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**COMMUNICATION FROM THE COMMISSION**

**on Conflict Prevention**

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## **EXECUTIVE SUMMARY**

The ever-growing list of causes of conflicts calls for international co-operation and multilateral action of a new order. The EU, itself an on-going exercise in making peace and prosperity, has a big role to play in global efforts for conflict prevention. For this, it has at its disposal a wide range of instruments for long term or short term action.

Both among its immediate neighbours and throughout the world, the EU seeks to project stability in supporting **regional integration** and in building **trade links**. With a long experience in these fields, the EU is well placed to do so. Direct support to regional structures in Africa and autonomous trade concessions to the Western Balkans are examples of instruments with a long-term stabilisation perspective.

**Development policy and other co-operation programmes** provide the most powerful instruments at the Community's disposal for treating the root causes of conflict. There is a need to take a genuinely long-term and integrated approach, which will address all aspects of structural stability in countries at risk. In doing so, co-ordination between Commission and Member States activities must be ensured. On a practical level, strategic documents (Country Strategy Papers) elaborated for each country receiving EC assistance will be the key tools to mainstream such an approach into co-operation programmes. Appropriate indicators will also be used.

In countries showing conflict potential, there may be a need to focus external aid on the (re)emergence of a favourable political environment (e.g. **support to democracy, rule of law, civil society, independent media, gender equality etc**). There may be also a need for the Community to become more involved in **security sector reform**. When a country emerges from conflict, the Community should contribute to the consolidation of peace through specific programmes such as **rehabilitation**.

Another approach to mainstreaming conflict prevention is to find more effective ways, within the Union and in the wider international context, to address **cross-cutting issues** which may contribute to tension and conflict. The most important ones concern drugs, small arms, natural resources, environmental degradation, population flows, human trafficking and to some extent, private sector interests in unstable areas. Community instruments in these areas may be further developed.

In parallel to long term preventive action, the EU should improve its **ability to react quickly** where a situation in a particular country seems to be entering a downward spiral. This clearly requires an effective early warning system. In pre-crisis situations, many Community instruments including new ones such as the **Rapid Reaction Mechanism** can be used. The EU can deploy a variety of options ranging from **political dialogue** to **Special Representatives** and including, in the future, civilian crisis management mechanisms. All of these may be improved, made more systematic and flexible. But in any case they need to be based on a common political line between EU Member States.

Potential conflicts often cross borders. This demands **international co-operation** on long term prevention activities as well as **co-ordination** of responses to pre-crisis situations. The EU will therefore strengthen its co-operation with international partners active in the field of conflict prevention, such as US, Canada, Russia, Japan and Norway, main international organisations such as UN and OSCE as well as NGOs.

## INTRODUCTION

The enormous cost in resources and in human suffering caused by violent conflicts calls for major efforts in preventing conflicts. This is above all a moral and political imperative, but it also makes economic sense. It is a lot cheaper to channel conflict into dialogue and constructive action than to deal with the consequences once it has degenerated into violent confrontation. Given the importance of the EU on the international scene, its interests and ambitions and the considerable resources it has committed to assistance and co-operation, there is no doubt that the EU should play its part in these efforts.

The EU is in itself a peace project, and a supremely successful one. It has underpinned the reconciliation and peaceful development of Western Europe over the last half century, helping to consolidate democracy and to assure prosperity. Through the process of enlargement, through the Common Foreign and Security Policy, through its development co-operation and its external assistance programmes the EU now seeks to project stability also beyond its own borders.

The reasons for conflict vary, and predicting how it may evolve is a complex task. There is an evident need for enhanced common analysis of root causes of conflict and of signs of emerging conflict. Poverty, economic stagnation, uneven distribution of resources, weak social structures, undemocratic governance, systematic discrimination, oppression of the rights of minorities, destabilising effects of refugee flows, ethnic antagonisms, religious and cultural intolerance, social injustice and the proliferation of weapons of mass destruction and small arms are factors which aggravate conflict. These signs should not only to be analysed - appropriate action needs to be taken as well. An early identification of risk factors increases the chances of timely and effective action to address the underlying causes of conflict.

The changing international environment after the end of the Cold War has offered new opportunities to overcome such difficulties and to promote peaceful change. The combination of increasingly free and open markets, private enterprise and technology has brought wealth and new opportunities to a majority of countries and individuals. It has helped to spread democratic government. It is imposing new pressures on governments to treat their citizens fairly, to accept public scrutiny and to engage in dialogue and co-operation with their international partners.

But globalisation has its dark side, too. International trade is failing to bridge the divide between those who benefit and the billions marooned in squalor and misery. Drug trafficking is today a bigger industry than iron and steel or cars. The illicit diamond trade not only finances conflict but actively fuels it. The list of horrors is long, and getting longer: trafficking in people, and especially in women; environmental degradation; trans-national crime; proliferation of arms, big and small; the spread of AIDS and other diseases. These problems are not just threats to prosperity. They also lie at the root of much of the violent conflict which plagues the world.

Individual countries are unable to address these problems on their own or through the classic instruments of bilateral diplomacy. Tackling the dark side of globalisation demands international co-operation and multilateral action of a new order. The European Union has a duty to try to address the many cross-cutting issues that generate or contribute to conflict. It is also well placed to do this. It has that duty because it is one of the main promoters and

beneficiaries of global openness and co-operation. It is well placed because it has the means and the authority to make a real impact.

The list of EU instruments directly or indirectly relevant to the prevention of conflict is long: development co-operation and external assistance, economic co-operation and trade policy instruments, humanitarian aid, social and environmental policies, diplomatic instruments such as political dialogue and mediation, as well as economic or other sanctions, and ultimately the new instruments of ESDP (including information gathering for anticipating potential conflicts situations and monitoring international agreements). Through these, the EU is already heavily engaged in conflict prevention. But it can and must improve the focus and effectiveness of its action in this area. It must be able to respond in a timely and tailor-made fashion, with an appropriate mix of instruments, to the specific situations as they arise. Ultimately, this is not just a question of streamlined decision-making and management procedures but, more fundamentally, of the common political will to respond.

This Communication summarises what the EU is already doing, the instruments it has at its disposal, and suggests forthcoming possible activities in conflict prevention. It follows upon the "Report by the Secretary General/High representative and the Commission containing practical recommendations for improving the coherence and effectiveness of EU action in the field of conflict prevention" (14088/00), which was presented to the Nice European Council. It is also a contribution to the programme of action which could be endorsed by the Göteborg European Council

For reasons of clarity, the structure of the communication distinguishes between long term prevention ("Projecting stability") and short-term prevention ("Reacting quickly to nascent conflicts"). It also looks at how we can improve co-ordination and co-operation on conflict prevention at the international level.

## 1. PROJECTING STABILITY

### A. The EU role in promoting integration

#### The Union and its neighbours

Just over fifty years ago the countries of what is now the EU were engaged in a devastating conflict. In 1945, it would have been difficult to imagine the level of stability and prosperity the Union knows today. If the former European belligerents have come so far, it is in large measure due to the vision of those leaders who recognised that the only way forward for Europe was in breaking down barriers and encouraging co-operation between states, on the basis of common values and common interests, both political and economic. This represents a unique experiment with important lessons in a world struggling to contain animosities between States and to manage relations between them in a peaceful way.

The strength and attraction of the EU model is evidenced by the on-going enlargement process. In offering the prospect of European integration, the EU has already helped the countries of Central and Eastern Europe in their struggle to become stable democracies and functioning market economies. This has been a driving force to move from division to unity. It has drastically reduced border disputes and nationalist tensions as well as allowing substantial progress in integrating minorities in society. The prospect of accession and the pre-accession partnership strategies developed by the Commission have also given an important boost to economic development in the candidate countries, which in itself serves to consolidate the overall reform process.

Likewise, guided by the perspective of joining the EU, the five countries of the Western Balkans are progressively integrating the European model into their own structures, through the Stabilisation and Association Process launched in 1999.

Interaction with the Union on a regional basis can also encourage greater co-operation between countries on the borders of the Union and act as a stabilising factor within and between countries. In that spirit, regional co-operation is being pursued by the twelve Mediterranean countries through the Euro-Mediterranean Partnership (Barcelona Process), under which they have been invited to set up a huge Euro-Mediterranean free trade area with the EC by 2010. This serves a major conflict prevention objective both in the difficult context of the Middle East peace process and elsewhere in the region (see box).

#### **Euro-Mediterranean Partnership - Regional integration**

This Partnership has three main goals: an area of peace and stability based on respect for human rights and democracy; a free trade area accompanied by substantial EU economic and financial assistance to its partners; and greater mutual understanding and tolerance among the peoples of the region. All of them contribute to the overall aim of preventing conflict and promoting stability.

The political and security side of the partnership involves a regular political dialogue and a series of “soft” security-building measures (e.g. joint training for diplomats, network of foreign policy institutes). Progress towards the more ambitious aim of a Euro-Mediterranean Charter for Peace and Stability, which could cover “harder” measures (even of a military nature), has been hampered by the state of the Middle East peace process.

