donors from focusing on the same sectors. A higher degree of complementarity also implies overcoming the problem of fragmentation and adding value to the various competences existing within the Member States of the Commission and their public services. In addition to being sectoral, approaches can also be thematic, and the Commission can in this case play a useful role to facilitate the elaboration of priority themes and sectoral guidelines\textsuperscript{58}.

\textsuperscript{56} Council of the European Union (1999).
\textsuperscript{57} Bossuyt et al. (1993).
\textsuperscript{58} Director Generals of Development (1998).
Complementarity implies transparency and an exchange of information between the different players, hence the proposal for a joint examination of existing documents on strategy support for beneficiary countries. It entails a concern for a minimum harmonisation and standardisation of documents, and is reflected in the objective to establish a standard framework. In May 1999 and again in November 2000, the Council recommended a better use and harmonisation of the framework represented by Country Strategy Papers (CSP). Such papers should be drawn up, to the greatest extent possible at local level, by the Commission, with the assistance of the missions of Member States and in close collaboration with the partner country. It stressed that programming by country is a vital management tool to improve the effectiveness of Community aid. The co-ordination, coherence and complementarity of policies implemented at operational level should be planned as far in advance as possible, even at the stage of conception, and based on a dialogue between the partner country and Community, Member States and other donors. The procedures for drawing up country strategy papers - instruments for political dialogue between the Community and the partner country - are therefore an important stage of complementarity. These papers should also fit into the widest frameworks provided, in particular the Poverty Reduction Strategy Papers and the Comprehensive Development Framework drawn up by the Bretton Woods institutions, the other multilateral donors obviously having to be taken into account too.

The backed policies should preferably be sectoral policies. Country Strategy Papers meet the objectives of two or the « 3 Cs » (complementarity and co-ordination). They provide a unique strategic framework for all donors and make it possible to identify complementarities between Community programmes and those of Member States in a given country. Country strategy papers have a time span of five years, permitting a medium-term view. Complementarity entails an exchange of information between all the players at every stage of the programme cycle, as well as consultations on the financing of the Commission during preparations for the budget or, in complex sectors, on the instruments. Concentration of activities in a limited number of sectors, and for purposes of complementarity, can be improved by the possibility (provided for by the agreement on the 9th European Development Fund) of delegating the management of Community funds to Member States or their executive agencies in the case of co-funding.

60 Also adopted in the Conclusions of the Council of 10 November 2000.
This delegation continues to be a point of debate as it is sometimes described as being a trend towards “re-nationalising” aid.

The participation of civil society, especially the non-state players, the private sector and NGOs, in co-operation policies is now the object of consensus by all donors, even though it is achieved on a case by case basis, depending on the capacities of the partner countries. It is nevertheless one of the five pillars of the Cotonou agreement².

In conclusion, the notion of complementarity falls under definitions of co-operation that are now more precise, as well as the respective roles of the various players. Implementation modalities are becoming more realistic and feasible. This trend is the result of a change of context since the Treaty of Maastricht, relating to the economic, political and social situation of developing countries, the ideas and modes of action of the international community of donors, and the development policy of the Commission. Despite lingering problems, as well as identified causes and solutions, reflections on development co-operation have changed radically since the Treaty of Maastricht was signed in 1992. These can be noted in the more recent interpretations of complementarity, particularly in the Declaration of the Council and the Commission on the development policy of the European Community of 10 November 2000, relating to the pre-eminent role of the recipient country in the organisation of co-ordination, the reduction of the known causes of inefficiency and administrative costs, the distribution of tasks and dialogue between donors.

2 THE LIMITATIONS OF COMPLEMENTARITY

The first part of this study dealt with complementarity from the legal and institutional points of view. The second part looks at the three aspects - political, operational and instrumental - of complementarity in order to highlight the assets and limitations of this concept, as well as the bottlenecks that slow down its implementation. Much of the information in this section comes from interviews with representatives of Member States of the Commission, resource people, and existing literature (especially the ECDPM).

2.1. The political aspect: what kind of European identity?

Complementarity is an eminently political question, before being operational and instrumental. It refers directly to:

- the view Member States have of European construction and the position of the supranational dimension,

   ² Moreau (2000).
• the objectives of bilateral co-operation policies and, through construction, the Community policies,
• and finally, the changes in bilateral co-operation policies (concentration, reduced aid, reform, revival, etc).

