

II WHO'S WHO: DONORS AND RECIPIENTS

No one was apparently more surprised than Jacques Delors, President of the European Commission, when the G-7 governments, at the 1989 economic summit in Paris, requested Brussels to take on the task of coordinating emergency assistance to Poland and Hungary. Rumour has it that Germany proposed and President Bush was well disposed after his trip to Poland where the scale of demands for aid had startled him. Canada was asked to float the idea so that France, not overly inclined to give political initiatives to the Commission, could concur. Whatever the real story, here was the beginning of coordinated rather than purely bilateral assistance, aimed self-consciously at political as well as economic transformation. The heads of government of the leading industrial nations had determined to consolidate these two countries' move toward "freedom and democracy." The communique stated that "to these ends, we ask the Commission of the European Communities to take the necessary initiatives in agreement with other Member States of the Community, and to associate, beside the Summit participants, all interested countries."

The first emergency programme, known as PHARE or "Poland and Hungary: Assistance for Restructuring Economies" was immediately supported by all twenty-four member states of the OECD. Their senior experts met three times over the summer and fall of 1989, organized into five working groups (e.g., food aid; investment; access to Western markets) to assess means and coordinate national commitments. By the time their work was enshrined in December 1989 by the first ministerial meeting of the "G-24" (so-called to distinguish the governments from the OECD as an institution), a number of multilateral organizations were brought in as observers. In addition to the Commission of the EC, these were: the OECD, the IMF, the World Bank, the European Investment Bank (EIB), and the Paris Club. The EBRD, which officially opened its doors in April 1991, is now a regular observer while other organizations are invited in depending on the projects under discussion. For example, the BIS (Bank for International Settlements) and the International Energy Agency were both observers at the January 1991 meeting when a working group on energy was set up.⁹

Who coordinates whom? In Brussels, the European Commission's Directorate-General of External Relations (DG 1) set up a Task Force to oversee both G-24 and Community (EC) assistance. Therein, a G-24 Coordination Unit is in place "to provide information on G-24 programmes to

9. Other donors join in on the assistance activities of other institutions — for example, five developing countries are EBRD members and the Gulf Cooperation Council has contributed to balance of payments lending to Czechoslovakia.