The partners have nevertheless remained committed to a process that remains the only forum where representatives of Israel, Syria and Lebanon meet. Considerable progress can now be seen on a number of fronts, and in particular the conclusion of association agreements between the EU and its partners. The Barcelona Process has proved resilient, showing itself to be an effective EU instrument for limiting the fall-out from some particularly tense moments in the region.

### Strengthening regional co-operation in a wider context

Beyond the European continent, the EU model can serve as an example for other regions in encouraging states to reduce political tension, to increase economic interdependence and to create greater mutual trust between countries.

**Mercosur**, which brings together Argentina, Brazil, Paraguay and Uruguay, and which has received EU support since its creation in 1991, is a striking example. It has played a significant role in consolidating democracy and the rule of law in all its member states, and particularly in Paraguay. It was also through Mercosur that these countries began to set up confidence-building measures in the field of defence. Vis-à-vis Mercosur as well as many other regional organisations around the world, a great deal of the EC assistance has been aimed at strengthening common regional structures<sup>1</sup>.

Equally, an important objective of the Cotonou Agreement between the EU and the 77 **African, Caribbean and Pacific (ACP) countries** is to improve economic and trade co-operation between these countries on a regional basis. In its relations with the 6 countries of the **Gulf Co-operation Council (GCC)**, the Community is also trying to stimulate their integration through a customs union. In this regard, it hopes that at some stage Yemen will be able to join the co-operation within the GCC.

Community assistance can also be targeted specifically at regional structures with a clear “conflict prevention” brief. In this spirit, the Commission has supported the OAU Mechanism for Conflict Prevention, Management and Resolution, the ECOWAS conflict-prevention mechanism, the Lusaka Peace Process in the Democratic Republic of Congo (through the SADC) and the Burundi Peace Negotiations. The Commission intends to devote more resources to these initiatives in the future. In particular, it is ready to support the SADC initiatives on light arms and drug trafficking.

In addition, the Commission plays an active role in several regional initiatives in which stability and security are major concerns e.g. the **Northern Dimension** with countries of the Baltic Rim or the **ASEAN Regional Forum (ARF)**.

The Commission will give higher priority to its support for regional integration and in particular regional organisations with a clear conflict prevention mandate.

### Building trade links

Trade integration is very much part of the EU model and an essential element in developing interdependence at international level. In supporting their trade and economic reforms and offering them better access to the EC market, the Community helps developing countries to integrate themselves into the world economy. As a motor of economic growth and poverty reduction, the EC trade policy contributes to conflict prevention.

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<sup>1</sup> The Commission currently supports the West African Economic and Monetary Union (UEMOA), the Economic Community of West African States (ECOWAS), the Common Market of Eastern and Southern Africa (COMESA), the South African Development Community (SADC) as well as Cariforum and Pacific Islands Forum. This year, a major project will be launched (with a budget of around EUR 15 million) to strengthen the SADC's administrative capacities. The Commission is also planning to support the Central African Economic and Monetary Community (CEMAC), the Southern African Customs Union (SACU) and the South Asian Association for Regional Co-operation (SAARC). The establishing of a Customs Union between the 6 countries of the San Jose Group, in Central America will also be supported by the Commission.



The Community provides preferential access to the European market for most products from developing countries, under the Generalised System of Preferences (GSP) scheme (variable rates of tariff preference). This generally goes with trade-related capacity building measures to help countries make use of those opportunities. As part of the Cotonou Agreement, all ACP countries enjoy until 2008 free access for most of their products. Extra preferences are also offered to Latin American countries combating drug production and trafficking.

On 26 February 2001, the Council extended access free of customs duties and quotas, to all products from least developed countries (LDCs), with the exception of arms (“Everything But Arms” Initiative). Access for bananas, sugar and rice will be subject to an initial transition period. The EC is already the main export market for LDCs. With this unprecedented initiative, it will become by far the most important trading partner for them.

A good example of trade policy serving long-term stabilisation in unstable regions is the autonomous trade concessions which the EU has gradually extended to the five countries in the Western Balkans in return for their committing themselves to reform and regional co-operation. Within the framework of the association and stabilisation process, the 5 countries now enjoy very favourable autonomous trade preferences when exporting to the Community, with over 85 % of their goods now entering the Union duty free.

Trade policy can also be used the other way round. Preferences may indeed be suspended with a view to try to prevent an alarming situation from deteriorating further. For example, in 1997, following an enquiry by the Commission into reports of widespread forced labour, the Council suspended GSP privileges vis-à-vis Burma/Myanmar. The suspension is still in force.

## **B. Mainstreaming conflict prevention in co-operation programmes**

Violent conflict rarely erupts spontaneously, or even at short notice. When people resort to arms, it is generally the result of a process of gradual deterioration whose causes are deep-rooted and often well-known. Difficulties in successfully addressing problems such as extreme poverty, inequalities in the distribution of wealth, scarcity and degradation of natural resources, unemployment, lack of education, ethnic and religious tensions, border and regional disputes, disintegration of the State or lack of peaceful means of settling disputes, have plunged whole societies into chaos and suffering. When they finally emerge from this inferno, they find themselves facing the long and difficult process of reconstruction.

Development policy and other co-operation programmes<sup>2</sup> provide, without doubt, the most powerful instruments at the Community's disposal for treating the root causes of conflict. But in order to ensure that optimal use is made of these instruments, we must take a genuinely long-term approach, identifying and targeting needs as far “upstream” as possible. The Commission has recently undertaken efforts to refocus development policy on the objective of poverty reduction and to increase impact and efficiency in implementation<sup>3</sup>. This approach includes working in complementarity with Member States and other donors.

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<sup>2</sup> Other co-operation programmes refer to programmes with countries not considered as developing countries in the OECD/DAC list.

P.M: In financial terms, over the period 2000-2006, external actions (Cat 4 of the EC budget) and actions for Central and Eastern European Countries amount respectively to € 36 and 11.8 billion. The EDF (for ACP countries) represents 13.5 billion for the period 2000-2007.

<sup>3</sup> see Statement by the Council and the Commission on the European Community's development policy of 10 November 2000

Although the EU is already the world's largest aid donor, it is obvious that further reinforcing the effort for external assistance in line with international guidelines would at the same time increase the EU's capacity to prevent conflicts in the long-term perspective.

### Integrated approach

Treating the root causes of conflict implies creating, restoring or consolidating structural stability in all its aspects. The concept of structural stability was put forward by the Commission in its 1996 Communication on conflict prevention<sup>4</sup> and was taken up by the OECD Development Aid Committee in its Guidelines on Conflict, Peace and Development Co-operation in 1997. Characteristics of structural stability are **sustainable economic development, democracy and respect for human rights, viable political structures and healthy environmental and social conditions, with the capacity to manage change without to resort to conflict**. All these elements need to be addressed in an integrated way. Most importantly, co-operation programmes are increasingly based on the countries' own strategies since it is now well recognised that ownership is a condition for success, allowing for consideration of countries' own situation, history and culture.

However difficult to assess, a few successful conflict prevention strategies can be identified. This applies to the EC as well as to other international actors. Reviewing the Community's recent actions in vulnerable areas and areas under reconstruction, a number of cases stand out in which, through an integrated approach, the EC did make a substantial contribution either in maintaining or re-establishing a degree of structural stability.

El Salvador and Guatemala are good examples of this integrated approach at work. Implementation of peace agreements in these countries went hand in hand with co-operation activities spanning all the sectors that are vital for re-establishing structural stability. In general, the whole EC strategy vis-à-vis Latin America is now based on an integrated approach.

A striking example of long-term prevention, through reconstruction and consolidation, is the integrated strategy the Community has been working to set up in the Balkans (see BOX). This model may be difficult to apply to countries which do not seek accession to the Union. But the general approach, based on a transparent and clearly structured process providing concrete benefits in return for commitments to peace and regional stability, could certainly be extended to other countries/regions.

#### **Balkans - An integrated, long-term approach to prevention**

In 1999 the Commission proposed the Stabilisation and Association process as a way of bringing every country of the region closer to Europe and its structures.

The thinking was quite simple: it was felt that the best way to get the countries of the Western Balkans to avoid conflict and work towards European standards of political and economic behaviour was to hold out the prospect of EU membership one day, subject to strict political conditions, including a requirement for regional cooperation. The process is based on a policy mix that combines contractual relations along the lines of those enjoyed by the Phare countries under the Europe Agreements, programmes to assist the economic restructuring and institution-building needed to meet European standards, regional cooperation and free trade.

The process represents a long term commitment to the region and will, if it is to be credible, demand substantial human and financial resources for several years to come. There is little doubt that the solemn pledge underpinning the process is already having a major impact on the policies and behaviour of the countries concerned.

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<sup>4</sup> "The EU and the issue of conflicts in Africa: peace-building, conflict prevention and beyond" (March 1996/ SEC(1996)332)

The Commission will ensure that its development policy and other co-operation programmes are more clearly focused on addressing root causes of conflict in an integrated way.