2.1.1 Communitarisation is not for tomorrow!
Working on complementarity is tantamount to trying to define the position and role of Community policies vis-à-vis the policies of Member States. “Federalist” countries will fiercely defend the increasing transfers of sovereignty and financial resources towards Europe, eventually turning the policy on co-operation into a common policy. In such a context, the question of complementarity will therefore be resolved. At the other extreme, emphasis will be placed on bilateral co-operation, with European co-operation intervening either in support of bilateral action or in a restricted sphere in which it would have to constantly justify itself. Most of the Commission and Member States situate themselves between these two extremes but with divergent points of view, most of them focusing on efficiency: the efficiency of joint efforts and consistent means for some, the circumvention of European bureaucracy for others. Once again, even though it can be accepted that arguments of a technical nature are valid, the political aspect takes precedence. Is a strong European identity needed in the field of development co-operation?

It is interesting to note that there was a consensus on this issue in our interviews. The officials we met were all in favour of a strong identity for the Union but were opposed to a higher degree of the communitarisation of aid, the main reasons put forward being the lack of visibility and efficiency of the Commission in the management of funds. According to some of the officials interviewed, the new EuropeAid agency could improve matters from this point of view and renew the confidence of Member States. If the Community policy on development becomes efficient and coherent, if its impact and results are visible both during the programming and the implementation phases, and if the Union takes one stand in the international debates, then the communitarisation of aid can be envisaged. But beyond speeches, no country raises the possibility of the disappearance of its bilateral aid in favour of European aid.

2.1.2 Bilateral vs. Community aid: a conflict of objectives
“Bilateral aid is generally seen by donor governments as an instrument capable of supporting the political and commercial needs of the donor. Until the basic objectives of bilateral aid are changed, or subsumed into Community aid in the framework of a more complete political union among the EC members, it can be
argued that the existing preference for bilateral aid will continue. (...) The critical difference must lie in the nature of development aid, which is still viewed by most Member States as a direct instrument of national policy."63

As Grilli stresses, development aid can be perceived, from the bilateral angle, as a direct instrument of national policy. This aspect of aid can be a major obstacle to the implementation of complementarity since, for certain Member States, Community aid can represent a threat to their own interests, or even a loss of power in favour of an entity that has not yet proved itself. Thus, a clarification of the objectives of the different national policies pursued by Member States and the European policy on co-operation is necessary if complementarity is to be achieved.

In addition, complementarity depends on the relative choice of each country between bilateral and multilateral aid. A Member State may decide to focus on its bilateral policy, implying that it retains its national priorities and delegates multilateral action in fields in which it accepts not to intervene. Or it can concentrate on multilateral policy, and in this case a synergy or complementarity is sought with other donors. A number of countries are afraid of losing part of their identity if they invest more massively in multilateral aid and they therefore prefer to keep their national competence64. In reality, many countries belong to this category because it includes the “small countries”, former colonial powers (France and the United Kingdom) and a country like Germany with a very high level of public aid for development. This resistance to “multilateral action” is all the more significant in that a reduction in bilateral aid has noted been noted at present.

2.1.3 Divergent European approaches
An evaluation should establish a typology to clarify the political aspect of complementarity through the different positions taken by member States and the Commission in the field of development co-operation. This typology could be organised around:

- The question of interaction, for each Member State, between its bilateral, multilateral and Community aid. The argument about the inefficiency of Community aid is, for example, frequently put forward to justify a preference for bilateral or multilateral channels. For others, this interaction is based more on the place of development aid in foreign and/or trade policies.

63 Grilli (1993, p. 79).
64 Loquai (1996)
• European identity: some countries, for instance, fear that the emergence of a European identity would be more in keeping with the ideas advocated by the biggest contributors.

• The visibility of aid: this issue is tied to the two preceding questions as Member States have different opinions on the need to make their own and Community aid visible.

• “External” complementarity: some Member States, for instance, feel that their relative weight in the United Nations and Bretton Woods institutions is at present greater than it would be in a unified European framework.

