

## The European Commission

Working with the [European Commission](#) (EC) is often rather complex as it is a supranational organization representing the interests of the twenty-five Member States of the European Union (EU). Nonetheless, recent EC-UNDP partnership history indicates that the rewards can be quite significant.

### What is the European Commission?

The EC is the decision-making body representing the shared interest of all EU Member States. It has two main cooperation instruments with different operational methods:

- 1 - The [European Union Humanitarian Aid Office](#) (ECHO) responsible for all emergency and humanitarian operations, and,
- 2 - The [Aid Cooperation Office](#) (AIDCO or EuropeAid) dealing with reconstruction and development initiatives.

In addition, in cases where countries are threatened with or undergoing severe political instability or suffering from the effects of a technological or natural disaster, the EC can employ the [Rapid Reaction Mechanism](#). This very special instrument is directly managed by the EC's 'Foreign Office' - the [Directorate-General for External Relations](#) (DG RELEX).

This table summarizes the main cooperation instruments; more detailed information on each of them is provided below:

Cooperation instrument	Purpose	Administrative office/unit	Modality used
1 - ECHO	Emergency and humanitarian operations	ECHO Brussels	ECHO TF agreement signed by ECHO and UNDP Brussels
2 - EuropeAid	Reconstruction and development		
2.a - Decentralized funding through particular financial instruments	Reconstruction and development in particular regions/countries	EC Delegations	EC TF agreement signed by EC Delegation and CO or EC and UNDP Brussels
2.b - Centrally-managed budget lines	Particular development initiatives supporting a specific theme	EC Brussels	Call for proposals resulting in EC TF agreement signed by EC and UNDP Brussels
3 - Rapid Reaction Mechanism	Special initiatives to respond to crisis and natural disasters	DG Relex, Brussels	EC TF agreement signed by CO or UNDP Brussels

### The European Union Humanitarian Aid Office (ECHO)

ECHO is a rapid response instrument. Its procedures and modalities reflect this nature. There are three types of ECHO 'Decisions' shaping the type of Contract Agreements of varying duration and therefore of varying report submission periods:

1. Primary Emergency: up to 3 months duration
2. Emergency and Ad Hoc: up to 6 months duration

### 3. Global Plan: up to one year duration

While the first two project types pose clear challenges to UNDP as the response and reporting times are almost too short to meet; projects under the Global Plan Decision can be a realistic option for UNDP.

ECHO has the particularity of being centrally managed, meaning that all contracting is done from Brussels and not the field. For instance, there are no ECHO officials inside EC Delegations. However, there are ECHO correspondents (one per country of ECHO coverage) who are consultants hired by ECHO to act as the eyes and ears of ECHO in the field. It is vital for UNDP COs to be closely acquainted with these correspondents as their opinion on priorities and partners play a very important role. Moreover, in the case where there is already a contractual relationship between ECHO and UNDP, the opinion of these correspondents on UNDP reporting will largely determine whether a report is approved or not. Therefore, they should also be used as sounding boards on draft proposals prior to their forwarding to Brussels.

#### **The Aid Cooperation Office (AIDCO or EuropeAid)**

EuropeAid manages the implementation of all EC's reconstruction and development programmes around the World. However, the actual management of projects on the ground is undertaken by the EC Delegations concerned. EuropeAid is accountable to the two 'Foreign Offices' of the EC that set the multi-annual policies and strategies within which fall the programmes and projects of EuropeAid: 1/. the Directorate-General for External Relations (DG RELEX), which deals with external relations for all countries except the [77 ACP countries](#) (Africa, Caribbean, and Pacific) and the [21 Overseas Countries and Territories](#) (OCT); 2/. the [Directorate-General for Development](#), which deals with all ACP countries and OCT.

#### *AIDCO's decentralized funding*

Aid allocation decisions are made within the framework of a number of geographically-based political initiatives of the EC. These include:

<b>Initiative</b>	<b>Region concerned</b>
<a href="#">Barcelona Process</a>	Mediterranean and Middle East
<a href="#">Copenhagen Criteria</a>	Eastern Europe, pre-accession countries
<a href="#">Cotonou Agreement</a>	ACP countries
<a href="#">EU-Central America Cooperation Agreement</a>	Central America
<a href="#">EU-Gulf Cooperation Council</a>	Gulf countries
<a href="#">European Neighbourhood Policy</a>	Eastern Europe and MEDA countries
<a href="#">Regional Framework Agreement</a>	Adean Community
<a href="#">Stabilisation and Association Process</a>	Western Balkans

EuropeAid employs the following key financial instruments to implement aid:

<b>Instrument</b>	<b>Region concerned</b>
<a href="#">ALA</a>	Asia and Latin America
<a href="#">CARDS</a>	Community Assistance for Reconstruction, Development and Stability in the Balkans
<a href="#">EDF</a>	European Development Funds for ACP Countries