### Role of the Country Strategy Papers

On a practical level, the instrument for ensuring such an integrated approach of conflict prevention will be the strategic documents drawn up for each country receiving assistance by the Community (Country Strategy Papers). Such documents are currently prepared for all developing countries in Africa, the Caribbean, the Pacific, Asia, Latin America and the Mediterranean. Over time, all other countries receiving assistance from the Community will have a CSP.

An assessment of potential conflict situations will be made **in all Country Strategy Papers** with the support of appropriate potential conflict indicators. These will look at issues such as the balance of political and economic power, the control of the security forces, the ethnic composition of the government for ethnically-divided countries, the representation of women in decision-making bodies, the potential degradation of environmental resources and so forth. They will help to identify potential conflicts at an early stage. A model for such indicators is currently being developed for the Commission by the Conflict Prevention Network<sup>5</sup> (CPN), and should be ready by the end of the first half of 2001.

For those countries where the above analysis has highlighted conflict risk factors ("**countries with conflict potential**"), **conflict prevention measures will be made an integral part** of the overall programmes of the Community. Conflict indicators will make it easier to incorporate measures targeting conflict prevention in various sectoral programmes (in fields such as transport, rural development, energy, environment, health, research or education). As a practical programming tool to help in identifying projects with conflict prevention measures, the Commission will issue by the end of 2001 a "Conflict Prevention Handbook", built on work already undertaken in the ACP context. Conflict impact assessment tools could also be developed, in liaison with Member States.

Finally, in order to improve the overall coherence and effectiveness of EU conflict prevention efforts, co-ordination between Commission and Member States must be strengthened. As a small first step, Country Strategy Papers and corresponding documents from Member States should be systematically exchanged. There is also room for more regular exchange of information (on country analyses, best practice, policy initiatives, etc.) between Commission, Council Policy Unit and Member State desk officers. This could be based on the former Electronic Bulletin Board network set up in 1998 for African countries. In the field, co-ordination will follow the guidelines for strengthening operational co-ordination adopted by the GAC in January 2001.

In the context of the initiative taken at the September 2000 informal Foreign Ministers meeting to improve the effectiveness of the Union's external action ("post-Evian exercise"), the Commission and Member States have been working closely with the Council Secretariat in drawing up "summary files" on relations between the Union and certain third countries. These files can also provide a resource base for better co-ordination and complementarity

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<sup>5</sup> CPN is a network of academic institutions, NGOs and independent experts active in the field of conflict prevention. It was established in 1997 following a Resolution of the European parliament and is financially supported by the Commission. It is a research resource for the Commission on conflict prevention issues.

between Community aid and that of Member States in the case of countries with conflict potential<sup>6</sup>.

The Commission will:

- use in all Country Strategy Papers appropriate indicators to analyse potential conflict situations;
- develop practical programming tools for mainstreaming conflict prevention measures in co-operation programmes with countries at risk;
- exchange Country Strategy Papers with corresponding documents from Member States.
- set up a pilot system, in close co-operation with Council Policy Unit, for the regular exchange of information between Commission, Council Policy Unit and Member State desk officers, for two unstable areas: the Balkans and the Great Lakes.

### Macro-economic environment

A sound macroeconomic environment is part of structural stability. The Commission makes a substantial contribution to macroeconomic stabilisation and support to economic reforms through budget support and more recently through a substantial contribution to the multilateral Highly-Indebted Poor Countries (HIPC) initiative, which is designed to help these countries deal with the burden of their debts. In 1999, the Community committed EUR 1 billion of EDF funding for the ACP countries, and EUR 54 million for the countries of Latin America and south-east Asia.

At present, EC macroeconomic assistance operations are also under way or in prospect for Bulgaria, Albania, Bosnia, FYROM, Kosovo, Montenegro, Moldova, Tajikistan and Ukraine. This support clearly serves an overall objective of conflict prevention, by enabling the economic environment in those countries to become more stable.

The Community is also an active supporter of the World Bank/IMF initiative to draw up Poverty Reduction Strategy Papers (PRSPs) for certain countries receiving aid and to establish new financial instruments, such as the Poverty Reduction Growth Facility (*see also co-operation with the Bretton Woods institutions under Chapter 3*).

In that context special attention has also been given to the Highly Indebted Poor Countries affected by a conflict. In order to give these countries a chance to embark on the process of HIPC debt relief, the World Bank and IMF Boards have recently agreed that the sunset clause be extended to end-2002. Once those countries embark on Bank- and Fund-supported programs in the context of their PRSPs, their debt problems will be treated on a case-by-case basis within the framework of the enhanced HIPC framework.

Finally it should be noted that while poverty reduction is a critical factor in lowering the potential for conflict, it can be achieved only if the economy is experiencing growth. Consequently, measures aimed at poverty reduction need to be accompanied by measures aimed at economic growth.

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<sup>6</sup> General Affairs Council of 22 January 2001.

The Commission is considering co-financing WB and IMF funding instruments which will support the implementation of PRSPs in the ACP countries.

*Support for democracy, the rule of law and civil society*

Countries with conflict potential are usually those where the democratic process is the least advanced and where external support, for obvious reasons, is the most difficult to implement. In such conditions, EC support should aim, through targeted actions, at opening the way to a more favourable democratic environment. Such actions could draw on the large experience the Commission has in this field, in particular through bilateral, regional or horizontal co-operation programmes<sup>7</sup>.

The Commission is particularly active in the field of **democratic transition and elections**, through voter education projects, for example, and training courses for electoral observers. South Africa in 1994 and West Bank/Gaza Strip in 1996 are very good examples where Commission support, both in terms of election observation and assistance proved a successful contribution to mitigate the conflict. In the field of **parliamentary activities**, the Commission has supported actions to enable parliamentarians to exercise their democratic function, as in 1998 in Ethiopia. In the field of **civil and political rights**, Community aid has provided legal assistance for victims of human rights violations, for instance in Armenia, where in 1998 the EC supported an International Federation for Human Rights legal aid programme. In the field of **freedom of expression and the independent media**, Community funding has supported the development of independent press and broadcast media for example by raising professional standards. In the Federal Republic of Yugoslavia support from the Commission and the Member States helped convince public opinion that there was indeed a viable alternative to Milosevic. In the field of **good governance**, the EC is supporting the "Partnership for Governance Reform in Indonesia". (see BOX).

**Indonesia - Ownership of the reform process**

The current political transformation in Indonesia is characterised by an ongoing experiment with democracy. There has been encouraging progress in a number of areas since the 1999 parliamentary elections, but major challenges remain. The government is still confronted by a need for fundamental change.

The European Commission and two Member States are financing the **Partnership for Governance Reform in Indonesia** (the Commission is providing €13.2 million). Set up by the UNDP, the World Bank, and the Asian Development Bank, the Partnership, which is financed via a Trust Fund, seeks to develop cooperation between the international donor community and Indonesia in the following sectors: judicial reform, civil service reform, electoral management, legislative empowerment, media strengthening, regional autonomy and decentralisation, and anti-corruption measures. The Partnership should ultimately provide Indonesians with better governance.

What is more, the Partnership's institutional set-up means that Indonesia takes the lead in programming, so creating a strong sense of local ownership.

As part of its support to civil society, the Commission has also provided extensive support to initiatives by and/or for **women** within the framework of the Beijing process, following on from the 1995 World Conference on Women. Examples include promotion of the Euro-Arab

<sup>7</sup> Bilateral or regional programmes financed under the following regulations: PHARE (with Central and Eastern European Countries), TACIS (with Newly Independent States), CARDS (with Balkan countries), MEDA (with Mediterranean countries), ALA (with Asian and Latin American countries) as well as under the EDF with ACP countries. Since 1994, the European Initiative for Democracy and Human Rights (EIDHR) also gives support (100 meuros in 2000), on a thematic and world-wide basis, to NGOs and international organisations working in these fields.

dialogue between women, establishment of a Women's Centre in Gaza and inter-community initiatives in Cyprus launched by women. A European Council Resolution<sup>8</sup> stresses that a gender perspective must be paramount in emergency operations and crisis prevention. In a report of last October<sup>9</sup>, the European Parliament urges Member States to systematically encourage the participation of women in official conflict resolution processes. The Commission is preparing a Communication on gender equality in development co-operation which will identify certain areas where specific actions are required.

For countries showing conflict potential, more targeted actions will be implemented, where appropriate, to open the way to a more favourable democratic environment. In particular increased emphasis will be placed on support to electoral processes, parliamentary activities and the administration of justice.

In doing so, the Commission will in particular promote the equal participation of men and women in social, economic and political life.

### Reforming the security sector

The security sector has not traditionally been a focus of Community co-operation. However in many countries, achieving structural stability may require a fundamental overhaul of the state security sector (i.e. the police, the armed forces and democratic control of the security forces as a whole). In El Salvador and Guatemala in 1998, Community action helped the police services to become more professional and more impartial, as judged by recognised international standards. In these cases, equipment and training programmes in subjects such as human rights and ethical issues were funded from the EC budget.

