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**COMMISSION REPORT**

**on cooperation with European  
non-governmental development  
organizations (NGDOs) in those fields  
of importance to developing countries**

**(1995 financial year)**

1. At its meeting of 28 November 1977 the Council of Ministers (Development) approved the procedure to be followed in using appropriations under item B7-6000 of the Community budget for cofinancing operations with non-governmental development organizations (NGDOs).<sup>1</sup>

Under this procedure the Commission is required to present an annual report to the Council of Ministers on the use of the appropriations allocated during the preceding financial year.

Accordingly, the Commission is presenting this report for 1995.

2. Although the Council's agreement concerns only appropriations under item B7-6000, the report also covers other major spheres of cooperation with NGDOs such as food aid, humanitarian aid, special programmes and coordination between NGDOs. The various contributions made by the relevant Commission departments provide an overview.

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<sup>1</sup>

See Council document R/207/78 (GCD) of 26 January 1978.

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## INTRODUCTION

Since its inception 21 years ago, cooperation between NGDOs and the Community has embodied the Community's contribution to the solidarity of the citizens of Europe with the most deprived people in the developing countries. It covers in particular the cofinancing of development schemes in those countries, information campaigns in Europe, food aid and food security, humanitarian aid and many other fields.

Despite the general criticism of the lack of financial resources for development cooperation and the current budgetary restrictions to which the Commission is subject, there has been an appreciable increase in recent years in Community financial resources made available to NGOs. In 1995, leaving aside emergency aid, more than ECU 500 million was mobilized by NGOs through numerous budget headings, an increase of 85% compared with 1990 (ECU 270 million). The most important items concern the cofinancing of development, development education and food aid projects, not to mention numerous smaller, but important, budget headings for certain developing countries or certain cooperation sectors.

In particular the special heading for cofinancing of development schemes with European NGOs continued to increase, rising from ECU 135 million in 1993 to ECU 145 million in 1994 and ECU 174 million in 1995.<sup>1</sup>

This attests to the importance the European Union attaches to NGOs in its development cooperation policy and the confidence it shows them.

NGOs are crucial to our development cooperation policy, which aims to make a real contribution to eradicating poverty by substantially improving the lot of the people in developing countries.

But NGOs also seek to enlist and organize the people in furthering their own development in keeping with their perception of their priority needs and their methods. In doing so, the NGOs play a key role in ensuring the kind of participatory development which is so difficult to carry out and yet so crucial to the achievement of lasting results in the aid projects. Much more than this, they contribute to building up varied social structures and to the creation of the basic democratic fabric needed for genuine, just and stable political democracy which will bring about sustainable development, a major objective of the European Union.

NGOs have another priority function: that of mobilizing European public opinion and administrative and political leaders in an effort to enhance development and forge international relations which assign to the developing countries the importance they merit.

This annual report devotes special attention to the results of NGDO operations cofinanced by the Commission under heading B7-6000. Owing to the large number of such operations, and with an eye to keeping the report within manageable proportions, the lists of development projects and information campaigns have not been attached to the report. These are obtainable from the Directorate-General for Development (DG VIII/B/2).

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<sup>1</sup> 16.5 MECU was transferred to the budget lines for rehabilitation, SIDA, training and awareness raising for development to finance urgent projects carried out by NGOs

## EUROPEAN COMMUNITY COOPERATION WITH NGDOs IN 1995

The Community contribution to the various schemes run by NGOs amounted to ECU 833 million broken down as follows:

- ECU 139.9 million to cofinance development schemes in the developing countries (budget item B7-6000), an increase of 9.2% over 1994.
- ECU 16.0 million to cofinance information campaigns in Europe on development issues (item B7-6000): an increase of 10.3% over 1994.
- ECU 214.0 million for food aid (title B7-2): an increase of 23% over 1994.
- ECU 328.0 million for humanitarian aid (ECHO): an increase of 2.5% over 1994.
- ECU 15.7 million for refugees and displaced persons (article B7-212): 51.2% down on 1994.
- ECU 4.0 million for the fight against drugs (item B7-6210): 20% down on 1994.
- ECU 48.6 million for the programme of measures for South Africa (article B7-320), 27.1% down on 1994. This involves direct support for NGOs, without counting their contribution to programmes whose objectives were set by the government.
- ECU 13.9 million for assistance for rehabilitation programmes in southern Africa (article B7-321): 2.1% down on 1994.
- ECU 2.0 million to help NGOs operating in Vietnam (item B7-6004): same amount as in 1994.
- ECU 1.0 million to help NGDOs operating in Cambodia (article B7-6005): same amount as in 1994.
- ECU 44.0 million for rehabilitation and rebuilding schemes in the developing countries (article B7-641): an increase of 46.7% over 1994.
- ECU 2.4 million for decentralized cooperation projects (item B7-6430), plus 1.2 million for schemes involving both NGOs and local authorities.

This overall Community contribution of ECU 833 million in 1995 represents an increase of 3.7% over 1994 (ECU 803 million) and 18,7% over 1993 (ECU 702 million).



The range of budget headings on which NGDOs could draw reflects their ability to operate in a variety of sectors, and in particular in fields where official Community cooperation sometimes cannot operate or where it is preferable to encourage schemes through NGDOs. The latter also play an important role in the follow-up to humanitarian schemes financed by the European Union in the context of the rebuilding / rehabilitation programmes and in promoting human rights and democracy.

The above account covers only some of the key fields of cooperation with NGDOs, notably those involving sizeable funding of projects. In recent years special operations or pilot schemes, some of them large-scale, carried out by NGDOs in developing countries have been added. These have been financed either from other budget items (ALA, etc) or from EDF (European Development Fund) resources. As they were managed in a decentralized fashion by a large number of Commission departments it has not been possible to present them all in detail in this report.<sup>1</sup>

The following chapters map out the various fields of cooperation with NGDOs in 1995.

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<sup>1</sup> A compendium, with accompanying notes, of Community resources for financing NGO projects is available from the "Decentralized cooperation and cofinancing with NGOs" Unit (DG VIII/B/2), rue de la Loi, 200 - 1049 Brussels.

**I. COMMUNITY PARTICIPATION IN SCHEMES IN DEVELOPING COUNTRIES CARRIED OUT BY NON-GOVERNMENTAL DEVELOPMENT ORGANIZATIONS (NGDOs)**

(budget item B7-6000)

**1.1. Overview**

In 1995 NGDOs again proved well able to absorb the funds made available to them through EC cofinancing. The large number of requests was a direct consequence of initiatives and requests put to European NGDOs by partners in the South and of the former's success in mobilizing other public and private funds, the net result being a significant multiplier effect.

The commitment appropriations entered in the 1995 budget under item B7-6000 amounted to ECU 174 million, a marked increase over previous years. More than 90% was committed under this item, with the remainder being transferred to other rehabilitation headings: 16.5 million to support projects run by NGOs.

YEAR	APPROPRIATION AVAILABLE - ECU million-	COMMITMENTS - ECU million-	COMMITMENT RATE (%)
1976	2.5	2.5	100
1984	35.0	34.4	98
1986	46.0	45.0	98
1988	80.0	79.8	100
1989	80.0	79.6	99.5
1990	90.2	90.2	100
1991	104.6	104.1	99.5
1992	110.0	109.9	100
1993	135.0	135.0	100
1994	145.0	145.0	100
1995	[174.0] 157.5 <sup>1</sup>	157.3	99.9

<sup>1</sup> 16.5 MECU was transferred to the budget lines for rehabilitation, SIDA, training and awareness raising for development to finance urgent projects carried out by NGOs

In 1995, the overall figures for cofinanced operations (development projects and information campaigns) were as follows:<sup>1</sup>

1.392 cofinancing applications dealt with by Commission's departments, requesting a total Community contribution of ECU 287.1 million (not including the large number of applications submitted informally to see whether a formal request would be eligible and ruled out following preliminary discussions with Commission staff);

776 operations cofinanced for a total Community contribution of ECU 156 million (in financial terms, 54.3% of the applications handled);

302 applications, corresponding to requested funding of ECU 61.2 million, which were turned down or withdrawn (22 %);

314 applications, representing financing of ECU 69.9 million, still under appraisal at the end of 1995 (23%).

Commission departments handle this large number of requests in accordance with the criteria and rules laid down in the General Conditions for Cofinancing.<sup>2</sup> In examining each dossier, they considered the professionalism and financial soundness of the NGDO; the quality of the project; the Southern partner's operational capacity and the quality of the ties between it and the European NGDO; the impact of the project, its viability and the potential multiplier effect for the target groups concerned.

As in the past, the Commission has sought to abide by the basic principles underlying cofinancing so as to maintain a high standard for the schemes cofinanced and ensure that "small" NGDOs have access to funds.