• The volume aid: the volume of aid and its development for each Member State often contribute to determining certain types of arbitration between bilateral and Community co-operation. The relative shares of Member States and the Commission in the overall aid of the Union can also give rise to fears about a loss of identity linked to positions considered to be hegemonic.

• The reform of national policies: the reforms undertaken by Member States, and within the Commission, can change the way the various players perceive the concept of complementarity.

The evaluation should, therefore, develop this approximate typology and define the criteria for a more objective analysis of the political aspect of complementarity.

2.1.4 The Declaration of November 2000: an affirmation of the identity of the Community in the field of development

In order to avoid political constraints and make progress on the issue of complementarity, efforts concentrate mainly on a better co-ordination of the sixteen and on a clearer definition of the field of Community co-operation.

The Declaration of the Council and Commission of November 2000 on the development policy of the European Community is an initial step towards the establishment of a European identity in the sphere of development because it defines for the first time the common objectives of the Commission and Member States. The Declaration has turned the fight against poverty into a priority for European co-operation, and activities have been re-focused on certain fields already mentioned in the first part of this study. Furthermore, the Declaration determines the methods used to implement this policy, of which complementarity is a component. However, two positions emerged in the course of our interviews. The first consists in subscribing to this Declaration, which in fact has a constraining value since it was signed by all Member States, and to seek to develop these trends even further. The second position is to underline the rhetorical character of this Declaration, which according to this view, lacks political impe-
tus in the field of development and reflects the differences of opinion expressed by Member States, as well as the diversity of their political agendas.

Nevertheless, there is reason to believe that this Declaration is an important turning point in the implementation of complementarity as it enables the Union to display a clear policy not only at headquarters in Brussels but also among the European delegations (Commission and Member States) in the field. These delegations should, in fact, be able to handle their own programmes more effectively and to position themselves clearly in relation to other delegations (European or not) in the field. Moreover, it is easier to apply complementarity when the policies of the various partners are explicit. It is therefore vital to study the general guidelines laid down in the Declaration. This may create problems because the Community has lost much of its capacity to elaborate co-operation policies. France, which was once a driving force in this area, no longer takes the initiative because it is handicapped by the confused image - even in its own view - of its co-operation and the institutional duality of its development aid, caught between the two responsible ministries (Finance and Foreign Affairs). The opposite situation can be found in the United Kingdom, where policies towards developing countries are centred more on trade and bilateral aid is small, which was able to elaborate a dynamic co-operation policy thanks to the Department for International Development and increase its influence at multilateral level.

2.1.5 The added value of the European Commission as a multilateral development institution

For the European Commission to be able to play a role as a multilateral development institution, it is necessary to clarify its added value in the field of co-operation. In actual fact, the implementation of complementarity suffers from the “15+1” formula, in that the Commission is the 16th donor, on an equal footing with Member States, and it therefore takes action similar to the latter. Nevertheless, if the Commission really functioned as a multilateral development agency, the problem of competition between the action taken by the various donors would be much simpler. Thus, the debate on complementarity could benefit from a clearer dialogue and serious negotiations within the Union on the added value of the Commission as a multilateral development institution. To achieve complementarity, it is necessary to clearly define the comparative advantages of Community aid (economic and political neutrality, a capacity to rapidly mobilise significant financial assistance, etc) as well as those of Member States.

However, it emerged from some of our interviews that the development pole had disintegrated in the evolution of European affairs. A policy on development aid, with sections relating to trade, agriculture, human rights, etc, has been transformed into policies relating to trade, external relations, agriculture, etc, with a section on development. Priorities have therefore been reversed. Thus, a greater degree of multilateralism would make it possible to crystallise the development policy of the Community provided it is restructured. In order to achieve this, it would be necessary, among other things, for the Community to invest in research capacities and to make efforts to improve its performance in the field. This process would, naturally, require time to “mature”.

The creation of the new EuropeAid agency may make it possible to rectify a number of the weaknesses of co-operation (aid disbursements, cumbersome bureaucracy, etc) as to well as to handle more efficiently the funds of the Commission, as evoked in the framework of the communitarisation of aid. However, a restructuring of the external relations of the European Union has had negative effects on DG Development, which has lost a sizeable share of its political weight compared to the DG RELEX and Trade. Furthermore, the setting up of EuropeAid may transform development policies into the mere « technical » management of aid. It is not certain whether these institutional reforms encourage the formulation of genuine European development policies that are consistent in their different aspects (aid, trade, foreign policy, etc) and persuade Member States to make balanced progress on the issue of complementarity.