For countries showing conflict potential, the security sector should be analysed systematically. Where support from the Community can offer added value, the Commission should then focus on this sector. Where Member States are better placed to assist (as, for example, in the case of the reform of armed forces), they will be encouraged to do so as a matter of priority, during discussion of the Country Strategy Papers. In this way, the Commission will be able to ensure that Community support for the security sector complements the efforts of other partners. For instance the Community could support the conversion of military sources to civilian use and other structural reforms of the security sector. A case in point has been the significant effort through the International Centre for Science and Technology in Moscow to ensure that nuclear weapons scientists from the former Soviet Union do not pass their knowledge to other countries.

Within the limits of its competencies, the Commission intends to play an increasingly active role in the security sector area. This will take the form of activities aiming at improving police services, promoting conversion and decommissioning both as regards weapons of mass destruction and conventional weapons. The Commission could support human rights training for the whole security sector.

### Specific post-conflict measures

A post-conflict situation - or one in which conflict has been 'frozen', as today in the South Caucasus - generally calls for targeted assistance to **rehabilitation** programmes. One example of Community involvement with such activities is Abkhazia/Southern Ossetia (Georgia).

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<sup>8</sup> European Council Resolution on Integrating Gender in Development (20 December 1995)

<sup>9</sup> EP report on women's participation in the peaceful resolution of conflicts (October 2000)

There, through agreement with the parties to the conflict, the Commission has been able to fund rehabilitation projects in a number of sectors, including water, gas and electricity supply, new school buildings, agricultural development and railways.

In order to provide a secure physical environment for reconstruction, **demining** operations have also been made a priority in post-conflict situations (e.g. Bosnia). A draft Regulation on antipersonnel landmines, which is still on the table of the Council, provides for destruction of landmines and specific rehabilitation programmes both for affected individuals and communities. The Commission hopes that the Council will adopt the Regulation before the end of the first semester of 2001.

Another important area - not least in its link to stabilising the security situation - is that of **Demobilisation, Disarmament and Reintegration** (DDR). Too often in the past, the international community has overlooked the specific concerns of former combatants in countries emerging from conflict. The assumption has been that once a peace agreement has been signed, fighters from each side will return quietly to their homes. Fortunately, the international Community has come to recognise the importance of ensuring adequate provisions for the reintegration of former combatants and to incorporate such provisions into the negotiation and implementation of peace agreements.

The Community has a lot to contribute in this area. Along with several other donors, the Commission intends to support the demobilisation process in Cambodia. This would fit with a number of activities already planned, especially in the North-West of the country, where demobilised soldiers are likely to settle. Once the peace agreement is implemented in Burundi, the Commission is ready to finance a rehabilitation programme there. As soon as the ongoing peace process in Eritrea allows, the Commission is ready to support the programme drawn up in collaboration with the World Bank to demobilise and reintegrate some 200 000 soldiers. The Commission is also preparing a rehabilitation programme for the Democratic Republic of the Congo (DRC), to support any possible progress under the peace process.

A major area where action is often required to prevent the recurrence of conflict in vulnerable post-conflict situations is the one of **children affected by armed conflict**. During times of conflict, displacement and general insecurity can interrupt children's normal learning environment. Thus, as a direct result of crises, children often spend a long time in refugee camps without access to education or other value-creating activities, and as a consequence, they are often left with no other choice than joining rebel groups or participating in criminal activities after the conflict. Thus, emergency education programmes as well as child related rehabilitation measures are crucial to ensure that children and young adults do not become destabilizing elements in post crisis situations. Therefore, children are a cross-cutting priority for EC humanitarian assistance, and the Commission is funding emergency education for children affected by armed conflict in countries such as DRC, Sudan, Sierra Leone, Kosovo, Macedonia and Montenegro. Moreover, the Commission is directly supporting international efforts to improve the availability of hard core data on children affected by armed conflict.

The importance of **reconciliation processes** needs also to be borne in mind. The EU's well recognised support for South Africa's Truth and Reconciliation Commission is a good example.

The link between **relief, rehabilitation and development** (LRRD) is central to the overall purpose of conflict prevention. The [forthcoming] communication on LRRD identifies a range of measures that could improve the Community's contribution to international efforts in post-crises situations. This includes better integration of the long-term perspective into relief

operations, adaptation of development programmes and instruments in order to allow for quicker and more effective take-over from relief interventions and improved donor co-ordination.

In post-conflict situations, EC assistance will concentrate on the consolidation of peace and the prevention of future conflicts, in particular through rehabilitation programmes, child-related rehabilitation measures and DDR programmes as well as programmes supporting reconciliation processes.

### **C. Addressing cross-cutting issues in a more efficient way**

The major challenge of conflict prevention is finding effective and appropriate ways to address the causes of tension and violent conflict. Every situation, and every conflict, is unique. Nevertheless, some of the factors in play are cross-cutting issues, and should be examined as such. This is particularly true of drugs, small arms, access and management to natural resources, environmental degradation, communicable diseases, massive population flows, human trafficking and private-sector interests in unstable areas. This list is by no means exhaustive, but it is a starting point to further stimulate discussion within the Union, which in turn could provide the basis for a broader international debate. In all these cases, the Commission intends to bring forward concrete proposals for consideration within the appropriate international bodies (such as the UN, G8 and OECD).

#### Drugs

There is a close relationship between drugs and crime. Criminal organisations operating in drug production and trafficking have effectively turned certain parts of the world into "no-go areas". The large amounts of money in drugs and money-laundering have also attracted, to a certain extent, terrorist movements and paramilitary organisations seeking funds with which to purchase arms. Their targets are generally areas where the social fabric had already been torn apart by poverty and/or political instability. As a result, violent conflict is a constant threat all along the two main drug routes to Europe: the cocaine road from Latin America, and the heroin road from Afghanistan.

EU external activities on drugs are part of the 2000-2004 EU action plan, adopted by the Feira European Council, which combines demand reduction, supply reduction and international co-operation (notably with the UN).

Since 1996 the EU has supported the 29 Caribbean countries and entities through a comprehensive Action Programme. This initiative strengthened both the countries' own capacities and co-operation with the Union. Programmes implemented in Latin America have mainly focused on support for development activities (such as alternative development projects, institution building and rehabilitation for drug-users). In Colombia, the Commission is about to finance a project using satellite imagery in order to detect illicit crops. At the same time, the EC is seeking to set up "filters" along the Afghan heroine road, which led to support programmes in Iran, Central Asia, Southern Caucasus, and soon in Ukraine, Moldavia and Belarus. In the Balkans, the Phare Programme, soon to enter into its second phase, has already produced some noteworthy results.

The Commission will focus its co-operation/anti-drug actions on the two main routes by which drugs reach Europe, through the Balkans and between Latin America and the Caribbean. In so doing, it will continue to draw on the expertise of Member States.



### Small arms

Small arms are the “weapons of mass destruction” of the poor. They are responsible for more deaths and injuries, and have had a greater destructive influence on political and social structures, than any other category of weaponry. Small arms easily find their way to those areas that are the most beset with conflict and most vulnerable to its impact. It is here, too, that they are least likely to be subject to legal control. In the wake of violent conflict or the collapse of state structures (as, for example, in Albania in 1997, when 700 000 light weapons were stolen from the country's central munitions store), the omnipresence of small arms can easily prevent the restoration of the rule of law, while creating conditions in which violent conflict may easily be reignited. Such weapons are also easily transported to fuel conflicts elsewhere.

In addition to EU action aimed at controlling the export of conventional arms<sup>10</sup>, the Commission has, on the basis of a 1998 Joint Action, provided financial and technical assistance for projects to combat the accumulation and spread of small arms (e.g. in Cambodia, South Africa, Mozambique and Georgia/South Ossetia). A small arms collection project is currently under consideration for the Solomon Islands. Until now these actions have been limited in scope. The Commission nevertheless considers that this area holds great potential for EU action. The Commission is also actively preparing the UN Conference on illegal trade in light weapons and small arms to be held in summer 2001.

In countries with conflict potential, the customs sector, due to its role in preventing trafficking of various kinds, including of small arms circulation, deserves particular attention. Community aid has targeted many countries, and particularly in the ACP region. In Bosnia, one of the most effective Community programmes has been the CAFAO programme (Customs and Fiscal Administration Office).

Finally it should be noted that all those actions presently underway within the EU or Community framework to prevent the spread of nuclear, chemical, biological, dual use and conventional weapons, and to promote safety in the related civilian sectors, should also be seen as a contribution to conflict prevention.

The Commission will give higher priority to its support aimed at controlling the spread of small arms. It will work for an ambitious Union position in view of the forthcoming UN conference on illegal trade in light weapons and small arms. When managing programmes on small arms, the Commission will closely examine the situation of the customs sector.

### Management and access to natural resources

Competition over natural resources is often a root cause of tension. This may appear within countries, at local or national level, as well as in a regional context. Sources of conflict can vary from water and geological resources (oil, gas, gems, minerals) to biological resources (e.g. fishery grounds, forest).

Conflicts over geological resources are particularly evident in many parts of Africa (Liberia, Congo-Brazzaville, Sudan etc). Particularly important is the illegal trade in **diamonds**, the profits from which serve to fuel conflicts. In many cases, control over this source of wealth also generates conflicts. The Commission welcomes the fact that the major firms operating in the sector are now seeking to introduce a certification system for rough diamonds. For its part,

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<sup>10</sup> See the 1998 EU Code of Conduct on Arms Export

the Commission is actively involved in the Kimberley Process, which tries to set up such a system in line with UN Resolution 55/56. If such a certification system had been in existence earlier, the UN sanctions against “conflict diamonds” could have been more effective.