Payment appropriations under item B7-6000 rose to ECU 146.5 million in 1995. Payments made over the year amounted to ECU 133.9, of which ECU 66.9 million to finance projects started in previous years.

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<sup>1</sup> A full list of development operations in the developing countries and campaigns to inform European public opinion cofinanced in 1995 by the Commission can be obtained from the "Decentralized cooperation and cofinancing with NGOs" Unit (VIII/B/2). Address: 200, rue de la Loi, 1049 Brussels.

<sup>2</sup> Commission of the European Communities, "General Conditions for the cofinancing of projects undertaken in developing countries by Non-governmental Organizations (doc. VIII/764/87) and "General Conditions for the cofinancing of projects to raise public awareness of development projects carried out by Non-governmental Organizations (doc. VIII/271/87).

## 1.2 Cofinancing of development schemes in the developing countries

### 1.2.1 European NGDOs: sustained support for partners in the South

As in previous years, the Commission channelled approximately 90% of the appropriations under item B7-6000 into the cofinancing of operations conducted in developing countries, the balance being earmarked mainly for cofinancing campaigns to heighten public awareness in the European Community.

For operations in developing countries, the situation regarding requests and commitments was as follows:

1.127 applications handled by the Commission for a total Community contribution of ECU 261.9 million;

601 operations cofinanced, with a Community contribution of ECU 139.9 million;

254 applications, requiring financing of ECU 55.6 million, turned down or withdrawn;

272 applications, representing financing of ECU 66.4 million, still at the appraisal stage at the end of the year.

The Commission has continued to adhere to the principle of giving special consideration to applications from new NGDOs and helps them increase their level of professionalism, either directly or with the help of experienced NGDOs.

There was a modest increase in the average Community contribution to the schemes cofinanced: it rose to ECU 232.776 per project in 1995 from ECU 216 368 in 1994.

### 1.2.2 Block grants

If a European NGDO has cooperated satisfactorily with the Commission for a number of years, it may be offered an additional facility: access to the block-grant system.

NGDOs set great store by this system as it offers them rapid and flexible financing for a whole host of mini-operations (e.g. purchase of equipment, construction of small-scale infrastructure, training assistance and health) and enables them to meet the needs of the recipient groups with finely-tuned schemes. Such operations are often identified by NGDOs to complement the larger projects they are supporting or they may serve to establish the initial contacts for cooperation with new partners in the South.

Between 1985 and 1995, the Commission cofinanced 1.127 block grants relating to 15.404 mini-operations accounting for a total of ECU 142.9 million. The average Community contribution was ECU 9.277. The table below shows the trend over the period in question.

YEAR	AMOUNT OF BLOCK GRANT (ECU million)	% OF COMMITMENTS UNDER ARTICLE	NO OF BLOCK GRANTS	NO OF MINI-OPERATIONS	AMOUNT GIVEN BY THE COMMUNITY PER MINI-OPERATION (ECU)
1985	3.7	11	43	450	8 146
1986	5.7	13	50	671	8 507
1987	6.8	11	59	822	8 272
1988	8.8	11	79	961	9 153
1989	9.9	12.4	96	1 082	9 105
1990	9.7	10.8	97	1 099	8 857
1991	13.1	12.6	118	1 447	9 061
1992	18.1	16.5	140	1 935	9 363
1993	21.9	16.2	159	2 263	9 666
1994	21.5	14.8	134	2 239	9 606
1995	23.7	13.6	152	2 435	9 726

### 1.2.3 Development projects: target groups and sectors

Implementation of development projects is as far as possible assigned to organizations of the South (peasant communities, villages, cooperatives, women's associations, etc), with the European NGOs taking care of the necessary technical support and financing. The network of associations has developed considerably in the South: local partners deal increasingly not only with implementation but also technical support. Experience has shown that the effectiveness of development projects depends directly on the participation of the target groups in the choice, design and implementation of their own development programmes.

NGDOs have been attaching considerable importance to projects aimed at women and the Commission has cofinanced a number of projects designed to enhance their role in productive and income-generating activities in both urban and rural areas.

Street children are another important group of beneficiaries. They are a particularly vulnerable group in the large cities of the South.

There are also development projects under way for, and involving, indigenous peoples and their representative organizations in fields such as protection of fundamental rights, social and productive activities, bilingual education and environmental protection.

Development projects in the developing countries come under various sectors. In 1995, NGOs continued to give precedence to certain sectors of activity, with rural development, training and health remaining a priority. These are certainly significant fields in terms of the basic needs of the people but they include sectors in which initiatives by the people of the South are numerous. But NGDOs have also been paying increasing heed for some years now to marginal urban populations.

A large number of projects adopt an integrated development approach as this is a speciality of NGDOs and one of the best means of starting development at the grassroots. In general, integrated development projects seek to support various communities (peasants' associations, small cooperatives, village associations, women's organizations, etc) working in several sectors at the same time such as agriculture, the craft industry, training, health, environmental protection and the building of infrastructure.

Productive, job-creating and income-generating projects occupy an increasingly significant place in all the projects cofinanced in recent years.

Training retains a high profile: projects covered vocational training, training of instructors, training in appropriate technologies and the like.

#### 1.2.4. Recipient countries

The 601 development projects cofinanced in 1995 were carried out in 100 developing countries.

The geographical breakdown of the Community's contributions was as follows:

	1995		1994 (%)	1993 (%)
	ECU million	%		
- Sub-Saharan Africa	43.30	32.4	33.9	38.3
- Latin America	50.55	36.1	40.6	34.6
- Asia	24.40	17.5	16.0	18.5
- Caribbean	8.60	6.0	3.7	3.0
- Mediterranean	10.70	8.0	5.3	4.0
- Pacific	0.05	0.0	0.1	0.4
- Other	0.30	0.0	0.4	1.2
<b>TOTAL</b>	<b>139.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The breakdown between ACP and non-ACP countries was as follows:

	1995		1994 (%)	1993 (%)
	ECU million	%		
- ACP countries	52.0	37.2	36.3	42.5
- Non-ACP	87.9	62.8	63.7	57.5
<b>TOTAL</b>	<b>139.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### 1.3 Cofinancing of public awareness campaigns in the European Community

#### 1.3.1 Sustained EC support for NGDOs and the situation in 1995

From a modest beginning of 17 projects in 1979 cofinanced at a cost of almost ECU 200 000, the budget has increased appreciably in recent years. In 1995, 175 projects totalling ECU 16.7 million were cofinanced, accounting for 10% of the commitments under item B7-6000.

In 1995, the situation regarding requests and commitments was as follows:

- 221 cofinancing applications handled by the Commission (not including multi-project programmes) requesting a total Community contribution of ECU 23.4 million;
- 131 projects cofinanced with a Community contribution of ECU 14.3 million .
- 48 applications, requiring financing of ECU 5.6 million, turned down or withdrawn.
- 42 applications, representing financing of ECU 3.5 million, still at the end of the year.

In addition, the EC cofinanced 44 multi-project programmes with a Community contribution of ECU 1.8 million.

#### 1.3.2 Types of development education project

Generally speaking, the aim of these projects is information, awareness-raising and mobilization of the European public with regard to development issues in order to support policies and schemes which would have a positive impact on the people of the developing countries.

Among the various types of eligible schemes are awareness-raising of specific sectors of public opinion such as farmers, trade unions and local authorities; development education schemes in schools; campaigns geared to decision-makers and policies in order to make proposals which may lead to concrete and positive changes for the South; support for European networks, etc.

Most projects employed a mix of techniques such as publications, audiovisual material, teaching materials, community activities, exhibitions and lobbying.

The most important target groups in 1995 were the schools (24 projects) and youth (19). An increase from 12 in 1994. The NGOs also have made greater efforts to mobilize special groups of the public such as consumers and local authority groups (7 and 9).

Increased attention has been noted to Africa (10 projects), international trade (15 projects of which 10 on fair trade). There is a diminution of projects on cultural themes (9 in 1994, 4 in 1995). Other priority themes in 1995 are conflict and human rights (6) and images of the south (9). There is considerable diversification of themes and target groups which is a sign of vitality of NGOs in Europe but which also requires strategic reflexion. A debate on improvements in strategy has been started with NGOs at the first Development Education Forum (November 1995) and will be continued at the next forum in 1996.

The Commission launched at the end of 1995 the first European-level evaluation of development education projects in schools. It will provide an overall assessment of the various strategies to integrate development education into schools and evaluate their impact to see to what extent they lend themselves to long-term sustainability. The evaluation will also provide an assessment of the relevance, quality and results of around twenty cofinanced projects and of the capacity of the promoting bodies and the adequacy of the means and procedures put in place by the Commission. The results are expected on mid 1997.