2.2. The operational aspect: the partner country at the heart of the process

“To achieve complementarity at country level, the individual approaches need to be coherent, something which implies coordination.”66 Co-ordination is one of the principal mechanisms for implementing complementarity. These two concepts are in fact indissociable since complementarity of the policies and actions of Member States and the Community cannot exist if there is no prior co-ordination at political and operational levels and within international circles. “If co-ordination is part of a coherent and global framework, it is the best instrument to achieve complementarity”67. Since a specific study has been devoted to this third “C” of the Treaty of Maastricht, we will not deal with it here. This second part on the operational aspect enables us to move from a political approach to the more local one of complementarity. The object of complementarity is often undermined by the reality of local approaches that are not always coherent

between the different donors or between the different Community policies. It is therefore important to try to clarify the relationship and define a possible boundary between Community aid and the bilateral aid of Member States both at the political as well as the operational levels. Would the decentralisation of long-term programming and management by local delegations of the Commission and Member States help in this case? In any event, as far as the implementation of complementarity is concerned, a better distribution of tasks, adapted to realities in the field would, according to some views, be a way to remedy these differences and achieve complementarity between Member States and the Commission.

2.2.1 Comparative advantages: criteria for the distribution of tasks

The distribution of tasks consists in spreading the work among the various Member States, the Commission, and within a broader framework, other donors, on the basis of comparative advantages. It is perceived as an appropriate means to ensure that the action taken by the different donors are complementary and that there is no duplication or overlapping. According to the Declaration of November 2000, “The strengthening of complementarity meets the need for a better division of work between the Community and Member States (...). It is therefore important to take advantage of the experience acquired by the Community and Member States, and succeed, on a case by case basis, in distributing the tasks in a way that respects the role allotted to the partner country, while taking the comparative advantages of each party into consideration.”

The stakes of this distribution are high since they underpin the existence of a reinforced political dialogue, and imply that an agreement should be reached on how to go about this distribution, and according to what criteria.

The distribution of tasks can be made on a geographic, sectoral, instrumental, thematic or functional basis or it can be made according to the comparative advantages and competence of Member States, the Community and other donors. Yet there is the problem of the criteria selected for this division of work. The distribution of tasks is a dynamic process based on structural and durable advantages that are neither final nor exclusive. They can be determined by the different processes set in motion within the framework of operational co-ordination (regular meetings, exchange of documents, informal contacts, etc) as well by the influence of the donor in the field, its experience in the development activities of

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68 ECDPM (2000).
70 Koning (1995).
the country, and its political and cultural relationship, both past and present. However, the distribution of tasks based on comparative advantages raises deeper problems in that this process involves numerous local circumstances, a past history of co-operation and inter-institutional relations. Owing to these factors, a technocratic decision does not suffice to define an effective distribution of tasks, and even less, a higher degree of complementarity. Past experience, such as that of Co-ordination for Development in Africa (CDA) in the eighties show that such decisions can in fact be in untimely and even counter-productive, and in any event, difficult to apply. Donors are often specialised in spheres that, depending on a specific area and the excellence they have acquired, becomes their method of co-operation. But such methods are frequently restricted to a given country or to a specific experience. The new directions taken by the Commission in the field of development respond to this trend since the texts stipulate that the co-ordination of activities will be adjusted according to the situation of each country, sector or field of development, and that it will be undertaken in close co-operation with the country concerned.

Despite the difficulties described on the subjective and uncertain nature of the criteria used to select comparative advantages, they can nevertheless be defined, as in the case of the Commission and the Council within the framework of the Declaration on general policy of November 2000. In this document, the fields of concentration of the Commission are identified as the link between trade and development, regional integration and co-operation, support for macro-economic policies and the promotion of fair rights to social services, transport, food safety and sustainable development, the strengthening of institutional capacities and horizontal aspects, such as the promotion of human rights, equality between men and women, the environmental aspect, etc. This concentration of activities in a limited number of fields in which the Community believes it has an added value should make it possible to define its interventions more accurately at local level, and therefore attain a higher degree of complementarity with the action taken by other Member States. It should nevertheless be remembered that these fields of intervention are broad enough to encompass a maximum number of “sub-fields” and thus satisfy all signatory countries.