The **sharing of water resources** in water-scarce regions is one of the most common and complex sources of political tension. Such situations exist today in the Horn of Africa, the Nile Valley, the Aral Sea basin including the Fergana valley and the Middle East. Sometimes, conflict over water is aggravated by disputes concerning navigation rights and territorial boundaries. The Commission has supported a number of initiatives dealing with water-related conflict, notably in the Aral Sea area, in Southern and Eastern Africa, and in the Middle-East.

For example, a particularly useful project relating to the Middle East Peace Process has been the establishment of “EXACT”, a regional institutional structure and data bank for water management” by an Israeli-Jordanian-Palestinian action team with MEDA funding. This project has led to on-going technical co-operation between Israel, the Palestinian Authority and Jordan, despite the turbulent political situation.

In the **short-term**, measures must be built around mechanisms which ensure respect for those national and international agreements on which water-sharing rights are generally based. Failure to respect these agreements is a recipe for civil and/or inter-state conflict. In the **longer term**, prevention of conflict over water needs to build on co-operation which focuses on the fair management of shared water resources.

- The Commission will play an active role in the Kimberley task force on the certification system for rough diamonds and will present a policy paper to the Council by the end of the year outlining options on this issue.

-Where a clear commitment to regional collaboration exists, the Commission will support regional actions aiming at a fair management of shared water resources.

### Environmental degradation

Environmental degradation, often closely linked to resource problems such as access to water, may be both a contributing factor to insecurity and conflict and the result of it. For example, land degradation or climate change may have a destabilising effect on many regions, through decrease in potential arable land, loss of income opportunities and migration.

Climate change represents perhaps the most challenging environmental problem of all. The expected increase in sea-level rise, in extreme weather patterns and in effects on productivity of land and ocean resources pose a significant threat to many people, notably in many small islands developing states. 60% of the world population live in coastal areas, which are the most sensitive. Loss of livelihood and migration are likely in many regions.

Another example of security risks linked to environmental degradation is forest loss. Apart from global implications –forests are important to mitigate climate change- forest loss can create conflicts between local groups, governments and private industry.

In this situation, EC environmental co-operation programmes can play an important role in building confidence between communities and strengthening cross-border co-operation.

The Commission will address issues of natural resources and environmental degradation

through its bilateral and regional programmes and will enhance support for the implementation by partner countries of Multilateral Environmental Agreements. High priority will also be given to environmental rehabilitation projects in post-conflict programmes.

### *The spread of communicable diseases*

Few challenges are more profoundly disturbing or more far-reaching in their implications for social and economic development, and ultimately political stability, than the spread of major communicable diseases, in particular HIV/AIDS, malaria and tuberculosis. In 1999, over 33 million people world wide were estimated to be living with HIV/AIDS, 95% of them in developing countries. Malaria and tuberculosis are re-emerging in areas where they were previously under control and with increasing resistance to drugs they are again on the increase around the globe. The ravages of AIDS, malaria and tuberculosis reverse decades of development efforts, send life expectancies tumbling, provoke changes in patterns of production and cause overwhelming social and economic problems in the countries most affected.

The Commission has recently presented a **Programme of Action** for the fight against the spread of these diseases over the next five years. The programme, which is based on the Community strategy on communicable diseases developed in the context of the poverty reduction objective for external assistance, stresses the need to improve access to care and medicines, in particular through the establishment of a global tiered (or differential) pricing system and reduce tariffs and other costs for pharmaceuticals, and to strengthen developing countries' policies and production capacities in the pharmaceuticals sector.

The prospects of success in reaching these goals will be improved by concerted international action, through the UN, World Bank, World Health Organisation, and NGOs, as well as with G8 partners and with industry. The December 2000 EU/US summit identified co-operation in this area as a priority area of Transatlantic co-operation.

### *Population flows and human trafficking*

Although large flows of people (migrants, asylum-seekers, internal and external refugees) are usually seen as the consequence rather than the cause of conflict, they may also have destabilising effects contributing to the spread and aggravation of conflict. Coping with such inflows and their side effects on local or neighbouring populations is especially difficult for developing countries.

The work of the High-Level Working Group on Asylum and Migration (HLWG), created by the GAC in December 1998, is a first attempt to develop an external policy of the EU on asylum and migration which makes use of the different measures offered by the Treaty: foreign policy, development and economic assistance, migration and asylum, the fight against discrimination based among others on sex and the fight against illegal migration. Action Plans are currently implemented for Sri Lanka, Somalia, Albania, Afghanistan, Iraq and Morocco. They all aim at comprehensively addressing the roots of displacement in the country of origin, thus limiting the potentially damaging consequences of large human flows for neighbouring countries and the EU. Until now however, the EU approach has been mostly reactive.

Migration flows can also be driven by criminal organisations. The fight against trafficking in human beings, in particular in women and children, is part of EC co-operation programmes. For example, an EU-US project to combat trafficking in women in Russia should start soon.

The Commission will seek to deepen its dialogue with specialised organisations in view of better detecting destabilising population flows at an early stage. Such organisations could include the International Organisation for Migration (IOM) and the United Nations High Commission for Refugees (UNHCR).

#### Role of the private sector in unstable areas

Foreign private sector businesses play a major role in the socio-economic development of many countries. However, they may also be partly responsible for maintaining, or even creating, structural causes of conflict. A case in point is when companies run their operations (for instance, in the field of natural resources) to the detriment of environmentally and socially sustainable development.

The EC plays an active role, along with the Member States, in the OECD's work on implementing the Guidelines for Multinational Enterprises (revised version, June 2000). These guidelines aim at encouraging businesses to behave responsibly when operating abroad, and in particular in developing countries. This includes respect for the human rights of local people, and non-interference in the political process.

Along with the social partners and other civil society organisations, the EC is also actively involved in initiatives addressing such issues as free trade and voluntary codes of conduct for undertakings investing abroad. In such cases, our role is principally that of a facilitator, helping to bring the parties involved together for discussion and debate. In 2001 the Commission will present a Green Paper on Corporate Social Responsibility (CSR) which will address the issue of conflict prevention and the role which business can play in this field.

The Commission is committed to promoting actively the OECD guidelines for Multinational Enterprises which aim at encouraging businesses to behave responsibly when operating abroad, and in particular in developing countries.

## **2. REACTING QUICKLY TO NASCENT CONFLICTS**

As well as a long-term prevention strategy the EU will increasingly need the ability to react quickly where the situation in a particular country seems to be entering a downward spiral. The earlier the EU can take action, in cases of large-scale human rights violations, recurrent outbreaks of violence, electoral unrest, the collapse of the machinery of government or ethnic marginalisation, the more effective it is likely to be.

A capacity for troubleshooting depends crucially on the existence of a proper EU early warning mechanism, not only to alert EU decision-making and operational centres to an imminent crisis but also to study its causes and possible consequences and identify the most appropriate response. However to make full use of such mechanisms and in order to be credible, the EU has to prove political will to do what is needed to avert open conflict.

The Commission therefore strongly supports the idea that the Council should undertake regular regional reviews so as to identify and monitor potential conflict zones. The Commission will work with the Secretary General/High Representative, in order to determine how this might best be done, including the establishment of early warning mechanisms

(indicators, networks, information gathering<sup>11</sup>, involvement of NGOs etc). The Commission's own world-wide network of Delegations gives it considerable scope for monitoring areas of instability. This information is systematically shared with the Council Policy Unit in order to improve the EU's conflict analysis capabilities. The Commission is working to upgrade its communication tools in order to ensure that the delegations will be able to make a timely and substantial input, not least in situations of instability or crisis.

The Commission will work with the SG/HR on regular reviews of potential conflict zones, including the establishment of early warning mechanisms.

## A. Optimising Community instruments

Faced with a deteriorating situation the EU has a number of traditional (Community) instruments at its disposal. The Commission can for example dispatch teams of electoral observers (as in Zimbabwe) or provide emergency economic assistance. The Kosovo crisis is a case in point, where financial support was made available at short notice to neighbouring countries facing a massive influx of refugees and displaced persons, in order to prevent destabilisation on a regional scale (see box). Montenegro is another example of the way aid programmes can provide rapid back-up for a predetermined political strategy (see box). In January 2001, when Israel withheld tax revenue from the Palestinian Authority, the Commission stepped in to avert the economic collapse of the Autonomous Territories with an emergency €30 million cash injection rapidly released from the Cash Facility. This has been followed by further support.

### **Refugees from Kosovo - EU support for neighbouring countries**

Early April 1999 saw a systematic effort to deport Kosovo's non-Serbian population to neighbouring states, a move engineered by Milosevic with the aim of destabilising Serbia's neighbours. By 6 April 280 000 refugees had arrived in Albania and 136 000 in FYROM, while another 60 700 people were displaced in Montenegro.