#### 1.4 Cofinancing programme from 1976 to 1995

The cofinancing programme under item B7-6000 was launched in 1976 on a trial basis with a small amount of commitment appropriations (ECU 2.5 million). In following years the appropriations were gradually increased, partly as a result of active support from the European Parliament, and in 1995 they climbed to ECU 174 million. The table at point 1.1 above shows the trend in the appropriations available under item B7-6000 since 1976.

Over this period, 8.301 NGDO operations were cofinanced; the Community contribution to these was ECU 1,184.4 million ecu.

The breakdown of operations in developing countries and information campaigns was as follows:

1976-1995	Number of schemes	EC contribution (ECU million)	%
Schemes in developing countries	6.781	1,076	90.5
Information campaigns	1.520	112,4	9.5
<b>TOTAL</b>	<b>8.301</b>	<b>1,888.4</b>	<b>100</b>

6.781 development operations were conducted by 675 NGDOs in 133 developing countries.

The geographical spread of Community contributions to these operations is as follows:

1976-1995	ECU million	%
Sub-Saharan Africa	419.4	39.0
Latin America	357.6	33.2
Caribbean	40.5	3.8
Asia	190.2	17.7
Mediterranean	60.6	5.6
Pacific	5.0	0.4
Other	2.9	0.3
<b>TOTAL</b>	<b>1,076.2</b>	<b>100.0</b>

ACP countries received 43.2% and non-ACP countries 56.8% of the total Community contribution.



Tables I and II in the Annex give a breakdown by recipient developing country and by EU Member State.

1.520 information campaigns were run by 459 NGDOs in the fifteen Member States.

Roughly half of all operations cofinanced and 54.4% of all the funds committed took place during the last five financial years, from 1997 to 1995. The average Community contribution to operations in developing countries grew from ECU 123 000 in 1985 to ECU 233.000 in 1995, and the average contribution to information campaigns from ECU 53.000 to ECU 92 000

### 1.5 Relations with the NGDO Liaison Committee

Over a period of 21 years the Commission has built up close relations with the NGDO Liaison Committee, which is a democratic umbrella group for more than 800 European NGDOs. There is a representative from each EU Member State, elected by national platform.

The 21st Annual General Meeting of the European development NGOs was held on 27 and 28 April 1995 in Brussels. Delegates of the fifteen national platforms discussed and approved the broad outline of their programme for the coming years. They undertook to strengthen the coordination and consistency of their work in order to consolidate their political action. They also agreed to improve the dissemination of information and to continue with awareness-raising work. This need for greater internal dialogue between NGOs operating in the development and emergency fields is of prime importance and it is no accident that the theme of the conference following on from the AGM was "Europe and Africa: defining a new partnership".

This conference featured three often overlapping topics of discussion and three seminars (the promotion of a new Europe-Africa partnership, partnership and civil society, and the integration of emergency into a long-term development outlook). A significant conclusion was drawn: while the partnership established in Lomé must be continued, it should be recast taking into account not only its context but also local and regional differences. New partners will have to be brought in to the fold, including of course African civil society. There is a need for closer dialogue between NGOs of the North and NGOs of the South and the nature of their partnership should be examined. Another priority for effective partnership is without doubt a joint effort to change the image of Africa that is still too often a negative one.

### 1.6 Outlook

As in previous years, the results of cooperation between the European Union and NGDOs were fruitful and encouraging, and the amount of Community resources made available to the various NGDO schemes rose appreciably, from ECU 702 million ECU in 1993 to ECU 803 million in 1994 and ECU 833 million in 1995.

Non-governmental development aid should play an increasingly important role in meeting the challenges stemming from greater commitment and a greater show of solidarity on the part of Europe vis-à-vis the developing world. Community development policy, under the Maastricht Treaty, makes the fight against poverty one of the European Union's broad objectives. The priority nature of this objective was underscored and spelt out in a resolution adopted by the Council at the end of 1993.

The problems of poverty worsened in many developing countries, with stagnating growth and more marked inequalities. Although these problems are a consequence of lagging development they are a major obstacle to development and to democratization. While recognizing the constraints imposed by the international environment, the Council stressed the basically political dimension of the fight against poverty and its links with the process of democratization and strengthening the rule of law and participation of the population.

NGOs have an essential role to play here as the fight against poverty is one of their *raison d'être* and they have an intimate knowledge of the needs of marginalized people in the countries of the South. It is very important that NGOs should complement the EU's efforts in the official cooperation programmes with the developing countries.

It is also important that NGO action should transcend the traditional social dimension and help strengthen productive capacity of the poor sections of the population by promoting activities that generate income, create jobs and facilitate greater access to productive resources. Another priority is to strengthen genuine partnership between European NGOs and associations or groups from the South as in the last resort they are the main players in this partnership.

## II. OTHER AREAS OF COOPERATION

### 2.1 Food aid channelled through NGOs (Title B7-2 of the budget)

In 1995, Community food aid channelled via NGOs totalled ECU 214 383 000.

This accounts for 35.52% of overall food aid financed by the EC and represents an increase of 14.37% on the 1994 figure (ECU 187 440 million).

The programme of food aid assigned to NGOs is often run by EURONAIID, a service agency set up and managed by 24 European and international NGOs which are among the principal requesters of Community food aid. The procedures governing the delivery and use of aid by NGOs are decided by the Commission in consultation with the NGO Liaison Committee.

The third link in this chain is provided by the Commission desk officers and above all by its Delegations, which play an active on-the-spot role at every stage of the execution of food aid operations.

In 1995 the role of technical assistance was beefed up. Technical assistance maintains a close dialogue with NGOs on the ground in order to get their point of view and analyse their requests in depth.

The products made available to NGDOs under the programme break down as follows:

PRODUCTS	QUANTITY (tonnes)	% VARIATION ON 1994
CEREALS	321 000	- 9.5 %
SKIMMED MILK POWDER	7 800	- 45 %
SUGAR	3 445	- 22 %
VEGETABLE OIL	11 500	- 55.7 %
LEGUMES	41 164	new
OTHER PRODUCTS	18 970 000 ECU	+ 11.8 %
TOOLS	1 500 000 ECU	new

#### Share-out of responsibilities with ECHO

In December 1994 the Commission further clarified the share-out of responsibilities between ECHO and DG VIII's Food Security and Food Aid Unit as regards food aid.

##### (i) Commission policy

The European Community is the main partner of international and non-governmental bodies working in the food aid field and the second largest international donor overall. The Council resolution of 25 November 1994 reaffirmed the major thrust of the Commission's policy in this area:

- making food aid a support instrument for long-term food security as part of our development policy,
- making emergency food aid one of the elements of food aid policy.

##### (ii) Commission Decision of December 1994

Since it was set up, responsibility for emergency food aid and food aid of a humanitarian nature was transferred to the European Community Humanitarian Office (ECHO).

Nonetheless, in keeping with previous undertakings by the Commission vis-à-vis international and non-governmental organizations, certain projects had to be managed on a provisional basis by the Directorate-General for Development (Food Aid Unit).

At the beginning of 1994, the Commission nevertheless felt the time had come to complete the transfer of responsibilities to ECHO and following a joint analysis by DG VIII and ECHO of the food aid dossiers, the Commission adopted - in December 1994 - arrangements for the share-out of responsibilities between DG VIII and ECHO in the field of food aid and the transfer to ECHO of those dossiers of a clearly humanitarian assistance nature. It also approved the transfer of the relevant funds.

On the basis of coordination and ongoing partnership, the breakdown of responsibilities in this field between DG VIII and ECHO is structured along the following lines:

- food aid projects of a clearly humanitarian assistance content will be the responsibility of ECHO,
- food aid projects of a development nature, structural aid, support measures for food security or other food aid measures with a development component will be conducted by the Food Aid and Food Security Unit of DG VIII in agreement with the relevant geographical departments.
- in the event of a serious food crisis or humanitarian crisis with a major food aid component, all the Community aid instruments will contribute to concerted action, with coordination being in the hands of the Food Aid Unit for food crises and in the hands of ECHO for humanitarian crises.
- the two departments will be in permanent contact in order to guarantee maximum consistency and coordination and a more effective and smooth transition between humanitarian schemes and rehabilitation or development projects.

Since the beginning of the year, therefore, humanitarian food aid operations managed provisionally by DG VIII were transferred to ECHO. Measures were taken to ensure the follow-up and transfer of responsibilities in the best possible conditions. In 1995, funding came from budget headings B7-200, B7-2000, B7-201 and B7-202 and the actual transfer of the funds concerned (ECU 51 million) to the humanitarian aid chapter was proposed by the Commission in the 1996 preliminary draft budget.