Some of the officials we talked to also described the comparative advantages of their own countries, as well as those of the Commission. It is interesting to note that no cross checking necessarily takes place. For example, the comparative advantages of the Community are mainly the promotion of regional integration and trade policies. The European Investment Bank is recognised as being a centre of competence, expertise and mobilisation of resources. The Netherlands identifies its sectors of excellence as being water, drainage, gender issues and the
social sectors (health, primary education), while Italy has specialised in water resources in the Middle East, health in the Horn of Africa and assistance to small-scale enterprises in Latin America. Denmark focuses on education, agriculture, health, transport, governance and democracy.

However, this allocation of comparative advantages is still “virtual”. Once in the field, it becomes more complex and is hampered by a number of bottlenecks. It should be noted that to achieve a distribution of tasks, the partners involved must accept to exchange as much information as possible about their projects, and clearly state their priorities, weaknesses, etc. It is therefore important to ensure greater transparency with respect to the action taken. But since aid is an integral part of the foreign policy of States, and is usually based on national strategic interests, this process, which is part of operational co-ordination, seems far from having been acquired. Studies on operational co-ordination (in six pilot countries in 1993 and more recently covering 98 countries71) inevitably draw the same conclusions. These are the need for greater reciprocity in the exchange of information, a deeper involvement of the delegations in the field and a strengthening of the partner’s role in the definition of the orientations of the Community. It does not seem as if complementarity can be achieved except in fields in which operational and policy co-ordination is already effective. This situation still seems to be rare for the moment (especially in view of the fact that the greater the number of Member States in the field, the greater the degree of overlapping and co-ordination difficulties. “If the current ‘patchwork’ of objectives and means is not replaced by a coherent set of clearly defined priorities, complementarity will continue to be just a pious wish.”72 It should be pointed out that even ad hoc complementarity, obtained at local level, which is after all proof of efficiency, is not sufficient given the political aspect of aid. Every Member State would be anxious about regional and global equilibrium in the redistribution of responsibilities and resources within the Union.

2.2.2 The role of the partner country
Placing the partner country at the heart of the development process is one of the objectives of the development policy pursued by the Community, as stated in the Declaration on general policy of November 2000. According to some opinions, this is a means of anchoring the implementation of development policies locally to ensure a better appropriation of the latter by the partner country, and to facilitate the distribution of tasks intended to lead to increased complementarity. This

« (...) should be in strict compliance with the principles of sovereignty, partnership and appropriation within the context of a broader dialogue carried out by the beneficiary country with representatives of civil society and all donors”. However, this approach, legitimate and necessary though it may be, is not necessarily realistic, and it causes problems of capacity for the partner country and for the feasibility of such a process.

Scandinavian countries actively defend this approach. According to them, the recipient country, as a « master operator », should define its own development strategies, making it responsible for co-ordinating aid (programming, budgetary assistance, sectoral approach, decentralised management, quality control) in close partnership with representatives of the Community and Member States in the field. This evolution goes hand in hand with a determination to devolve and decentralise the actions of the Community. Furthermore, according to some of the officials we interviewed, since the partner country is at the heart of the process, it should be able to propose a more suitable and coherent distribution of the tasks, depending on the comparative advantages of the different donors. It would, in fact, better placed to handle the distribution of work, which should lead to an effective complementarity of the policies and action of Member States and the Community.

This determination to increase the role of the partner country is genuine and effective at present, but for the moment it is still an ideal vision because, as other officials have stressed, partner countries are not always in a position to put forward their own view of the comparative advantages of the various donors. In addition, they do not always have the technical and human capacities required to manage external aid efficiently. It is therefore necessary for the donors to provide more technical assistance and to build up their capacities. What is more, even if the partner country can propose a distribution of tasks among the various donors, it cannot always solve the internal problems of the Community. The question can also be asked as to whether this “bottom-up” approach would permit the Community, through the partner country, to assert its identity on the international scene. There is also the question of the nature of the partnership and whether it encourages the emergence of an effective political dialogue between partner countries and the Union.