The host countries suddenly found themselves having to cope with a humanitarian crisis for which they were quite unprepared. In FYROM for example, the influx of refugees threatened the ethnic balance on which political life was based. There was a great danger that the entire region would be destabilised. On 17 April the Commission granted the governments of FYROM, Montenegro and Albania €100 million for refugee-related costs and €150 million in direct humanitarian aid.

That the Commission was able to overcome the constraints imposed by administrative procedures and react rapidly to this politically sensitive and critical situation was a key factor in avoiding a major regional crisis.

The Commission is pursuing the actions outlined in its *Communication on EU Election Assistance and Observation*<sup>12</sup> so as to permit rapid deployment of trained EU election observers.

Furthermore, humanitarian assistance may make an indirect yet valuable contribution to conflict prevention by helping stem potentially destabilising floods of refugees or mitigate their destabilising impact on neighbouring countries (e.g. former Yugoslav republic of Macedonia, Albania, Kenya, Tanzania).

In development co-operation, the reform of programming will introduce rolling programming systems to allow for greater flexibility in responding both to the needs and to performance

<sup>11</sup> also in the context of the recent initiative on Global Monitoring for Environment and Security (GMES) as part of Europe's strategy for Space (COM(2000)597)

<sup>12</sup> COM(2000)191 final

levels of partner countries. This can be used both as positive encouragement and to restrict co-operation. In critical situations, pressure can be exerted through the use of negative measures such as total or partial suspension of Community co-operation programmes.

## **B. Ensuring a swift Community reaction**

The **Rapid Reaction Mechanism (RRM)** approved by the Council on 26 February will allow the Commission, in a single legal and financial framework, to carry out a wide range of short-term actions which would otherwise require more cumbersome decision-making procedures. For example, in a crisis situation, the Commission will be able to undertake short-term operations, such as targeted assistance (e.g. the 1999 Energy for Democracy' programme in Serbia), fact-finding missions, mediation or the dispatch of observers. In cases where initial speed is essential, but actions may need to be continued over a longer period, the RRM will allow for quick initiatives in peace-building, reconstruction and development, laying the groundwork for longer-term action to be taken over by traditional Community instruments.

## **C. Political and diplomatic instruments**

The EU has a variety of political and diplomatic options available to it where the situation in a particular country or region looks like deteriorating sharply. These include the formal statement or the diplomatic démarches, the political dialogue procedure, the dispatch of a fact-finding mission or a team of EU observers and the appointment of a Special Representative. In this context the political dialogue and the role of Special Representatives merit special attention.

As a general consideration, it should be reaffirmed that for the EU to be a credible actor, it has to show its capacity to adopt common political line on sensitive issues. Too often this has not been the case.

### Political dialogue

The EU engages in a political dialogue of varying degrees of formality with all countries with which it has relations. A long-term dialogue on political issues including human rights and democratisation can have an early warning role by highlighting problems which could in the

### **Montenegro - The EU reacts to a destabilisation risk**

Montenegro took a neutral position during the Kosovo conflict. It did so in spite of NATO bombing raids over the republic, which the government had great difficulty explaining to its people. The EU provided Montenegro's leaders with **political backing**, praising President Djukanovic's democratic behaviour and his brave stand in the face of political pressure from Milosevic. It seized every opportunity to show support. The Community's firm commitment to democratic behaviour was notably manifested by high-level visits to Montenegro by a member of the Commission and the reception of Montenegrin leaders in western capitals.

Importantly, however, this political support was backed up by assistance programmes **carefully targeted to offset the tremendous economic pressure** being exerted by the Milosevic-controlled Federal administration (which, among other things, sealed the administrative borders to put a stranglehold on Montenegro's economy and halted Federal payments to Montenegrin pensioners). Aid programmes were designed to provide immediate, tangible economic support for the population. This included paying family allowances under the food security programme, providing agricultural inputs, transport and medical equipment, supporting the purchase of electricity from neighbouring countries and repairing basic infrastructure to provide real and easily-visible improvements in people's day-to-day lives. The overall aim was to maintain social cohesion and underpin a stable democratic process in the interests of Montenegro and the region as a whole.

The Commission also prepared support programmes for **independent media and civil society**. By fostering transparency and a steady flow of information, they have done much to help people understand the issues at stake.

future lead to violent conflict as well as contributing to their early resolution. It is also particularly important where a tense situation threatens to get out of hand.

To be of use in such situations, the political dialogue clearly needs to be more focused, time-flexible and more robust than is often the case at present. For this to happen, however, the EU must be capable of reaching a timely agreement on its policy and position upstream taking due account of the situation on the ground, the expectations, fears and likely resolve of each party, and crucially, how determined the EU itself really is to exert its influence. That in turn means the Member States working out if not a common strategy then at least a common political line.

The principles of Article 11 of the Cotonou agreement and the political dialogue of its article 8 offer scope for addressing conflict prevention in ACP countries. The Commission considers that an important objective of the political dialogue is to prevent as far as possible, situations of political difficulty or tension from degenerating into armed conflict. Dialogue should therefore include exchange of views on crises and conflict situations, mediation and negotiation efforts and support to peace processes. If successful, such political dialogue under Article 8 will reduce the chances of the situation degrading to the extent that the EU seeks recourse to Article 96 consultations.

When article 96 is nevertheless applied due to a violation of the essential elements (respect for human rights, democratic principles and the rule of law), the consultation process allows the EU to send strong political messages and to try to find acceptable solutions. The case of Cote d'Ivoire is instructive; the procedure was carried over in February 2001 and a committee was set up to enable the EU, jointly with the Ivorian authorities, to monitor whatever measures are adopted, the idea being to foster a cooperative approach.

The Commission considers that more systematic use must be made of the political dialogue where a crisis appears imminent. Such dialogue should be based on a strong political line. It should be more focused, time-flexible and robust than in the past. The Commission is prepared to work with the SG/HR on developing concrete proposals in this field.

#### EU Special Representatives

The EU Special Representatives can also be useful in defusing potential crises. So far they have generally been deployed in cases of open conflict (in the Great Lakes region, the Middle East or the Horn of Africa), but they could undertake preventive diplomacy. The Council guidelines of 30 March 2000 provides greater clarity for the appointment and management of EU Special Representatives. However in order to be more effective and credible, Special Representatives need to be given the role of full mediators on behalf of the Union and to receive clear mandates from the Council on policy positions to be taken.

The Commission considers that the Special Representatives should be used more widely as mediators, that they should be empowered to adopt a firm position on the situation covered by the terms of their mandate, and that they should be available for short-term (e.g. six-month) missions as well. The Commission is prepared to work with the SG/HR on developing concrete proposals in this field.

#### **D. Using sanctions**

Sanctions have generally been imposed after conflicts have broken out with the aim of denying a "target" (i.e. country, party, entity) the means to prolong or escalate the violence.

These typically include arms and other war materials, export earnings, foreign capital, other imported goods and technology, or travel facilities. Other types of sanctions such as visa ban or the reduction of diplomatic representation are generally meant to give a strong political signal. There is good reason, however, to look at how sanctions could be used preventively to deny a potential belligerent the means to start a conflict. Many export control regimes (targeting atomic energy, missiles, chemical production, small arms etc) are in effect a form of preventive sanction.

So far the impact of sanctions has been somewhat disappointing. Thanks to poor design and poor enforcement, it has generally been a question of too little, too late. For the financial sanctions taken against the government of the Federal Republic of Yugoslavia in 1998-2000 to have been truly effective in preventing FRY interference in Kosovo, for instance, measures should have been targeted swiftly and unambiguously on individual decision-makers.

In order to target preventive sanctions ("smart sanctions") and minimise the suffering of ordinary people, a rigorous preliminary analysis will be necessary. The "Potential Conflict Indicators" (see above) will be useful in this context, making it possible to identify parties liable to start a conflict and analyse their existing or potential power base. Such an exercise would show how far the international community might actually prevent the build up or consolidation of that power base by denying access to markets for goods, capital, technology and other tangible or intangible assets. As sanctions often cause serious economic distortions, any consideration of their use will have to weigh any potential political advantages against the actual economic damage that they may inflict.

Preventive sanctions might be justified as legitimate countermeasures to serious violations of human rights or humanitarian law. However as a general rule, they will have to be compatible with international obligations<sup>13</sup>, (e.g. WTO rules, provisions of the Cotonou Agreement and various bilateral agreements).

The Commission will initiate a debate within the Council on ways of enabling the EU to devise and implement preventive sanctions.

#### **E. Adapting EU crisis-management machinery**

The new civilian and military crisis-management tools currently being developed in the context of the European Security and Defence Policy (ESDP) could be used to deal with the earliest stages of incipient conflict. Though initially designed for crisis management they could be just as effective in a preventive, "pre-crisis" role. On the military side, the modalities for implementation of Petersberg tasks, including co-operation with third countries and other organisations such as NATO, need further elaboration in the ESDP framework.

On the civilian side, in a number of areas identified by the Feira European Council – the police, the rule of law, civil administration and civil protection – the Commission is working with the Member States to help identify and set detailed, specific targets. The Commission has already presented a proposal for a draft decision on arrangements for co-ordinating Member States' civil protection activities, with reference specifically to training and the deployment of assessment teams. This proposal should be adopted shortly.