(iii) Food assistance in the event of a major crisis

It is in the event of serious large-scale food crises that the coordination machinery between DG VIII/B/1 and ECHO has to ensure efficient use of the Community food aid instruments available.

In practice, we distinguish between two types of food crisis:

- Major and/or structural food crises, with large-scale food aid needs. In such cases, the Food Security and Food Aid Unit spearheads the operation and close coordination with ECHO comes into play immediately. Other departments and instruments are also involved. Depending on the nature of the crisis, ECHO and the instruments and departments necessary to meet the needs identified are brought into action.

- Humanitarian crises involving major food aid requirements and immediate emergency action. In such cases, ECHO takes the lead as swiftness of the response is of prime importance. Nonetheless, as the needs identified need to be met using all the available instruments, the same coordination machinery comes into play and DG VIII's food security and food aid Unit is involved from the outset.

In both cases, in order to ensure a seamless transition from one phase to the next (emergency, rehabilitation, development) and to avoid a situation where operations grind to a halt, it is crucial that the situation on the ground be monitored and analysed closely. The appropriate instruments should be deployed at each stage.

#### (iv) Food aid via NGOs

##### (iv a) General principles

So as to afford the necessary support to all NGOs operating in the field of food aid, the Commission has reallocated management responsibilities between DG VIII/B/1 and ECHO (see above). The Commission's main concern is to see that budget resources are used effectively so that applications are handled by the right department. To that end, permanent coordination has been put in place to avoid duplication and ensure the appropriate consistency. There must however be a certain measure of flexibility in the joint efforts of DG VIII and ECHO so that no legitimate request for aid gets overlooked.

The paragraphs below explain in practical terms how DG VIII/B/1 and ECHO apply the various criteria and share out the responsibilities.

##### iv b) Share-out of responsibilities between DG VIII/B/1 and ECHO in respect of food aid for NGOs.

- DG VIII/B/1: this unit is responsible for the choice of funding a food aid request lodged by an NGO and which should be managed overall from a development, structural aid and food security point of view. The project, by its very nature, should be strongly operational in nature with the aim of reducing the food dependency of the people concerned.

DG VIII/B/1 applies three key criteria in assessing the eligibility of a programme submitted by an NGO:

- a careful examination of the food security situation, highlighting in the programme those practical aspects that have a bearing on the causes of a food shortage;
- the grounds for the project in the sense that it is economically and financial viable, socially acceptable and poses no threat to the environment;
- the project must contribute in a sustainable way to reducing the recipients' dependency and strengthen the implementing partners' financial and technical autonomy in the medium term.

## 2.2 Community contribution to storage and early-warning programmes (article B7-202)

Given the importance of storage and early-warning measures in terms of improving food security, a number of such operations were financed by the Community and implemented by NGOs or international organizations. Six countries (Nicaragua, Peru, Sudan, Madagascar, Ethiopia and Mozambique) received such aid in 1995 via NGOs for an overall amount of ECU 1 207 919.

## 2.3 European Community Humanitarian Office (ECHO) (chapter B7-21 of the budget, Lomé Convention and OCT decision)

### 2.3.1 Summary

Over the last five years, humanitarian schemes implemented by the Commission on behalf of the European Union increased sevenfold and the EU is now the world's leading humanitarian aid donor. Aid rose from ECU 114 million in 1991 to 764 million in 1994 and getting on for 692 million in 1995. As in 1994, the main recipients were the former Yugoslavia and Rwanda and Burundi but Community humanitarian aid continued to be supplied to some 60 countries in crisis around the world, in particular Angola, Sudan, Haiti, the Russian Federation (Chechnya), Armenia, Azerbaijan, Georgia, Tajikistan, Iraq, Afghanistan and Cuba.

Humanitarian operations financed by the Commission have in recent years been carried out in increasingly difficult conditions and in vastly different situations. 1995 was no exception to that rule. The crises triggered by conflicts, which gave rise to the bulk of humanitarian aid action, were both complex and enduring. Such strife is generally rooted in crass socio-economic imbalances with, on occasion, an ideological or ethnic slant and neither the causes nor the effects can be remedied overnight.

The Commission often played a pivotal role among the donors in these situations. It was the biggest single donor not only in former Yugoslavia but also, for example, in Afghanistan, southern Sudan, Liberia and Sierra Leone. While stoutly defending the autonomy and independence of humanitarian aid, the Commission took advantage of its presence in these countries, without having much choice in the matter, to draw attention to the prevention and settlement of conflicts both at national level and more generally, even when these issues were not really on the national or international political agenda. On other occasions, humanitarian aid helped prevent the situation getting even worse, for instance in Haiti, Angola, Liberia and parts of Latin America. Even in the Israeli-Palestinian conflict humanitarian aid helped encourage the first tentative steps towards peace, reconciliation and reconstruction.

Throughout the year the Commission kept a watching brief on the debate within the international humanitarian aid community on the need to strengthen the links between emergency aid and development. It produced its own working paper on the subject, which was widely discussed and is due to be fleshed out in 1996.

Although natural disasters generally result in fewer deaths and suffering, they can however have deleterious effects on society in a developing country. An approach based on preparedness is often preferable in order to reduce the suffering and alleviate the economic consequences of disasters: this was a key and innovative facet of ECHO's work in this field in 1995.

Even where there has been no fighting or large-scale natural disaster, chronic and deteriorating situations such as those in Algeria, Cuba and Iraq have also required humanitarian aid to ease the worst suffering of the most vulnerable sections of the population.

ECHO has been at the forefront of those taking up the challenge of assessment without losing sight of the special nature of its own operations. Work continued apace in 1995 in a bid to devise methods attuned to ECHO's needs and manner of operating and to that of its partners, all the while increasing the number of evaluations carried out. With the publication of a methodology manual containing practical and systematic guidelines for evaluating humanitarian aid, the first phase has now been completed. This manual will not only be of use to the Commission but also to its partners and indeed to all those working in the field of humanitarian aid.

The Commission continued to evaluate operations funded by it and implemented by NGOs or United Nations agencies. It evaluated operations carried out by 46 NGOs and five UN agencies. These evaluations covered all types of programme and all areas of the world.

A particularly important event took place towards the end of the year: a number of humanitarian bodies and donors met in Madrid, at the initiative of Emma Bonino, Member of the Commission, to examine the problems facing humanitarian aid on the threshold of the twenty-first century. The gathering culminated in the adoption of the Madrid Declaration, which highlights the remarkable degree of convergence among the participants, NGOs included, in their analysis of main challenges.

### 2.3.2 Humanitarian aid operations in 1995

Operations reached a level comparable to that in 1994 with, as pointed out above, a total of ECU 692 million for decisions adopted during the year.

The vast majority of operations carried out by the Commission via ECHO are financed from the general budget of the European Union. To a lesser degree, and in 1995 much less than in previous years, operations for ACP countries were also financed under the Lomé IV financial protocol.

This show of international solidarity found expression in emergency aid for 60 countries around the world located in the African, Caribbean and Pacific area (30.6%), former Yugoslavia (33.9%), Central Europe (0.4%), the former Soviet Union (19.9%), the rest of Asia - including northern Iraq (9.3%), Latin America (4.0%) and North Africa (0.7%).

Some 85% of the funds administered by ECHO (ECU 692 million) were channelled through partners, of whom NGOs accounted for 55.8% (ECU 328 million), UN agencies (17%) and other international organizations (10.6%). Only around 14% of the funds were allocated to Commission "direct action", essentially in former Yugoslavia. Even direct action depends generally on (often local) NGOs who help distribute aid on the ground. It is important that the Commission has the possibility, via ECHO, of carrying out direct action but it should only be resorted to where the traditional partners cannot fully respond to the needs of a given situation.

### **2.3.3 Relations with non-governmental organizations (NGOs)**

In 1995 around half of the humanitarian funds managed by ECHO went on operations conducted by NGOs. They exceeded the amounts of previous years, attesting to the Commission's desire to put into practice the principle of partnership in its humanitarian operations and to give pride of place to the NGOs given that they were involved in virtually all the operations in some 60 countries receiving humanitarian aid.

Throughout the year ECHO devoted a lot of time to seeking opportunities for dialogue with the various groupings of NGO partners in the Member States. This effort turned out to be very fruitful as it enabled the parties to keep each other informed of the development of humanitarian dossiers, tackle problems, avoid misunderstandings and familiarize themselves with the constraints under which the partners were working.

Aside from enabling joint scrutiny of the principles guiding humanitarian action, these organized contacts were particularly useful for the purpose of reviewing the various practical aspects of administering operations. It is clear that ever-closer working relations are being forged as time goes by between the NGO desk officers and ECHO and between correspondents on the ground.