2.2.3 The question of leadership
The question of leadership is related to the distribution of tasks and attempts to apply the principle of complementarity in accordance with the comparative

advantages of Member States and the Commission. In principle, designating a leader would be an efficient way of avoiding duplication and an overlapping of the action taken by different donors, thus increasing their complementarity.

A leader should be selected in the field to work on a precise theme or sector. It should therefore be done on a case by case basis, according to the competence of the donors and operators in a given field or country. The distribution of tasks through the nomination of a leader can be perceived as a good way of achieving complementarity among Member States, as well as between the latter and the Commission. This is because the selection would be the result of a strengthened dialogue between the different donors and, therefore, of an efficient operational co-ordination. This distribution could, in fact, be a way of ensuring a European presence in many sectors while preventing resources from being spread too thinly on the ground. However, this approach raises the question of the legitimacy and selection of a leader as a number of donors would have to give up their place in certain sectors. Will they do so if some of their interests in trade or foreign policy are to be at stake?

In fact, as stressed during the interviews, countries with an Official Development Assistance that is high in absolute value (France, Germany, Great Britain) may have ambitions to preserve or extend their action in a large number of sectors in their preferred area of co-operation. They might, therefore, take it badly if a sector in which they have invested for a long time is managed by a third party. Consequently, the “No poaching!” aspect should not be neglected (the French in the Côte d’Ivoire, the Danish in Tanzania, etc), as it could hinder the objective of complementarity and even generate a strong dependence of the partner country on this donor. The idea of a leader can lead to negative conflicts. Some parties are in favour of the idea of communitarisation as the best path towards complementarity.

Yet it can also be argued that cuts in bilateral aid automatically lead to specialisation on the part of donors. A selection is therefore made almost naturally and complementarity becomes a de facto reality.

The distribution of tasks through the selection of a leader can be financial and reflected by the delegation of funds to a national development agency (the AFD in France, the GTZ in Germany, etc). If the Community has a weak presence in a given country, it can decide to delegate the management of Community funds to a Member State or its executive agency, especially when it is a programme co-financed by this State and the Commission. This can be perceived by the small countries of the European Union as a re-nationalisation of aid by the bigger countries, seeking in this way to seize part of the Community funds for use as their bilateral aid. The small countries have neither the means nor the human
resources needed to play this role. Concentration in the same programme or sector can nevertheless make it possible to obtain significant financing more rapidly by mobilising a higher volume of funds while offering a diversity of partnerships to the beneficiary country74.

These co-financing mechanisms also create a problem of visibility. Direct financing is obviously perceived as the best way to ensure the visibility of donors in the field, and there are some fears that the Community might take over control of their national programmes through co-financing. In this regard, it should be noted that during an interview, it was stated that the distribution of tasks through co-financing was, on the contrary, positive since it was a good way of enabling the institutions of Member States to learn about the European instruments and to belong to them. This brings us to the third dimension of complementarity, expressed according to the types of support and instruments.

2.3. The instrumental aspect: Country Strategy Papers
“The Council considers that programming by country is a vital management instrument for increasing the efficiency of Community aid, encouraging its strategic orientation, defining a coherent approach and reinforcing co-ordination and complementarity inside the European Union and with all other donors and partner countries.”75

2.3.1 The added value of a new programming instrument
Country Strategy Papers, the importance of which was underlined in the Cotonou Agreement and the Declaration on general policy of November 2000, are a means to define an appropriate strategy for co-operation. In this respect, they should help the distribution of tasks among the donors present in the country. Country Strategy Papers are a first step towards closer dialogue with the partner country. They often raise the question of the number of existing instruments and their relevance for Member States.

