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REPORT FROM THE COMMISSION

**on cooperation with European
non-governmental development
organizations (NGDOs) in respect of
developing countries**

(1993 financial year)

EXPLANATORY MEMORANDUM

1. At its meeting on 28 November 1977, the Council approved the procedure to be followed for using appropriations under Item B7-5010 of the Community budget for cofinancing operations with the NGDOs.¹

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

Accordingly, the Commission presents this report for 1993.

2. Although the Council's agreement concerned only appropriations under Item B7-5010, this report also covers other major spheres of cooperation with the 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.

¹ See Council document R/207/78 (GCD) of 26 January 1978.

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INTRODUCTION

Since its inception 19 years ago, cooperation between NGDOs and the Community has given tangible expression to the Community's participation in the support provided by Europe's citizens to the poorest groups in the Third World. It mainly involves the cofinancing of development programmes in the developing countries, campaigns to heighten public awareness in Europe, food aid and humanitarian aid. In recent years cooperation between the Community and the NGDOs has been still further diversified with the introduction of new budget headings as indicated in the report and the increase in the resources available.

In 1984 the Commission had only three budget headings for NGOs with a total financing of ECU 137 million. Ten years later, in 1993, the three headings had become more than thirty, and the modest budget of some ECU 130 million had grown to over ECU 700 million. Thus, in less than a decade, NGDOs' involvement in administering funds from the Community budget has increased fivefold, making NGDOs the institutional category outside the Community institutions with the biggest budget in absolute terms.

This shows that the Community's confidence in these organizations has grown steadily. NGDOs help create the basic conditions for self-reliant development and are also an effective instrument for dealing with emergency and post-emergency situations.

NGDOs' key role as EC partners calls for high standards of internal management and organization, and compliance with the rules on management and control laid down by the Commission and the Court of Auditors. The Commission, in conjunction with the NGOs involved, is also examining how to ensure greater visibility for the Union's activities in this field.

This 1993 annual report devotes a special chapter to operations cofinanced under heading B7-5010. Because of the large number of cofinancing operations, no list of projects and development education campaigns has been attached to the report with a view to keeping it within manageable proportions: lists can be obtained from the Directorate-General for Development (VIII/B/2).

EC COOPERATION WITH NGDOs IN 1993

In 1993 the Community contribution to operations carried out by NGDOs amounted to ECU 703.3 million, broken down as follows:

ECU 120.8 million for cofinancing development projects in the developing countries (Item B7-5010), an increase of 23.3% on 1992;

ECU 13.5 million for cofinancing public information campaigns in the Community on development issues (Item B7-5010), 18.4% up on 1992;

ECU 169 million for food aid (Chapter 72), down 33% on 1992;

ECU 5 million for the purchase of food products by NGDOs (Item B7-5011), up 25% on 1992;

ECU 200 million for humanitarian aid (Item B7-510), up 82% on 1992;

ECU 39.5 million for refugees and displaced persons (Article B7-302), roughly the same as in 1992;

ECU 4.8 million for aid to NGDOs operating in Chile, with a view to strengthening the democratic process and contributing to economic cooperation with Chile (Item B7-5013), up 7% on 1992;

ECU 5.7 million for drug abuse control (Item B7-5080), up 36% on 1992;

ECU 90 million for aid for victims of apartheid (Item B7-5070), up 12.5% on 1992;

ECU 16 million for assistance for rehabilitation programmes in Southern Africa (Item B7-5071), up 37% on 1992;

ECU 35 million for aid to NGDOs operating in the West Bank and Gaza territories (Article B7-4083), just over double the 1992 figure;

ECU 2 million for aid to NGDOs operating in Vietnam (Item B7-5074), up 33% on 1992;

ECU 1 million for aid to NGDOs operating in Cambodia (Item B7-5075), double the 1992 figure.

ECU 1 million for NGDO projects in the context of decentralized cooperation. (Item B7-5077)

This total contribution of ECU 703.3 million in 1993 represents an increase of 11% over 1992 (ECU 634 million) and a 46% increase over 1991 (ECU 480 million).

The wide range of budget headings open to NGDOs reflects their ability to operate in many sectors, particularly in fields where official Community aid cannot operate or where it is preferable to encourage operations via NGDOs. NGDOs also have an important role to play in the follow-up to humanitarian operations financed by the European Community in connection with reconstruction and rehabilitation and in furthering human rights and democracy.

Note that the above list covers only the most significant spheres of cooperation with NGDOs, and those in which NGDO activities are financed regularly and for sizeable amounts. In recent years, there have also been pilot and one-off operations, carried out by NGDOs to help developing countries and financed either from other budget headings or by the European Development Fund (EDF). Since these operations are administered on a decentralized basis by a large number of Commission departments, it was not possible to compile a detailed list for the purposes of this report.