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<sup>13</sup> If they are imposed in the first instance by the UN, this overrides other obligations, thus ensuring compatibility.



In the fields of the rule of law and civil administration, a major problem faced by the Union is the lack of suitably qualified and available personnel ready for deployment in international missions. This is a problem faced not just by the Union, but also by the UN, OSCE and other bodies engaged in international peace missions. In the Commission's view, the best way to build up the Union's capacity in this field is by developing common training programmes as well as agreed mechanisms to make staff rapidly available. Staff to be deployed should also be given special gender sensitive training.

Concerning training in the fields of rule of law and civil administration for personnel to be deployed in international missions, the Commission is encouraging Member States to work together and with the UN and OSCE. The Commission is prepared to support such training programmes with Community funds.

One thing is however clear: setting up civilian crisis-management machinery and deploying it for preventive ends is no substitute for strengthening the capacity of unstable countries or regions to deal peacefully with their own conflicts.

### **3. ENHANCING INTERNATIONAL COOPERATION ON CONFLICT PREVENTION**

There are obvious problems in mounting a coherent international response as long as the situation in a potential trouble spot is still unclear. Whatever form international co-operation takes, therefore, it must address the need to spot potential outbreaks of conflict at the earliest possible stage and ensure that any preventive measures are co-ordinated. The need for international co-operation is just as crucial when it comes to providing a coherent response to nascent conflicts.

#### **A. Co-operation with other countries**

Conflict prevention is an integral part of the EU's political dialogue with many industrialised partner countries such as the US, Canada, Japan, Russia and Norway. However different the respective approaches may be, the EU clearly shares with them common political goals of international security and stability. Dialogue with those partners should be used to improve information exchange and co-ordination of activities including démarches in international fora. It should also be used to develop common conflict indicators. In this respect, the EU can learn from countries such as Canada and Norway which have developed quite advanced conflict indicators and early warning systems for use in development co-operation.

A useful network for co-ordination of international (as well as multinational) donors remains the Conflict Prevention and Resolution (CPR) network, in which USAID, CIDA (Canada), the World Bank and certain Member States are particularly active.

In post-conflict situations, co-ordination is also fundamental. A promising avenue for co-ordinating post-conflict assistance with other countries (and international organisations) is the "Friends of" approach. This approach consists in having the broadest possible number of international donors co-ordinate their actions in a particular country.

The Commission proposes to integrate more systematically into the political dialogue with partner countries discussions on early-warning systems and regular monitoring of potential conflict zones.

In post-conflict situations, the Commission intends to play a more active role within the "Friends of" approach and to foster exchanges of information among donors.

## **B. Co-operation with international organisations**

### Co-operation with United Nations

With an overall mandate of maintenance of international peace and security, the **United Nations** is a key partner in conflict prevention. The EU and the UN often work together on preventing the resurgence of conflicts in the context of peacekeeping operations. In two recent operations to which the EU made a heavy political commitment (Kosovo and Timor), the two organisations achieved a division of labour in keeping with their respective spheres of competence. In the case of East Timor a trust fund managed by the World Bank provided an effective means for harnessing donor contributions (see box on East Timor). In the case of Kosovo, the Commission has launched "lessons learned" exercise on the experience of the UNMIK economic reconstruction and development pillar. The principle of complementarity between relevant actors was recently reconfirmed in the discussion on co-operation for peace-building at the 4<sup>th</sup> High Level Meeting between UN and Regional Organisations held in New-York in February 2001.

#### **East Timor - International cooperation**

East Timor offers a number of insights into EU action in a post-conflict scenario.

After the violence started in September 1999, the EU not only provided immediate humanitarian assistance but saw the urgent need for rehabilitation further down the road. Two core needs were identified: to get an administrative system up and running (i.e. the UN administration) and to prepare a coherent blueprint for rehabilitation. It was clear from the start that any approach would need to be well coordinated if it was to succeed and that the UN Transitional Administration for East Timor (UNTAET) offered the best vehicle for coordination. The Trust Fund for East Timor (TFET), an open international fund managed by the World Bank, became the main vector for post-conflict rehabilitation.

From the outset the Commission and Member States have channelled significant financial contributions and human resources to both UNTAET and the TFET. The results speak for themselves: East Timor has been one of the most effective rehabilitation operations ever. There have been minor problems with the coordination of reconstruction efforts between donors, agencies and UNTAET or the speed of work. But the difficult circumstances – helping build a new nation practically from scratch in little more than two years – mean that these post-conflict operations have to be considered an important step towards the success of the operation.

And there is no doubt that a jointly-agreed political goal, i.e. a smooth transition to independence with sustainable political and economic structures, will play its part in bringing the UNTAET operation to a successful conclusion.

The Commission is closely following the implementation of the Brahimi Report<sup>14</sup> and fully subscribes to the peace-building approach set out in the Report. In proposing the Rapid Reaction Mechanism (see above), the Commission drew inspiration from the UNSG's proposals on establishing quick impact projects for countries emerging from crisis.

Nevertheless, there is clearly room for a more structured dialogue between the two parties on the common aim of conflict prevention at both operational and political levels.

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<sup>14</sup> Report of 21 August 2000 of the Panel on UN Peace operations

Since the EC/UN Framework Agreement of 1999, the Commission is now in a better position to co-operate with the UN in co-financing activities. The proposal by the Commission for a new EC Financial Regulation foresees more flexibility in the financing of UN activities, in particular through programme funding and non-earmarked contributions. The Commission is currently examining the possibility of supporting the Trust Fund for Preventive Action. This Fund was created in 1996 to strengthen the preventive capacity of the UNSG as well as his early warning function in crisis situations.

In connection with **environmental issues** linked to conflict situations, the UN system plays a crucial role in multilateral co-operation. A large number of Multilateral Environmental Agreements provide a legal framework for co-operation and capacity building to mitigate global, regional or shared environmental problems.

Conflict prevention should be a major element of the enhanced structural dialogue being put in place between the Union and the UNSG. For its part, the Commission, which has already developed a programming dialogue with UNHCR and WFP, proposes to establish a similar dialogue with other UN agencies, funds and programmes.

At operational level the Commission is prepared to exchange its Country Strategy Papers with the UN Common Country Assessments. It intends to launch a dialogue with UN agencies on this subject. It is also currently looking at the possibility of providing financial support for the Trust Fund for Preventive Action.

In the environmental field, the Commission intends to raise the link between natural resource depletion and security during the preparations for the ten-year review of Rio, the 2002 World Summit on Sustainable Development in Johannesburg.

#### Co-operation with the Bretton Woods Institutions

Co-ordination with the **World Bank (WB) and the International Monetary Fund (IMF)** will take an important step forward in relation to Poverty Reduction Strategy Papers (PRSP) prepared by a number of countries receiving aid from these institutions<sup>15</sup>. Where a PRSP exists it will form the cornerstone of WB/IMF support and of the Commission's Country Strategy Papers. The EC is therefore discussing the forthcoming papers both with the countries concerned and with the Bretton Woods institutions.

Specific needs in terms of budget support should not be neglected in post-conflict situations. A case-by-case approach in close co-ordination with the Bretton Woods institutions must be applied.

#### Co-operation with OSCE and Council of Europe

The Commission maintains a continuing and permanent dialogue with both the **OSCE** Chair in Office (currently Romania) and the OSCE Secretariat. It also participates in joint programmes or projects (human rights, collection of small arms etc). Detailed discussions are underway with the OSCE's Conflict Prevention Centre, to exchange information on the progress of conflict prevention activities, in relation to the OSCE REACT system (Rapid Expert Assistance and Co-operation Teams) and in the area of training.

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<sup>15</sup> Countries eligible for assistance from IDA or support from the Fund's Poverty Reduction and Growth Facility. A number of PRSP have already been prepared e.g. for Albania, Bosnia, Mauritania, Tanzania.

The Commission and the **Council of Europe** have worked together on joint programmes to raise public awareness of issues in connection with the death penalty in Russia, Turkey, Albania and Ukraine. Last year the EC extended its co-operation to cover the issue of the Roma in south-eastern Europe, democratic stability in the northern Caucasus and support for judicial reform in Moldova.

The Commission will continue to pursue its co-operation with OSCE and the Council of Europe in the area of Conflict Prevention, notably by developing common modules/programmes for staff training for field operations (cf. OSCE REACT system).

#### Co-operation with others

Within the **OECD** the Commission is a member of the DAC Task Force on Conflict, Peace and Development Co-operation, in which we intend henceforth to play a more active role. This provides a useful forum for building up donor and recipient country conflict-prevention capabilities.

The **G8** Conflict Prevention Official-Level Meeting (CPOM) was set up last year during Japan's G8 presidency. Following up the conclusions of the Miyazaki G8 Foreign Ministers' Meeting, the emphasis was initially on small arms and light weapons, conflict and development, illicit trade in diamonds, children in armed conflicts, and international civilian police. During this year's Italian G8 presidency, the list of subjects will be expanded to include the role of women and corporate social responsibility.