Country Strategy Papers are an instrument for policy dialogue between the Community and partner countries which, as previously seen, become the driving force behind the search for complementarity based on a development strategy, which they themselves have defined and which serve as a starting point for these papers. According to recommendations made by the Commission, Country Strategy Papers should be a component of a broader context, such as the Poverty Reduction Strategy Papers or the Comprehensive Development Frameworks, and

should have an operational follow-up in the form of national indicative programmes. Their aim is to optimise added value for the partner and the co-ordination set in motion, and to ensure the appropriation of aid by the latter\textsuperscript{76}. In fact, a deeper involvement in the formulation of these Comprehensive Development Frameworks by Member States should make it possible, through a more transparent exchange of information between Member States and the Commission, to analyse the constraints and potential of each party, determine the priorities, fix the results to be achieved collectively and in this way contribute to a strategic definition of European aid, while reinforcing complementarity between the interventions of Member States\textsuperscript{77}. The new Cotonou Agreement is explicit in this respect since it stipulates that programming documents should contain a description of the plans and action of the donors present in the country, particularly those of Member States in their capacity as bilateral donors. Furthermore, it also states that the established strategies detailing the contribution to be made by each country, should lead, as far as possible, to complementarity with the operations financed by the ACP country itself and by other donors in the country.

The Community approach is interesting in that it consists of endowing itself with an instrument permitting closer dialogue with the partner country before initiating the programmatic discussions. Yet the appropriation of Country Strategy Papers by Member States, envisaged in the official texts, does not seem to be acquired. Why introduce a new instrument that could complicate aid management even further and add an extra burden on the partner country? Are there possibilities for harmonising the different instruments? Are Member States willing to carry out this work and swap their instruments for those of the Commission, which have not yet proved to be effective? And surely the World Bank instruments are sufficient?

The determination of the European Union to prove its independence vis-à-vis multilateral development agencies (by introducing its own instruments and by claiming a special role in consultative groups) is legitimate. However, there is the question of whether the Community has a sufficiently strong position and identity in the area of development co-operation to be able to lay claim to this position, and this again points to the importance of the political dimension. The Union will have to be able to talk with one voice, and this still seems to be premature. Is it therefore possible to have harmonised instruments in the absence of integrated policies?

\textsuperscript{76} European Commission (2000d).
\textsuperscript{77} European Commission (1999).
2.3.2 Other types of instruments

In addition to the instruments needed for programming, there are also a number of important instruments for the allocation and management of aid. Every country has its own instruments and procedures, like the European Development Fund at Community level: loans or donations, credit for investments, functioning or staff, credit for structural adjustment. Some of them are budgeted, others are not; each one has its cumbersome bureaucracy, disbursement problems, procedures that make aid management difficult for the partner country.

The complementarity of aid instruments requires a minimum of harmonisation and, probably, a simplification of instruments. The new guidelines of the Cotonou Agreement, in favour of a more contractual and global aid, open the way for this kind of simplification. Furthermore, the agreement also reflects a determination to rationalise financial instruments and to introduce a new type of rolling programming system, making it possible to regularly revise the criteria for allocating resources based on the performance of the policies. The revision of co-financing procedures and questions relating to the release of aid should lead to the gradual harmonisation of allocation procedures and contracts between Member States, provided the latter accept to comply.

As previously mentioned, the existence of older instruments with an acknowledged legitimacy, such as those of the World Bank and other international organisations, raises the question of opportunity for new instruments and, consequently, the need for another type of co-ordination for instruments and policies. As one of the officials we interviewed pointed out, this co-ordination can already be considered as effective in the field through the consultative groups of the World Bank and the round tables of UNDP. Yet these mechanisms do not bring to the forefront the specificity of Europe and “Community” policies in the area of development. Small Member States feel that they would be better represented within the groups uniting all donors rather than the group of 16. The existence of these groups enables countries preferring bilateral to Community aid to feel that it is not essential for the European Union to adopt a common position since an equilibrium of the various positions can be found in the consultative groups and round tables. Finally, intra-European co-ordination mechanisms already exist, such as the Utstein group, bringing together Germany, the United Kingdom, the Netherlands, Sweden, and the group of Nordic countries with the Nordic Fund and the Nordic Council. These groups can serve as a brake, and eventually as a counter-incentive, to a more comprehensive implementation of European co-ordination.

“The main challenge ahead is to put into operation this « bottom-up » strategy using the instrument of co-ordination. In essence, this means accepting that
complementarity is best promoted through a wide variety of action-oriented approaches, each of them adding a brick to the building. It implies making an inventory of promising openings, channels or instruments to stimulate complementarity in a ‘demand-driven way’ at the level of the partner governments, the Commission or the Member States. It means creating incentives for people to invest their time and energy in promoting different forms of complementarity in their own programme, policy area, sector or agency.”