NGO partners kept a close watch on discussions in the Council and Parliament on the subject of a proposal for a Council Regulation on humanitarian aid. They are clearly anxious to ensure that their key concerns - flexibility, swiftness of reaction and political impartiality - are properly acknowledged and receive appropriate backing. The NGOs spared no effort in seeing that their interests were duly taken into account in the EU institutions' decision-making process. The Council adopted Regulation N° 1257/96 on Humanitarian aid on 20 June 1996 and it came into force on 5 July 1996.

The NGO partners played a key role in the deliberations of the enlarged dialogue group set up to take stock of the framework partnership agreement and seek possible improvements to it. In November 1994 the group tabled a proposal for changes to this agreement which was scrutinized by ECHO at the beginning of 1995. Although the proposals framed by the group are very useful, the outcome of the discussions under way on the legal basis will definitely be important in determining the Commission's role and options for the future. ECHO has therefore had to await the outcome of these deliberations before expressing its opinion on what changes should be made to the framework partnership agreement.

### **2.4 Cooperation with NGOs on self-sufficiency for refugees, displaced persons and returnees in Asia and Latin America (article B7-212)**

This budget heading was created at the initiative of the European Parliament in 1984 to help refugees, displaced persons and returnees become self-sufficient in the period between the end of the emergency phase and the longer-term development phase.

Article B7-212 (ex B7-302) appropriations have grown steadily since 1984. In the period 1984-95 a total of ECU 378 424 000 was spent on over 350 projects implemented by a host of NGOs (European and local), international organizations (primarily the UNHCR) and government agencies.



In 1995, 54 projects were financed under Article B7-212 for a total of ECU 59 831 000, of which ECU 39 831 000 (66%) in Asia and ECU 20 000 000 (34%) in Latin America. Of these 54 projects, 30 were cofinanced with NGOs, of which 12 (ECU 9 058 000) in Asia and 18 (ECU 6 680 000) in Latin America., making a total of ECU 15 738 000, i.e. 26.4% of the total committed.

The programmes implemented for refugees, displaced persons and returnees were broad in scope and geographical spread. They were in line with the action plans adopted at the International Conference on Central American Refugees (CIREFCA, Guatemala, 1989) and the International Conference on Indochinese refugees (Geneva, 1989). The international institutions also receive support for care and maintenance (UNHCR),<sup>1</sup> mine clearance (UNOCHA)<sup>2</sup> and repatriation and reintegration (UNHCR)<sup>3</sup> operations.

In Asia, operations focused on three key regions: Afghanistan/Pakistan, where the Commission supported integrated rural development projects to assist the return of refugees, and Bangladesh, where there are still many Rohingya refugees. In addition, there were one-off schemes in Thailand to help Karen refugees and in Laos to assist returnees.

In view of the peace process under way in Central America, Community aid in 1995 focused on reconstruction and the socio-economic reintegration of displaced people, returnees and demobilized soldiers. Projects cofinanced and executed by European and local NGOs in the region involved the promotion of agriculture and livestock production, vocational training, the development of basic healthcare services, health staff training, improvement of basic infrastructure and protection of the environment.

Of the 18 projects carried out in Latin America, four concerned returnees and demobilized soldiers, two concerned support for training programmes, three covered support for basic infrastructure, three related to health programmes and six were for the development of productive activities.

#### 2.5. North-South cooperation projects in the campaign against drug abuse (item B7-6210)

Projects carried out with NGOs were in the majority, accounting for 41.8% of total commitments, i.e. ECU 4 011 670 (the total was ECU 9 589 100).

Cooperation with NGOs was closest in Latin America and Asia, two regions in which the projects financed in 1995 under this heading were devoted almost exclusively to prevention, reduction in demand and rehabilitation.

The distribution of the projects financed was as follows:

Latin America:	ECU 2 546 391 (63.5%)
Asia:	ECU 248 348 (31.1%)
Mediterranean:	ECU 164 031 (4.1%)
ACP States:	ECU 52 900 (1.3%)

<sup>1</sup> Cambodia, Bhutan, Hong Kong, India, Laos, Sri Lanka.

<sup>2</sup> Afghanistan.

<sup>3</sup> Cambodia.

## 2.6. Rehabilitation and reconstruction projects in developing countries (article B7-641)

### 2.6.1. Design, scope, eligibility criteria and financing of rehabilitation programmes

In developing countries emerging from a war or a serious crisis situation, with their economies, infrastructure and social fabric in tatters, there is a need for an intermediate rehabilitation phase which is crucial in building a bridge between the provision of humanitarian aid and the resumption of programmes to support long-term development.

Rehabilitation should gradually take over from humanitarian action and reduce the need for it while paving the way for economic recovery and political and social transition.

The notion of rehabilitation aid was spelt out in the Council Regulation (EC) of December 1993 and implemented during 1994. Rehabilitation programmes form a stepping-stone between humanitarian aid (emergency aid) and the resumption of long-term development support programmes. They concern countries emerging from a serious crisis or war or whose economies have been wrecked by other factors such as natural disasters.

In 1995, the following countries received rehabilitation aid: Haiti, Zaire, Tanzania, Ethiopia, Eritrea, Mozambique, Angola, Liberia, Rwanda, Mauritius, Papua New Guinea, Saint Lucia and Dominica (natural disasters).

Rehabilitation programmes can encompass a wide variety of activities under four broad headings:

- getting productive plant up and running again;
- repairing essential infrastructure;
- social reintegration (for refugees, demobilized soldiers and displaced people);
- rebuilding institutions.

The eligibility criteria have not been formally defined, but certain crucial requirements were laid down by the Council on 2 December 1993:

- lodging of a request from partners in the country concerned;
- serious disaster situation preventing essential needs being met;
- setting in train by the authorities of a transition process in which democratic values and fundamental freedoms are upheld;
- ability of the administration and/or partners concerned to implement rehabilitation operations.

Having weighed up these different factors, the Commission decides on the need for a programme and on its content and then combines various types of resources to finance those programmes.

Rehabilitation schemes in the field of social services and small-scale infrastructure are usually put in the hands of NGOs.

#### 2.6.2. Role of NGOs

NGOs play a key role in running Community-funded rehabilitation programmes. Their intimate knowledge of the countries concerned, their flexibility, the various approaches they bring to bear and their contact with local people are crucial factors in individual situations and in dealing with post-emergency needs.

Since the Council's Decision of 25 May 1993 to finance the special initiative, the NGOs role has also been boosted as regards the design of programmes and their representatives have also been involved in discussions on the link between emergency, rehabilitation and development.

#### 2.6.3. Rehabilitation schemes in 1995

On the basis of the Council's conclusions of 2 December 1993 and subsequent discussions within the Council, the Commission continued to implement rehabilitation schemes, in particular those forming part of the Special Initiative for Africa.

A detailed list of the schemes under way in the eight countries covered by the Special Initiative for Africa was presented to Member States at the Council meeting of 20 December 1995. It shows that the overall amount earmarked for rehabilitation schemes has already risen appreciably (to ECU 434 million) since the Special Initiative was launched in May 1993, with payments totalling ECU 108 million. New decisions taken in 1995 as part of the rehabilitation programmes in Africa amounted to ECU 156 million.

#### 2.6.4. Budget article B7-641

This new heading was included in the 1994 budget (ex B7-5076) for the purpose of financing rehabilitation programmes in all developing countries. It therefore covers ALA and MED countries as well as the ACP States and is administered jointly by Directorates-General IB and VIII. The allocation entered in the 1995 budget was initially ECU 60 million; it was increased to ECU 65 million as part of the supplementary enlargement budget and then finally set at ECU 79.3 million as part of transfers of commitment appropriations, with payment appropriations standing now at ECU 30.9 million.

As regards the ACP countries, which received ECU 45.9 million in all under this heading, the role of NGOs has been particularly important. In the ACP countries, 33 NGOs from nine EU countries received a total of ECU 25.9 million for rehabilitation projects, notably in the health, education and agricultural production sectors. On top of this comes ECU 2.8 million implemented by seven local NGOs, notably in Haiti. The overall amount going to NGOs accounts for 62.5% of the ECU 45.9 million allocated to this budget heading for ACP countries, representing a major contribution by these bodies to the design, programming and implementation of rehabilitation projects.

2.7 European Programme for Reconstruction and Development in South Africa (article B7-320)

2.7.1. General objectives of the EPRD

The special programme for South Africa (ex budget item B 7-5070) initially proposed by the European Parliament in 1985 and confirmed on various occasions by the European Council was renamed the "European Programme for Reconstruction and Development in South Africa" in 1995 to underscore the support given by the European Union to the Government of National Unity and to the transition process.