Over and above various humanitarian assistance measures, the Commission plans to strengthen its dialogue with the **ICRC** at the highest level, as well as to maintain on-going information exchange at working level. The Commission will also give greater attention to supporting the ICRC in its protection mandate, as international guarantor of the Geneva Conventions.

In the G8 framework, the Commission plans to use the G8 CPOM to promote the EU's positions on these subjects and foster coherence between this forum and other international ones where these issues are discussed.

### **C. Cooperation with NGOs**

By virtue of their support for the development of civil society and democracy, NGOs are key actors in long-term conflict prevention. They are often present on the ground in situations where official state structures are absent. They can also function as grass roots mediators as well as reliable and neutral observers in situation where there is no international presence. Mediation activities of specialist NGOs have sometimes proved decisive in a crisis.

The Commission intends to stress conflict prevention in its contacts with NGOs (both human rights-based and others) to try and identify those which might play a significant role in conflict prevention.

The Commission will give higher priority, through the European Initiative for Democracy and Human Rights, to activities that contribute to the prevention of conflicts and help to deal with the consequences of conflicts.

## CONCLUSION

It should no longer be necessary to argue the merits of an approach based on long-term preventive action. What is more, the essentially measured and co-operative nature of preventive action is bound to make it more acceptable to the recipient than a peacekeeping operation that may well involve the use of force. International co-operation and co-ordination will make it possible to ensure that preventive operations are undertaken on a complementary basis.

The Commission is determined to mobilize Community instruments more effectively and in a co-ordinated fashion to support efforts deployed to prevent conflict, from far upstream to the last phases of a conflict developing into confrontation and crisis. This will include:

- building the objectives of peace, democracy and political and social stability more clearly into our assistance programmes. This should be reflected in our general approach as well as for example by placing greater emphasis on support to the building of stable institutions and the rule of law (including in policing and the administration of justice);
- ensuring also, in our assistance programmes, that account is taken of indicators of political exclusion, ethnic, social or regional marginalisation, environmental degradation or other factors which, if unchecked, might lead to civil strife or violent confrontation;
- bringing added value to international initiatives on cross-cutting issues which may contribute to tension and conflict such as international crime, the spread of small arms, the diamond trade, drug trafficking, child soldiers;
- drawing on other means, e.g. trade policy instruments and trade and co-operation agreements, or tools derived from areas such as justice and home affairs, migration, social or environmental policy;
- developing new approaches and instruments to deal with conflict and crisis situations. The Rapid Reaction Mechanism for faster mobilisation of Community instruments is one example. The forthcoming Communication on linking relief and rehabilitation to development will set out other means to exploit.

Among available instruments, EC external assistance is certainly the most powerful one. It was used with some success, for example in Salvador and Guatemala, to re-establish a degree of structural stability. It is currently put to integrated use in the process of reconstruction and consolidation in the Western Balkans. Practical proposals made in this communication will help to further mainstream conflict prevention in external assistance.

Were the situation in a particular country suddenly deteriorates, long-term preventive work must give way to rapid reaction informed by a clear and coherent policy. Many ways exist to improve the quality of our response and in particular to make better use of Community or CSFP instruments, as discussed in this communication. Important recommendations have also been made in the Joint Report by the SG/HR and the Commission to the Nice European Council on conflict prevention. The Commission will closely work with the relevant Council bodies, and in particular with the SG/HR and the Council Secretariat/Policy Unit on their implementation.

In the end, our capacity for action in response to conflicts is intrinsically dependent on three factors: a clear definition of Union objectives, the capacity to act and, most importantly, the political will to act. The effectiveness of the Union's action will depend, above all, on the extent to which it expresses a common political approach by the Member States of the EU. At the moment, conflicts of interest still tend too often to get in the way of rapid decision-making. The forging of common values and interests into a set of clear common priorities and objectives on sensitive issues constitutes the real test of our ability to contribute to conflict prevention.

## **Annex**

### **List of recommendations**

#### **The Commission:**

##### **Long-term prevention**

- will give higher priority to its support for regional integration and in particular regional organisations with a clear conflict prevention mandate;
- will ensure that its development policy and other co-operation programmes are more clearly focused on addressing root causes of conflict in an integrated way;
- will use in all Country Strategy Papers appropriate indicators to analyse potential conflict situations;
- will develop practical programming tools for mainstreaming conflict prevention measures in co-operation programmes with countries at risk;
- will exchange Country Strategy Papers with corresponding documents from Member States.
- will set up a pilot system, in close co-operation with Council Policy Unit, for the regular exchange of information between Commission, Council Policy Unit and Member State desk officers, for two unstable areas: the Balkans and the Great Lakes.
- is considering co-financing World Bank and IMF funding instruments which will support the implementation of Poverty Reduction Strategy Papers in the ACP countries;
- will implement, for countries showing conflict potential, more targeted actions, where appropriate, to open the way to a more favourable democratic environment. In particular increased emphasis will be placed on support to electoral processes, parliamentary activities and the administration of justice. In doing so, the Commission will in particular promote the equal participation of men and women in social, economic and political life.
- intends, within the limits of its competencies, to play an increasingly active role in the security sector area. This will take the form of activities aiming at improving police services, promoting conversion, disarmament and non-proliferation both as regards weapons of mass destruction and conventional weapons. The Commission could support human rights training for the whole security sector.
- will, in post-conflict situations, concentrate EC assistance on the consolidation of peace and the prevention of future conflicts, in particular through rehabilitation programmes, child-related rehabilitation measures and DDR programmes as well as programmes supporting reconciliation processes.
- will focus its co-operation/anti-drug actions on the two main routes by which drugs reach Europe, through the Balkans and between Latin America and the Caribbean. In so doing , it will continue to draw on the expertise of Member States.

- will give higher priority to its support aimed at controlling the spread of small arms. It will work for an ambitious Union position in view of the forthcoming UN conference on illegal trade in light weapons and small arms. When managing programmes on small arms, the Commission will closely examine the situation of the customs sector.
- will play an active role in the Kimberley task force on the certification system for rough diamonds and will present a policy paper to the Council by the end of the year outlining options on this issue;
- will support, where a clear commitment to regional collaboration exists, regional actions aiming at a fair management of shared water resources;
- will address issues of natural resources and environmental degradation through its bilateral and regional programmes and will enhance support for the implementation by partner countries of Multilateral Environmental Agreements. High priority will also be given to environmental rehabilitation projects in post-conflict programmes;
- will seek to deepen its dialogue with specialised organisations in view of better detecting destabilising population flows at an early stage. Such organisations could include the IOM and UNHCR;
- is committed to promoting actively the OECD guidelines for Multinational Enterprises which aim at encouraging businesses to behave responsibly when operating abroad, and in particular in developing countries;

#### **Short term prevention**

- will work with the SG/HR on regular reviews of potential conflict zones, including the establishment of early warning mechanisms;
- will initiate a debate within the Council on ways of enabling the EU to devise and implement preventive sanctions;
- considers that more systematic use must be made of the political dialogue where a crisis appears imminent. Such dialogue should be based on a strong political line. It should be more focused, time-flexible and robust than in the past. The Commission is prepared to work with the SG/HR on developing concrete proposals in this field.;
- considers that the Special Representatives should be used more widely as mediators, that they should be empowered to adopt a firm position on the situation covered by the terms of their mandate, and that they should be available for short-term (e.g. six-month) missions as well. The Commission is prepared to work with the SG/HR on developing concrete proposals in this field;
- is encouraging Member States to work together and with the UN and OSCE, on training in the fields of rule of law and civil administration for personnel to be deployed in international missions. The Commission is prepared to support such training programmes with Community funds;



### **International co-operation**

- proposes to integrate more systematically into the political dialogue with partner countries discussions on early-warning systems and regular monitoring of potential conflict zones. In post-conflict situations, it intends to play a more active role within the "Friends of" approach and to foster exchanges of information among donors;
- considers that conflict prevention should be a major element of the enhanced structural dialogue being put in place between the Union and the UNSG. For its part, the Commission has already developed a programming dialogue with UNHCR and WFP and proposes to establish a similar dialogue with other UN agencies, funds and programmes;
- is prepared, at the operational level, to exchange its Country Strategy Papers with the UN Common Country Assessments. It intends to launch a dialogue with UN agencies on this subject. It is also currently looking at the possibility of providing financial support for the Trust Fund for Preventive Action;
- intends to raise the link between natural resource depletion and security during the preparations for the ten-year review of Rio, the 2002 World Summit on Sustainable Development in Johannesburg;
- will continue to pursue its co-operation with OSCE and Council of Europe in the area of Conflict Prevention, notably by developing common modules/programmes for staff training for field operations (cf. OSCE REACT system);
- plans to use the G8 CPOM to promote the EU's positions on small arms and light weapons, conflict and development, illicit trade in diamonds, children in armed conflicts, international civilian police, role of women and corporate social responsibility and foster coherence between this forum and other international ones where these issues are discussed.
- will give higher priority, through the European Initiative for Democracy and Human Rights, to activities that contribute to the prevention of conflicts and help to deal with the consequences of conflicts.