The following chapters contain a more detailed account of the various areas of cooperation with NGDOs in 1993.

1. COFINANCING OF DEVELOPMENT PROJECTS AND PUBLIC INFORMATION CAMPAIGNS (Item B7-5010 of the budget)

1.1. Overview

In 1993 NGDOs again showed themselves to be well able to absorb the financial resources made available to them via EC cofinancing. The large number of requests was a direct consequence of projects and requests put to European NGDOs by partners in the South, and of the NGDOs' drive in mobilizing other financial resources, whether public or private.

ECU 135 million were entered in the 1993 budget as appropriations for commitment under Item B7-5010, a large increase compared with previous years. As in previous years, practically the whole sum had been committed by the end of the year, as the table below shows:

YEAR	AVAILABLE APPROPRIATIONS	COMMITMENTS (ECU m)	COMMITMENT RATE (%)
1976	2.5	2.5	100
1979	12.5	12.2	98
1982	28.0	26.9	96
1984	35.0	34.4	98
1986	46.0	45.0	98
1987	62.8	62.8	100
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

In 1993, the overall figures for cofinanced operations (development projects and information campaigns) were as follows:¹

1 226 cofinancing applications dealt with by the Commission's departments, requesting a total Community contribution of ECU 289.41 million (not including a very large number of applications submitted informally for the purpose of verifying whether a formal request would be eligible and ruled out following preliminary discussions with Commission staff);

727 operations cofinanced for a total Community contribution of ECU 134.3 million (in financial terms, 46% of the total applications handled);

220 applications, corresponding to requested financing of ECU 47.1 million, which were turned down or withdrawn (16%);

279 applications, representing financing of ECU 108.01 million, still under appraisal at the end of 1993 (37.3%).

The Commission was able to meet more requests in 1993 because the budget had increased by ECU 25 million compared with 1992.

Commission departments continued to handle a large number of requests, in accordance with the criteria and rules laid down in the General Conditions for Cofinancing.² 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 and its viability, and the potential multiplier effect for the target groups concerned.

The rigorous selection procedure which the Commission had to apply necessarily meant that some NGDOs which presented worthwhile projects had to be disappointed. As in the past, the Commission tried to uphold the basic principles on which cofinancing is based with a view to maintaining a high standard for the projects cofinanced, ensuring that "small" NGDOs have access to funds and that decision-making is rapid.

¹ A full list of development operations in the developing countries and campaigns to educate public opinion cofinanced by the Commission in 1993 may be obtained from the "Decentralized Cooperation and Cofinancing with NGOs" Unit (VIII/B/2), 200 rue de la Loi, 1049 Brussels.

² Commission of the European Communities, General Conditions for the Cofinancing of Projects undertaken in Developing Countries by Non-Governmental Organizations (reference VIII/764/87) and General Conditions for the Cofinancing of Projects to Raise Public Awareness of Development Issues Carried Out by Non-Governmental Organizations in the European Community (reference VIII/271/87).

The amount of payment appropriations under Item B7-5010 available in 1993 rose to ECU 115 060 000. Payments made in the course of the year amounted to ECU 115 059 000, of which ECU 67.6 million to finance commitments made in preceding years.

The increase in the 1994 cofinancing budget (to ECU 145 million) will help in trying to satisfy applications but it is only too likely that, as in the past, demand by NGDOs will continue to rise in coming years.

1.2. Cofinancing of development projects in developing countries

1.2.1. European NGDOs' sustained support for partners in the South

In 1993, as in previous years, the Commission channelled approximately 90% of the appropriations under Item B7-5010 into the cofinancing of operations conducted in the developing countries, the balance being earmarked mainly for cofinancing campaigns to increase public awareness in the Community.

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

1 018 cofinancing applications handled by the Commission for a total Community contribution of ECU 268 million (an increase of 25% over 1992 in financial terms);

192 applications, requiring financing of ECU 44.2 million, turned down or withdrawn;

244 applications, representing financing of ECU 103 million, were still at the appraisal stage at the end of the year;

582 operations cofinanced with a Community contribution of ECU 120.8 million (an increase of 23% over 1992).

It should be stressed that the Community continues to abide by the principle of giving special consideration to applications from new NGDOs. It helps new NGDOs to increase their level of professionalism, either directly or with the help of experienced NGDOs.

There was a modest increase in the financial scale of the projects cofinanced; the average Community contribution rose to ECU 207 478 per project in 1993, from ECU 202 417 in 1992.

1.2.2. Block grants

If a European NGDO has worked with the Commission satisfactorily for a number of years, the Commission may offer it an extra facility, namely access to the block-grant system.