<b>MEDA</b>	Refers in particular to: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia and Turkey
<b>PHARE</b>	The PHARE (Poland Hungary Assistance in Reconstruction of Economy) Programme refers to the 8 new EU Member States (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia), as well as Bulgaria and Romania
<b>TACIS</b>	Grant-financed Technical Assistance Programme covering 12 countries of Eastern Europe and Central Asia (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan)

In 2004, EDF was the main source of UNDP funding. In principle, EDF funding is being handled like any other EC contribution (see Signing an Agreement with the EC for more details), except that the financial agreement is a tripartite agreement involving also as a key player the "National Authorising Officer", usually the Minister of Finance or Foreign Affairs of the beneficiary country. In this context, therefore, UNDP has to convince both the local government and the EC that it is the right partner for a particular initiative.

#### *AIDCO's centrally-managed budget lines*

For projects funded from centrally managed budget lines of a thematic nature, such as

- The European Initiative for Democracy and Human Rights (including Election Assistance)
- The European Programme for Food Aid and Food Security
- The Environment and Forest Programme
- The European Commission Action Programme against Antipersonnel Landmines,

the EC will issue a *Call for Proposals* inviting all eligible organisations to submit a proposal for consideration by a selected panel. In these cases, however, the quality of a submission is only one of several factors that may be taken into consideration in the final selection decision. In addition, while some EC representatives will recognize that it is not practical for UNDP to submit last year's annual report, or accounts, or legal statutes in response to 'Section II - About the Applicant,' some will not and will ask for these documents or their equivalent. The UNDP Brussels Office can provide advice and support in such instances.

#### **RELEX' Rapid Reaction Mechanism**

The only budgetary facility managed by the EC's 'Foreign Office' - DG RELEX - is a special instrument called the Rapid Reaction Mechanism (RRM). It is designed to allow the Commission to respond urgently to the needs of countries threatened with or undergoing severe political instability or suffering from the effects of a technological or natural disaster. Its purpose is to support measures aimed at safeguarding or re-establishing the conditions under which the partner countries of the EC can pursue their long-term development goals.

Although UNDP has undertaken successful RRM assignments in Iraq, there have also been problematic interventions with this financial instrument as the strict six months timeframe offered under the RRM (with no extension possible) has often proven too short to meet. Depending on the country situation and the CO capacities, COs should only contemplate this financial instrument if it is certain to implement a project in the given time frame.

## **Partnering with the EC**

In the past, UNDP has often approached the EC as a bank with significant financial resources. This approach has had limited impact on furthering the EC-UNDP partnership. The EC is indeed a real development partner and does play the role of a bank but sees itself as being a key policy maker and advocate. It is therefore more effective to approach the EC through a policy dialogue, demonstrating that UNDP is knowledgeable about EC policies, financial instruments and administrative concerns, and that UNDP values the EC as a serious policy partner with whom discussing strategic development issues is worthwhile.

*Know your partner, its policies and instruments*

Become familiar with the policies, processes and financial instruments of the EC before approaching its representatives with ideas of partnership. In addition to the political initiatives and financial instruments mentioned above, the EC has: 1/. Regional Strategy Papers and National Multi-annual Strategy Papers (five years); 2/. National Multi-annual Indicative Plans (three years); and, 3/. Annual Indicative Plans. These set out the more concrete programmatic priorities on a regional and national level, reflecting the macro policies of the processes and financial instruments mentioned above.

Read the 2001 EC Communication on "[Building an Effective Partnership with the UN in the fields of Development and Humanitarian Affairs](#)"

as well as the 2003 EC Communication on "[The European Union and the United Nations: The choice of Multilateralism](#)"

It is equally important to be familiar with the two key documents defining the EC-UNDP Partnership:

### **1 - The Financial and Administrative Framework Agreement (April 2003)**

This is an overarching agreement between the EC and all UN Agencies standardizing contract formats and modalities and thus making contract negotiations much easier than in the past. See also "[Signing a Contribution Agreement with the EC](#)".

### **2 - The Strategic Partnership Agreement (June 2004)**

This agreement was recently signed between the EC and UNDP, setting out the thematic areas of privileged cooperation between the two entities. Themes covered are conflict prevention, post-conflict reconstruction and good governance. COs should be aware of this Strategic Partnership Agreement (SPA) since activities falling under the themes of the SPA can potentially justify a privileged relationship. This means that the EC can find it easier to explain to its respective Management Committees and Interservice consultations why UNDP has been selected as a partner in these areas. Nonetheless, there is no implicit or explicit funding underlying this agreement.

For assistance, please write to [ecsupport@undp.be](mailto:ecsupport@undp.be).

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