From 1986 to 1996, 762 projects were funded for a total of ECU 568 million, of which ECU 125 million was allocated in 1995 to 18 programmes.

The overall objective of the special programme has been to help South Africa in its peaceful transition towards a stable, democratic, non-racial and prosperous society.

In the past, the European Community's policy vis-à-vis South Africa was two-pronged: it consisted of positive measures involving a special programme for the victims of apartheid and negative measures in the shape of economic sanctions imposed on the former regime.

The transition is still under way and the new government is framing its political programme. In terms of development cooperation between the EU and South Africa assistance for the transition process involves:

	PAST	PRESENT
TITLE	Special programme	European Programme for Reconstruction and Development
OBJECTIVE	Aid for apartheid victims	Participation in the rebuilding and development of the country
PARTNER	NGOs	Government of National Unity
IMPLEMENTING AGENT	NGOs	Government of National Unity, NGOs, private sector
TYPE	Various projects	Limited number of coherent programmes
FIELDS / SECTORS	Education, rural development, local authorities, health, good governance and democratization, development of micro-enterprises	Fields / sectors resulting from discussions with the government and listed in the EPRD declaration of intent for 1995: - education and training; - health; - rural development; - urban development; - economic cooperation, trade and investment promotion, support for small, and medium-sized enterprises and micro-enterprises, good governance and democratization.

Regulation N° 2259/96 on Development cooperation with South Africa was adopted on 22 November 1996 and entered into force on 1 December 1996. This regulation constitutes the legal basis for budget heading B7-5070 (B7-3200 from 1996 on).

Negotiations currently being conducted by the Commission to conclude a long-term agreement between the European Union and South Africa and political developments in the country affect the way in which the reconstruction and development programme is and will be implemented. EU development cooperation in South Africa continues to be geared to the priorities defined by the South African government and negotiated with the Commission.

#### 2.7.2. Specific objectives

The 1995 EPRD was drawn up in close cooperation with the South African government. An ad hoc project-oriented approach was abandoned in favour of an overall approach with the emphasis on programmes, thus making it possible to reduce the number of schemes carried out each year and keep a closer eye on their progress.

Together with the South African government the Commission pinpointed the sectors in which funds available for the EPRD would be allocated under the 1995 budget (ECU 125 million). The Commission's opposite number was the Minister in charge of the Reconstruction and Development Programme, Mr Jay Naidoo, appointed by the government to coordinate the EU's aid. In May, Mr Pinheiro, the Commissioner with special responsibility for development matters, and Mr Naidoo signed a declaration of intent setting out the main fields of aid (see table above).

Up to the 1994 parliamentary elections the Commission had acted via NGOs, with implementation being carried out principally by "traditional" South African partners, namely:

- the South African Council of Churches (SACC)
- the Southern African Catholic Bishops' Conference (SACBC)
- the Kagiso Trust
- the trade unions.

The Commission delegation in South Africa, which was set up in 1994, started working increasingly closely with the new government while continuing to channel some of the funds via NGOs. Budget article B7-320 (EPRD) committed ECU 48.57 for NGO projects in 1995.

A total of ECU 15 million was allocated by the EPRD for assistance to NGOs via the Transitional National Development Trust (TNDT). This body was created in October 1995 to ensure continuation of financial support from the various donors to NGOs until the official creation of the National Development Agency resulting from the merger between the Kagiso Trust and the Independent Development Trust. The TNDT is a go-between for NGO projects and acts independently of the government although, financially-speaking, the EPRD fund will provide it with a government contribution of 50 million rand (around ECU 10 million) on top of the ECU 15 million from the EPRD.

Although the financing agreements for projects such as the land reform pilot programme (95/3), the Eastern Cape water supply development programme (95/4) and the micro-enterprise development programme (95/6) were concluded with the South African government, key parts of these projects will be implemented by NGOs.

NGOs will be solely responsible for implementing the human rights programme for which the President Mandela and Mr Pinheiro signed a financing agreement.

Implementation of the EPRD in 1995 saw a reduction in the number of programmes approved under article B7-320 (18 as against 90 in 1994). These programmes meshed with schemes initiated by the South African government.

Breakdown by sector of programmes approved in 1995:

SECTOR	Number of projects	ECU million
Education	2	2.96
Health	4	19.84
Rural development	4	34.60
Urban development	1	5.90
Good governance	2	15.00
Private sector	1	11.00
Other (development of local authorities, micro-projects)	4	33.82
<b>TOTAL</b>	<b>18</b>	<b>123.12</b>

### 2.7.3. Conclusions

A feature of 1995 was the shift from implementation of budget article B7-320, in the shape of numerous NGO projects, to a dialogue on development policy between the Commission and the South African government as sole interlocutor; the result was that financing focused on a small number of coherent programmes that dovetailed with the government's priorities. These are being implemented by the authorities at central, provincial and local level and by NGOs and the private sector.

This approach should be maintained over the next few years (1996-1999).

Negotiations currently under way between the European Union and South Africa and the adoption of the legal basis will align procedures for implementing article B7-320 with those adopted in other developing countries, notably the ACP countries.

## 2.8 Assistance for rehabilitation programmes in southern Africa (B7-321)

In June 1988 the Commission introduced a special budget heading (B7-9531) to support the front-line states and Southern Africa Development Community (SADC) member states suffering the effects of war and destabilization activities in the region.

In 1993, with the changing scene in southern Africa, that heading, by then B7-5071, was geared towards assistance for rehabilitation programmes in the region. Given the changes that have taken place in the region, the focus of the budget heading was switched to rehabilitation schemes so as to contribute to the democratization process under way in southern Africa.

The budgetary authority allocated, for financial year 1995, a commitment appropriation of ECU 15 million (payment appropriation of ECU 12 million) to heading B7-5071 (since 1996, article B7-321) in order to maintain the Commission's scope for action in the rehabilitation programmes being carried out or planned in southern Africa, notably in Angola and in Mozambique. Thirty projects received funding to the tune of ECU 15 million in 1995. Virtually all the projects approved were wholly financed by the Commission.

Priority went to rehabilitation and the rebuilding of basic infrastructure (90.4% of the appropriations) to allow refugees, displaced persons, and demobilized soldiers to go back to their regions of origin and enable the population as a whole to resume normal civilian life. Seven social rehabilitation projects, totalling ECU 2 457 640, were aimed at boosting assistance for women and children, the most vulnerable groups.

The spotlight is on four focal sectors:

- rehabilitation of health infrastructure;
- rehabilitation of social and education infrastructure;
- rehabilitation of rural production infrastructure;
- information and documentation programmes.

Brekdown of funds by sector

	Number of projects	ECU	%
1. Rehabilitation	27	13 569 000	90.4
Health infrastructure	9	5 255 700	35.0
Social rehabilitation	7	2 457 640	16.4
Education infrastructure	6	2 770 710	18.5
Agricultural/fisheries infrastructure	5	3 084 950	20.5
2. Information / documentation	1	400 000	2.7
3. Education in Europe	1	31 000	0.2
4. Micro-rehabilitation projects	1	1 000 000	6.7
<b>TOTAL</b>	<b>30</b>	<b>15 000 000</b>	<b>100</b>

As regards the breakdown of appropriations by recipient country, the Commission's financial contribution was earmarked, as in previous years, for priority rehabilitation projects in Angola and Mozambique, the two countries on which aid is being focused, with more than 78% of the total funds available for 22 projects (73%). The health and social rehabilitation schemes account for the lion's share of the projects financed in those two countries where the risk of insecurity or instability is ever-present.

Breakdown by recipient country:

Country	Number of projects	ECU	%
Angola	12	6 844 700	45.6
Mozambique	10	4 889 290	32.6
Lesotho	1	474 000	3.2
Namibia	2	1 312 300	8.7
Zimbabwe	2	328 000	2.2
Tanzania	1	720 710	4.8
Education in Europe	1	31 000	0.2
Conferences / seminars	1	400 000	2.7
<b>TOTAL</b>	<b>30</b>	<b>15 000 000</b>	<b>100</b>

The main agencies to receive financial support for programmes from budget heading B7-5071 in 1995 were European NGOs with 92.6% of the funds allocated, i.e. ECU 13 900 000 for a total of 28 projects.

Breakdown by implementing agency:

Agency	Number of projects	ECU	%
European NGOs	28	13 900 000	92.6
Mozambique delegation	1 (a)	1 000 000	6.7
Local NGOs	1	100 000	0.7
<b>TOTAL</b>	<b>30</b>	<b>15 000 000</b>	<b>100</b>

(\*) A programme (QDF-Quick Disbursement Fund) managed directly by the EC delegation in Mozambique to finance small-scale rehabilitation schemes run by local NGOs.