NGDOs value the system highly because it offers them rapid and flexible financing for a wide range of mini-projects (e.g. the purchase of equipment, construction of small infrastructure, training, health, etc.) and allows them to meet the needs of the recipient groups with a kind of "capillary action". These mini-projects are often identified by NGDOs to complement the larger projects that they are supporting or they may serve to establish the initial contacts for cooperation with new partners in the South.

Between 1983 and 1993, the Commission cofinanced 914 block grants relating to 11 409 mini-projects accounting for a total of ECU 103.1 million. The average Community contribution was therefore ECU 9 037. The following table shows how block grants have evolved in recent years, with a rise in the amounts committed and the number of mini-projects carried out.

YEAR	AMOUNT OF BLOCK GRANTS	% OF COMMITMENTS UNDER ARTICLE	NO OF BLOCK GRANTS	NO OF MINI-PROJECTS	AMOUNT GIVEN BY THE COMMUNITY PER MINI-PROJECT (ECU)
1983	2.3	7	34	296	7 770
1984	3.1	9	39	383	8 202
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

1.2.3. Recipient groups and sectors in developing countries

A wide range of development projects were cofinanced in 1993. We have chosen examples to illustrate the recipient groups and the various sectors.

Among beneficiaries of NGDO projects women have assumed great importance.

The Commission cofinanced a number of projects that enhance the role of women in productive and income-generating activities in both urban and rural areas (projects in Argentina, Tunisia and Bolivia, for example), and provide vocational training (Mozambique and Lebanon), health education (Gambia) and support for organizations promoting women's rights (Morocco and Colombia).

Street children are another important group of beneficiaries - in recent years they have become a particularly vulnerable group in the large cities of the South. In 1993 the Commission cofinanced various projects aimed at reinsertion, training and prevention (Honduras, Mozambique and Rwanda) and setting-up vocational training centres (Brazil and Chile).

There were also projects aimed at, and involving, indigenous peoples and their representative organizations in areas such as protection of fundamental rights, productive development, bilingual education and environmental protection. The countries concerned included Bolivia, Colombia, Peru, Mexico, Thailand and India.

Disabled people form another important group of beneficiaries in the developing countries (training, reintegration and other projects in Nigeria Uganda and Sudan, for example).

Development projects in developing countries are inserted in different sectors.

As regards the sectors of activity, priority continued to be given to rural development, training and health in 1993. These are sectors that are important both in terms of needs and the number of initiatives emanating from people in the South themselves.

There were a good number of integrated development projects, this being a feature of NGOs' work and one of the best ways of triggering grassroots development.¹

Integrated development projects generally involve various types of groupings (peasant associations, small cooperatives, village associations, women's organizations, etc.) and embrace more than one sector, for instance combinations of agriculture, craft trades, training, health, environmental protection and the building of infrastructure.

A wide range of health projects were cofinanced in 1993: training and health education (India, Kenya, Iraqi Kurdistan and Nepal), community health and sanitation programmes (Bangladesh, Laos, Zimbabwe, Sao Tomé & Príncipe), mother-and-child health (Zaire and China) various hospital programmes (Tanzania and Sri Lanka). Family planning and mother-and-child protection were a priority in a number of developing countries (Ethiopia, India, Indonesia and Pakistan).

Productive projects have assumed a growing importance among the projects cofinanced in recent years. This trend was accentuated in 1993 with the cofinancing of projects such as: support for micro-enterprises in the informal sector (Paraguay, Peru and the Dominican Republic); development of the crafts sector (Lesotho and Guatemala);

¹ An evaluation of integrated evaluation projects is under way and the results will give us more detailed information about this type of cofinanced project.

livestock production (Mozambique); credit lines for small businesses via intermediary banks (Namibia).

A wide variety of projects furthered the essential objectives of sustainable development: food security, environmental protection, desertification control, training, credit, etc. (Zimbabwe, Mexico, Namibia and Brazil).

Training remains important: projects covered vocational training, training of instructors, training in appropriate technologies and the like (Indonesia, India, Brazil and Rwanda).

1.2.4. Recipient groups and countries

The 582 development projects cofinanced in 1993 were carried out in 106 developing countries.

The geographical breakdown was as follows:

	1993 (ECU m)	1993 (%)	1992 (%)	1991 (%)
- Sub-Saharan Africa	46.2	38.3	36.3	39.3
- Latin America	45.4	37.6	43.5	40.0
- Asia	22.4	18.5	15.5	13.8
- Mediterranean	4.8	4.0	3.8	6.0
- Pacific	0.5	0.4	0.4	0.9
- Other	1.5	1.2	0.5	-
TOTAL :	120.8	100.0	100.0	100.0

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

	1993 (ECU m)	1993 (%)	1992 (%)	1991 (%)
- ACP countries	51.4	42.5	38.5	44
- Non-ACP countries	69.4	57.5	61.5	56
TOTAL :	120.8	100.0	100.0	100.0

Some comments can be made on these two tables and the projects financed in 1993 and previous years.