In conclusion, if one looks for the common obstacles that hinder the three aspects under study (political, operational and instrumental), it appears to be obvious that the weakness of European political identity in the area of development is a major curb to the achievement of complementarity. Whether it is a question of the primacy of national over Community interests, the preponderance of bilateral over multilateral aid, the position of Member States in relation to the Bretton Woods institutions, or the diversity of their administrative procedures, it always comes back to the issue of European identity and the capacity of the Union to propose a “common” view on development co-operation or aid management. Can the exercise of operational co-ordination in six pilot countries and the attempt to involve Member States even further in the Community’s co-operation programme lead to greater complementarity or an improvement in the efficiency of aid? To put it plainly, will there be a genuine willingness on the part of Member States and the partner country to become involved in the process of operational co-ordination? For many, the development of local co-ordination processes would be the best way to initiate the debate on complementarity. There is, nevertheless, the political aspect of aid that needs to be tackled clearly in order to achieve significant results. One effect could be that complementarity between Member States and the Community would operate in a one-way direction only.

3 RECOMMENDATIONS FOR AN EVALUATION OF COMPLEMENTARITY
An evaluation between the complementarity of development co-operation policies of Member States and those of the European Communities should reinforce the main points raised in this paper. Complementarity is not the subject of such heated debate within the Union as the other “Cs” probably due to its strong political dimension,. The same can be observed in academic and institutional literature. The evaluation should therefore be based mainly on the discussions, at the level of headquarters in Brussels, of the central public services of Member States and delegations in partner countries.

The topics that need to be studied further are:

From the political angle:
• to assess the participation and contribution of Member States in the Community’s development co-operation policies;
• to assess the value and content of the concept of European identity in the field of development co-operation, in Member States, within the Commission and in international institutions;
• to evaluate trends in bilateral policies, particularly the interaction between bilateral, European and multilateral aid;
• to evaluate which types of specialisation and concentration have led to reforms in the aid of the Community and Member States in the course of the last ten years;
• to evaluate, in particular, the position of Member States in relation to multilateralisation;
• to assess, in the case of bilateral as well as Community policies, the incorporation of the political, commercial and ethical aspects in development co-operation, and in what way institutional arrangements can influence this interaction;
• to assess specifically from this angle the effects of the current internal re-organisation of the Commission.

From the operational angle:
For the moment, the operational aspect of complementarity is closely tied to that of co-ordination. The evaluator of “complementarity” should therefore seek effective synergy with the evaluator of “co-ordination” in order to avoid duplication of work. It should:
• evaluate global initiatives of co-ordination (Poverty Reduction Strategy Papers, UNDP round tables, Special Programme for Africa, etc), with a view to assessing their consequences on the implementation of complementarity;
• evaluate European initiatives in the area of complementarity, especially those taken through operational co-ordination, and to analyse the respective concepts of the Member States on aid and its effectiveness, and their eventual mutual divergences, as well as that of the Commission;
• analyse the concepts of Member States and the Commission (at central level and in delegations based in partner countries) on the different ways of putting complementarity into operation through notions of comparative advantages, leadership, added value, delegation of funds, etc., and to identify, in this
regard, what comes under objective criteria and what comes under ad hoc working processes;

- to evaluate in selected partner countries the trends in bilateral and Community policies on co-operation: concentration, specialisation, ad hoc co-ordination, co-financing, etc.

From the instrumental angle:

- to evaluate the relevance of the Country Strategy Paper as a tool for achieving complementarity;
- to assess the appropriation by Member States of this framework, in relation to other existing frameworks (bilateral, multilateral, and in particular, Poverty Reduction Strategy Papers);
- to evaluate the process of drawing up co-operation strategies since the implementation of the Cotonou Agreement;
- to evaluate the dynamics for harmonising co-operation instruments.

Countries in which an evaluation of complementarity could be carried out:

- The six pilot countries (Bangladesh, Costa Rica, Côte d’Ivoire, Ethiopia, Mozambique and Peru) where operational co-ordination has been applied to see whether complementarity been reinforced.
- The countries where co-operation with the Union has been recently developed or re-launched (for example, Nigeria and Vietnam) and where co-operation habits have been reduced.
- South Africa, a country with a special relationship with the European Union, that has recently initiated close co-operation.
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