**Breakdown of agencies by country of origin:**

Country	Number of projects	ECU	%
Italy	14	6 719 000	44.8
United Kingdom	3	757 000	5.0
Portugal	4	2 313 000	15.4
France	1	792 000	5.3
Belgium	1	844 000	5.6
Germany	3	1 305 000	8.7
Netherlands	1	400 000	2.7
Austria	1	770 000	5.1
Zimbabwe	1	100 000	0.7
Mozambique delegation	1	1 000 000	6.7
<b>TOTAL</b>	<b>30</b>	<b>15 000 000</b>	<b>100</b>

**2.9 Community assistance for NGOs operating in Vietnam (item B7-6004)**

This item was introduced in 1991 with the aim of helping the Vietnamese population via NGO operations. In 1995 it had an appropriation of ECU 2 million, which financed seven schemes. The sectors concerned are representative of the special approach adopted under this heading: rural development, urban and rural social projects (primary health care, combating malnutrition, etc.)

**2.10 Community assistance for NGOs operating in Cambodia (item B7-6005)**

This heading was created in 1991 to help the Cambodian population through the work of NGOs. The 1995 appropriation of ECU 1 million financed three health projects, which are all running according to plan.

**2.11 Decentralized cooperation (item B7-6430)**

**2.11.1 Aims**

Decentralized cooperation is increasingly becoming an integral part of Community cooperation policy: witness the mid-term review of the fourth Lomé Convention and the new Mediterranean dialogue. In Latin America and in Asia, various promising initiatives have recently been taken in this direction.

This approach to development and the Community measures being devised are attracting increasing interest on the part of bilateral and multilateral donors and Member States in particular, as attested by the importance given to this topic in the partnership set up with USAID following the Madrid Summit.

Implementation of this policy at EC level requires ongoing vigorous action to foster the dialogue with civil society, mobilize people, then diversify, follow up and capitalize on experience gained with official funds such as those coming under heading B7-6430. This is reflected in a threefold objective:

- information, awareness-raising and mobilization of the key agents concerned (NGO networks, local authorities, professional associations, etc.) but also the authorities of non-member countries, geographical departments and Member States;
- technical and methodological support in identifying and appraising decentralized cooperation programmes financed from official funds and from item B7-6430 (management of which is wholly in the hands of DG VIII/B/2);
- monitoring and follow-up/capitalization of the measures of donors and Member States in this field.

In each of these fields, the principal activities in 1995 were:

- information, mobilization: preparation of seminars and meetings in Europe with the main "families" of decentralized agents (seminars in Brussels and Maastricht, IULA congress, Europe-Maghreb meetings, etc.); similar events in third countries with national authorizing officers and delegations (Morocco, Tunisia, Senegal, Haiti and the Caribbean); a video on decentralized cooperation; discussions in various forums of the Council report on decentralized cooperation;
- technical and methodological action: in the ACP states, support for eight decentralized cooperation programmes as part of the EDF (Madagascar, Zambia, Ghana, Niger, Haiti, Burkina Faso, Nigeria and Jamaica); participation in the 8th EDF programming exercise; in the Mediterranean, preparation of Med-Associations and decentralized programmes in Morocco;
- putting the finishing touches to a teaching kit on the methodology of decentralized cooperation;
- monitoring, capitalization: various meetings with opposite numbers in Member States (Italy, Spain, France and United Kingdom); joint initiatives with the UNDP (seminar on local governance) and USAID.

The priorities for using item B7-6430 stem from the above guidelines. This item is designed to give impetus and mobilize with a view to ensuring the extension and success of decentralized cooperation in official programmes. Priority goes to "upstream" measures (mobilization, institutional strengthening, capacity building) and to pilot and demonstration projects or programmes (depending on the partners involved, the methodology applied and the topic).

2.11.2 Item B7-6430 in 1995

Facts and figures:

*Overall results:*  
24 projects started  
EC commitment: ECU 4 998 786  
Overall amount: ECU 12 750 100  
Cofinancing rate: 39%

*Breakdown by type of partnership:* With NGOs and associations from the North: 34%  
With NGOs and associations from the South: 13%  
With local authorities and NGOs: 24%  
With local authorities: 29%

*Breakdown by type of project:* Information, promotion, studies: 4%  
Institutional strengthening, capacity building: 41%  
Pilot programmes and projects: 55%

*Breakdown by region:*  
ACP: 63%  
Mediterranean: 14%  
Latin America: 18%  
Asia: 4%  
All countries: 1%

Main developments in 1995

- *A marked focus on two regions* where decentralized cooperation is a feature of official cooperation: the ACP countries, in view of the pride of place given to decentralized cooperation in preparing the 8th EDF; the *Mediterranean*, as part of the groundwork for MEDA and the dialogue with civil society initiated at the Barcelona Conference. The projects supported by item B-5077 in these regions are aimed chiefly at better preparing implementation of decentralized cooperation programmes from the relevant official funds.
- *The key role assigned to "upstream" projects aimed at institutional strengthening and the development of the action capacity* of a whole range of local agents, NGO networks, etc. (Egypt), federations and agricultural trade unions (Zimbabwe), associations of local authorities (Chile). This is a *sine qua non* for the framing of genuinely decentralized and consistent programmes funded from official sources.
- Most of the schemes financed from the decentralized cooperation heading (66%) involve NGOs from the North or are based on partnerships between NGOs from the North and South or northern NGOs and local authorities. One project was concluded directly with an association of local Latin American municipalities.

- Particular stress has been laid on the approach via *regional north-south and south-south networks*, decentralized agents, fostering exchanges, experience transfer and training. These networks are also designed to promote dialogue between "families" of agents (local authorities, populations, associations and private individuals), for instance in west and central Africa (municipal development programme), in east and southern Africa in a regional decentralized cooperation programme between municipalities (initially in Botswana, Malawi and Uganda), or in Palestine in the guise of the programme to support local democracy.
- Two key issues: the one linked to local authorities, *decentralization to local authorities and local development agents*, notably in urban areas (aside from the networks mentioned earlier, these schemes concerned Chile, Brazil, Ecuador and India); the other aimed more at grassroots organizations and *closer involvement of the population in development schemes* (e.g. Haiti, Peru, Ecuador, Zambia).

### 2.11.3 Outlook for 1996

1992 to 1995 was a period for accumulating experience, mobilization and wide-ranging discussion which should be gradually enriched and integrated into a decentralized cooperation policy at Community level. The foundations of this policy were laid down in the Commission's report to the Council on the state of play in decentralized cooperation and will be the subject of detailed proposals designed to ensure greater consistency and transparency. Efforts in 1996 will focus on these objectives.

**TABLE 1**  
**BREAKDOWN BY RECIPIENT COUNTRY OF**  
**DEVELOPMENT PROJECTS COFINANCED BY THE EC**  
**FROM 1976 TO 1995 INCLUSIVE**

	Nombre d'actions	Contribution de la CE en ECU
AFGHANISTAN	36	2.485.675
AFRIQUE SUB SAHARIENNE	15	1.847.521
ALGÉRIE	79	2.741.574
ANGOLA	97	3.282.301
ANTIGUA-BARBUDA	8	285.189
ANTILLES NÉERLANDAISES	1	59.226
ARGENTINE	334	15.925.906
BANGLADESH	320	18.089.118
BARBADES	17	681.358
BELIZE	44	1.472.026
BÉNIN	136	4.218.914
BHOUTAN	16	291.890
BOLIVIE	718	37.321.191
BOTSWANA	37	3.741.853
BRÉSIL	1430	76.199.704
BURKINA FASO	858	27.965.427
BURUNDI	78	5.821.052
CAMBODGE (KAMPUCHEA)	213	18.476.461
CAMEROUN	298	11.781.015
CAP VERT	111	5.424.744
CARAÏBES	15	1.128.095
CENTRAFRIQUE	111	6.956.576
CHILI	697	33.494.590
CHINE	55	3.946.207
CHYPRE	2	57.584
COLOMBIE	303	14.174.182
COMORES	16	733.574
CONGO	43	1.589.726
COREE DU SUD	20	984.521
COSTA RICA	65	2.778.251
COTE D'IVOIRE	106	4.826.439
CUBA	74	5.894.073
DJIBOUTI	10	628.658
DOMINIQUE	44	1.137.372
ÉGYPTE	80	4.911.865
EL SALVADOR	359	13.166.094
ÉQUATEUR	398	19.515.563
ERITHREE	43	4.368.588
ÉTHIOPIE	447	32.232.782
FIDJI	16	890.570
GABON	11	512.930
GAMBIE	99	2.323.036
GHANA	151	6.843.753

