Reconstruction of the former Yugoslavia: European Union aid administration and international aid coordination

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Only US$ 350 m of the US$ 600 m raised at the first donors' conference was committed by April 1996. 70% of donor resources was provided as grants made to support specific projects or as 'in kind' assistance, very few donors having given cash grants. Less than 9% of donor resources went to social sectors, and less than 2% towards land mine clearance. These facts were given at the second donors' conference and are included by Mr Gary TITLEY (PSE, UK) in his report. In adopting it, Parliament insisted on the need for donors to select projects with high employment potential and called on the US, Japan and the Islamic countries to undertake sufficient long-term commitments in order to contribute effectively to the complete reconstruction programme. It also stressed the importance of achieving practical results in terms of peace before the September 1996 elections. Parliament took the view that priority should be given to housing rehabilitation, returning refugees, land mine clearance, specific projects for institutions (tax and customs administration, monetary authorities, etc.), projects supporting cooperation between the former Yugoslav Republics, and poverty alleviation with the establishment of a coherent social welfare system. Emphasis should be given to projects which aim at reinvigorating the local economy by the use where possible of local suppliers and labour force (particularly from an ethnically mixed labour force), which promote social integration, and which help to provide salaries for doctors and teachers. However, it needed to be emphasized that continuing aid is dependent on all parties respecting human rights and the rule of law, cooperating with the International War Crimes Tribunal, dismantling the war industry and cooperating in arms control. - As regards international coordination, Parliament acknowledged the efforts to set up efficient coordination systems and called for a clarification of the role of each donor. In particular, it called for coordination of the assistance by the Union and the Member States to be strengthened, and called on the Commission to provide information on observance of the rules of conditionality when granting financing. - As regards macro-economic issues, Parliament remarked that the macro-economic situation of Bosnia-Herzegovina is particularly difficult, and that external assistance in the short term therefore needs to be in the form of grants rather than loans. It stressed the importance of dealing swiftly with the problem of EIB debt areas, in order to mobilise as soon as possible EIB funds for reconstruction. It emphasized that donor resources should be channelled into projects identified as priorities by the agencies on the ground in Bosnia. - As regards Croatia, it emphasized that there could be no question of a resumption of the negotiations with a view to the conclusion of a cooperation agreement with Croatia, any more than that country becoming one of the beneficiaries of the PHARE programme, so long as the international community is not convinced that Croatia actively supports the Dayton peace agreement in all its aspects. It called for the immediate start of preparatory work for damage assessment and project identification in the war-stricken areas of Croatia so that, once political conditions are considered fulfilled, implementation can take place without delay. In conclusion, Parliament: . insisted on the need for donors to select high-impact projects with high employment potential, which will favour inter-state cooperation and reinforce implementation of political conditionality, . urged the Commission to avoid any measure that treated the various entities as political bodies and to seek cooperation with the local partners, . was concerned by the absence of the representatives of Republika Srpska at the second donors' conference. In adopting the report by Mr Alexandros ALAVANOS (GUE/NGL, GR) on humanitarian aid to the former Yugoslavia, Parliament noted that the European Union accounts, financially, for the bulk of humanitarian aid for the former Yugoslavia and therefore has the grave responsibility of ensuring the correct use of those resources. It stressed that, in providing humanitarian aid, the emphasis should be on emergency aid, such as food aid and medical supplies. It also drew attention to the need for mine clearance. It considered that humanitarian aid to the peoples who have suffered as a result of the war is essential and should continue until they can secure their own livelihood. It drew attention to the large numbers of refugees

from areas which have changed hands (3.6 million refugees and displaced persons within the former Yugoslavia and 850 000 refugees elsewhere in Europe), to which the Dayton Accords themselves had given rise. In particular, Parliament asked: - that efforts be made to ensure that such humanitarian assistance reaches the suffering population, does not fill the pockets of local authorities and is not used for projects which fall within the definition of reconstruction aid; - that it should not serve as an alternative to a political commitment by the European Union to the former Yugoslavia. Consequently, the European Union should make commitments going beyond the end of the IFOR mandate to ensure the safety of minorities, to guarantee the protection of refugees who wish to return and to allow the development of civil society; - the European Union uses its influence with all the former warring parties to ensure that they grant refugee status to all those expelled from their homes by the war; - that the Member States of the European Union who have taken in refugees from the former Yugoslavia implement a gradual plan for their return, taking account of the wishes of mixed couples who no longer wish to settle in states whose multi-ethnic character is much less marked than before. Given the many difficulties, the return should be carried out in proper consultation with UNHCR, which means that it should not be over-hasty. The Union should not cooperate in any further ethnic segregation. On the contrary, it should work to promote the security and protection of the multicultural communities. Humanitarian assistance should also: - in the short term, ensure the survival of the people concerned in conditions of safety and dignity; - in the medium term, permit them to regain some degree of self-sufficiency, particularly by the supply of seed, fertilizer and machinery, by assisting small and medium-sized businesses and re-establishing schools and hospitals; - ease the transition from the emergency phase to the reconstruction phase, particular by the re-establishment of networks; - make a positive contribution to the return of refugees and displaced persons to their region of origin; - fund programmes in the fields of health, medicine and surgery and encourage the return of medical staff; - set up programmes to aid those handicapped by war wounds and to provide them with prostheses to enable them to resume working life as far as possible; - provide psychological support and introduce rehabilitation programmes for those who have been victims of ethnic cleansing; - provide social aid programmes, psychological support and education to the war orphans, single-parent families and women who have been victims of violence; - devote extra attention to the 300 000 military personnel and young people who will require psychological rehabilitation and education to prepare them to play a normal role in the multicultural society which needs to be established. Finally, Parliament called for immediate and coordinated actions relating to transparency and information concerning the 27 000 disappeared persons. It also called for an independent inquiry to be opened without delay into all the circumstances surrounding the fall of Srebenica and the disappearance of the people in that region. It stressed the vital role of the NGOs in managing humanitarian aid, and called for their action to be coordinated. The Commission should support the establishment in Bosnia-Herzegovina of NGOs reflecting the existence of the three ethnic communities there, in order to permit the revival of a multi-ethnic society based on tolerance and European humanist values.