	Nombre d'actions	Contribution de la CE en ECU
GRENADE	25	927.505
GUATEMALA	268	11.826.636
GUINÉE	56	5.269.537
GUINÉE BISSAU	144	8.528.324
GUINÉE ÉQUATORIALE	18	1.086.502
GUYANE (ETAT)	18	1.070.943
HAÏTI	332	18.306.995
HONDURAS	120	3.270.914
HONG KONG	10	97.737
ÎLES COOK	1	8.124
INDE	1944	67.996.992
INDONÉSIE	145	5.716.855
IRAK	16	603.104
ISRAËL	11	1.488.872
JAMAÏQUE	57	2.614.689
JORDANIE	26	3.047.757
KENYA	512	26.186.319
KIRIBATI	2	13.279
LAOS	101	4.521.069
LESOTHO	75	2.247.927
LIBAN	252	18.465.122
LIBERIA	22	848.246
MADAGASCAR	193	11.593.211
MALAISIE	18	398.003
MALAWI	128	7.728.015
MALDIVES	2	760.277
MALI	444	19.753.027
MAROC	41	2.999.184
MAURICE	36	1.066.121
MAURITANIE	73	4.383.289
MEXIQUE	199	11.957.138
MONGOLIE	3	863.160
MONTSERRAT	2	21.438
MOZAMBIQUE	378	16.596.458
MYANMAR (BIRMANIE)	7	249.054
NAMIBIE	134	8.531.717
NÉPAL	83	4.016.961
NICARAGUA	864	43.670.168
NIGER	93	5.495.533
NIGERIA	91	3.257.988
OUGANDA	287	17.061.362
PAKISTAN	159	4.314.158
PANAMA	29	1.325.969
PAPOUASIE NELLE GUINÉE	43	906.965
PARAGUAY	109	5.200.636
PÉROU	847	44.914.528
PHILIPPINES	533	28.215.549

	Nombre d'actions	Contribution de la CE en ECU
RÉGION AFRIQUE AUSTRALE	78	1.411.768
RÉGION AFRIQUE CENTRALE	1	4.000
RÉGION AFRIQUE DE L'EST	7	918.216
RÉGION AFRIQUE OCCIDENTALE	15	1.314.376
RÉGION AFRIQUE SAHÉLIENNE	15	1.435.409
RÉGION AMÉRIQUE CENTRALE	5	1.027.018
RÉGION AMÉRIQUE DU SUD	9	1.837.147
RÉGION ASIE	9	512.934
RÉGION CORNE DE L'AFRIQUE	1	15.000
RÉGION D'AFRIQUE	2	21.031
RÉGION MÉDITERRANÉE	1	396.284
RÉGION PACIFIQUE	10	1.401.411
RÉPUBLIQUE DOMINICAINE	161	8.240.018
RWANDA	416	15.798.592
SAINT VINCENT & GRENADINES	6	56.272
SAINTE LUCIE	8	287.716
SALOMON	18	937.338
SAMOA OCCIDENTAL	4	285.289
SAO TOME & PRINCIPE	12	2.281.742
SÉNÉGAL	470	18.025.472
SEYCHELLES	4	113.827
SIERRA LEONE	123	3.657.088
SOMALIE	64	5.558.999
SOUDAN	154	10.096.096
SRI LANKA	231	7.459.197
SURINAME	8	170.261
SWAZILAND	27	1.841.364
SYRIE	7	387.202
TADJIKISTAN	2	10.701
TANZANIE	551	23.855.937
TCHAD	200	8.965.265
THAÏLANDE	169	10.375.777
TOGO	113	4.824.754
TONGA	3	128.990
TOUS PAYS	39	2.849.704
TRINITÉ & TOBAGO	14	885.777
TUNISIE	61	3.199.384
TUVALU	1	6.127
URUGUAY	225	11.989.899
VANUATU	6	390.075
VENEZUELA	63	5.117.595
VIETNAM	217	10.443.042
WEST BANK & GAZA	276	19.595.028
YÉMEN NORD & YÉMEN SUD	36	2.727.733
ZAÏRE	780	29.564.955
ZAMBIE	153	7.171.282
ZIMBABWE	348	17.824.178
<b>TOTAL</b>	<b>22.085</b>	<b>1076.048.702</b>

TABLE II

## BREAKDOWN BY MEMBER STATE OF COMMUNITY FUNDS ALLOCATED FROM 1976 TO 1995 INCLUSIVE

NATIONALITÉ CONTRACTANT	Actions de développement dans les PVD			Actions de sensibilisation de l'opinion publique européenne			TOTAL		
	Nbre d'Acti ons	Contribution CE		Nbre d' Actions	Contribution CE		Nbre d' Actions	Contribution CE	
		en ECU	en %		en ECU	en %		en ECU	en %
Autriche	12	1.885.866	0,18	5	332.790	0,30	17	2.218.656	0,19
Belgique	991	141.003.022	13,10	191	12.313.844	10,95	1182	153.316.866	12,90
Consortium	103	66.669.243	6,20	15	4.698.214	4,18	118	71.367.457	6,00
Danemark	110	16.985.698	1,58	48	3.818.928	3,40	158	20.804.626	1,75
Finlande	2	489.925	0,05	0	0	11,25	2	489.925	0,04
France	1104	159.710.791	14,84	222	12.647.499	14,55	1326	172.358.290	14,50
Allemagne	1031	179.774.034	16,71	198	16.359.180	1,39	1229	196.133.214	16,50
Grèce	27	4.313.623	0,40	16	1.559.999	2,91	43	5.873.622	0,49
Irlande	289	25.343.654	2,36	56	3.274.037	13,28	345	28.617.691	2,41
Italie	922	160.529.341	14,92	191	14.928.936	0,27	1113	175.458.277	14,76
Luxembourg	221	13.412.294	1,25	9	299.395	11,53	230	13.711.689	1,15
Pays Bas	410	58.887.568	5,47	172	12.958.242	2,10	582	71.845.810	6,05
Portugal	35	5.633.757	0,52	28	2.357.523	5,64	63	7.991.280	0,67
Espagne	284	60.681.216	5,64	91	6.340.204	0,05	375	67.021.420	5,64
Suède	0	0	0,00	1	56.145	0,05	1	56.145	0,00
Royaume Uni	1240	180.728.670	16,80	277	20.478.085	18,22	1517	201.206.755	16,93
TOTAL	6781	1.076.048.702	100 %	1520	112.423.021	100 %	8301	1.188.471.723	100 %



TABLE III

BREAKDOWN BY MEMBER STATE OF COMMUNITY FUNDS ALLOCATED IN 1995

États membres	Actions de développement dans les PVD			Actions de sensibilisation de l'opinion publique européenne			TOTAL		
	Nbre d' Actions	Contribution CE		Nbre d' Actions	Contribution CE		Nbre d' Actions	Contribution CE	
		en ECU	en %		en ECU	en %		en ECU	en %
Autriche	12	1.885.866	1,35	5	332.790	2,07	17	2.218.656	1,42
Belgique	55	11.636.201	8,32	22	1.919.238	11,94	77	13.555.439	8,69
Consortium	27	16.878.951	12,07	1	239.608	1,49	28	17.118.559	10,98
Danemark	3	1.027.486	0,73	5	564.140	3,51	8	1.591.626	1,02
Finlande	2	489.925	0,35	0	0	0,00	2	489.925	0,31
France	91	18.880.856	13,50	15	1.477.307	9,19	106	20.358.163	13,05
Allemagne	115	23.797.637	17,01	27	2.887.698	17,97	142	26.685.335	17,11
Grèce	4	445.593	0,32	3	213.342	1,33	7	658.935	0,42
Irlande	15	3.155.346	2,26	8	673.684	4,19	23	3.829.030	2,45
Italie	86	19.618.063	14,02	31	2.141.201	13,32	117	21.759.264	13,95
Luxembourg	23	1.680.633	1,20	1	74.184	0,46	24	1.754.817	1,13
Pays-Bas	29	6.642.062	4,75	17	1.636.639	10,18	46	8.278.701	5,31
Portugal	5	1.048.520	0,75	3	336.977	2,10	8	1.385.497	0,89
Espagne	31	7.929.794	5,67	14	1.254.213	7,80	45	9.184.007	5,89
Suède	0	0	0,00	1	56.145	0,35	1	56.145	0,04
Royaume Uni	103	24.781.046	17,71	22	2.265.423	14,09	125	27.046.469	17,34
TOTAL	601	139.897.979	100 %	175	16.072.589	100 %	776	155.970.568 (*)	100 %

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