In 1993 the downwards trend in financing for sub-Saharan Africa was reversed. There was also a marked increase in financing for Asia, while Latin America, which had enjoyed a major increase in funding the two previous years, fell back slightly.

It is difficult to give an exhaustive explanation for these fluctuations because differences in geographical breakdown from one year to the next are the result of a multitude of factors. Nevertheless, we can pick out some which give an overall picture. In the case of Africa, serious economic and social problems, political conflicts, dictatorships and civil wars have reduced the possibilities for project implementation by grassroots organizations.

Looking at the trends for individual countries in recent years, we see that some African countries, such as Mozambique, Cameroon, Namibia and Zaire (where NGO cofinancing is a way of continuing humanitarian aid to a country where official development assistance is suspended), have seen an increase in contributions, while those of Burundi, Rwanda and Sudan have diminished.

In Latin America, Brazil, Peru and Bolivia, for example, remain major recipients.

In Asia, India, traditionally the leading recipient, saw a further increase in cofinanced projects. There was also a large increase in Bangladesh.

1.3 Cofinancing of public-awareness campaigns in the Community

1.3.1 Sustained Community support for the NGDOs and the situation in 1993

From a modest beginning of 17 projects cofinanced at a cost of almost ECU 200 000, the budget has increased considerably in recent years. In 1993 145 projects totalling ECU 13.5 million were cofinanced, which accounted for some 10% of budget Item B7-5010. Between 1979 and 1993 the Commission cofinanced 1 177 awareness campaigns totalling ECU 81.7 million in the twelve Member States.

In 1993, the situation regarding requests and commitments was as follows:

- 174 cofinancing applications handled by the Commission (not including multiproject programmes) requesting a total Community contribution of ECU 19.97 million;
- 28 applications, requiring financing of ECU 2.9 million, turned down or withdrawn. These applications represented in financial terms 14,5% of the total number of applications handled;
- 35 applications, representing financing of ECU 5.01 million, still under appraisal at the end of 1993;
- 111 projects cofinanced, with a Community contribution of ECU 12.06 million (a 21.8% increase over 1992).

In addition, the Community cofinanced 34 multiproject programmes with a Community contribution of ECU 1.44 million.

1.3.2 Types of development education project

Schools are a key target of development education projects, the main aim of which is to produce teaching materials and train teachers to use the material and lead classroom discussion. The subjects are very varied, although there is a preference for general topics on North-South relations, cultural or daily life, the social and economic situation in the developing countries, the environment and so on. Note that school-curriculum reforms in some European countries have given the NGDOs an opportunity to get development education included in the school system.

Other target groups of awareness-raising campaigns are policy-makers, NGDOs themselves (members and partners), young people, the media, etc. Some of the topics covered in projects cofinanced in 1993 include: Europe after 1993 and the developing countries; international trade and North-South relations (in connection with GATT); democracy and development; environment and development, North-South intercultural relations, immigration and development, fair trade, and the like.

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

1.3.3 Alternative trade: an example of development education

Various groups, cooperatives, associations, etc. throughout Europe (within and without the Community) have been working for years to promote fair trade in a spirit of solidarity, and have achieved a good degree of international organization: European Fair Trade Association (EFTA), Transfair International, Max Havelaar, Oxfam-UK, Cooperazione Terzo Mondo, Magasins du Monde, etc.

A feature of alternative-trade projects is the slightly higher than normal price which the consumer is willing to pay (thanks to the influence of NGDO campaigns) in the interest of better earnings for small producers.

Thus fair trade offers not only a label of quality for consumers in the North but also a contribution to development initiatives in the South. These projects make it possible to combine better prices for Southern producers that are acceptable to consumers while ensuring product quality and market transparency, a basis for the system's success and an advantage for consumers.

The main products sold in this way are: coffee, tea, cocoa, chocolate, dried bananas, medicinal plants, dried fruits and seeds, jute products, craft products, textiles and stationery.

In 1992 and 1993 the Commission provided specific financing for 11 development education projects on fair trade issues in six Member States (the Netherlands, Belgium, Germany, United Kingdom, Ireland and Italy). Their main aims were to:

- raise public awareness about fair trade and relations between the developing world and the North;
- promote the idea of solidarity in connection with consumption in Europe and an equitable, sustainable development in the South
- educate and inform the public at large about the situation of small producers in the South and the difficulty of getting their products onto the world market;
- promote coordination and complementarity between the systems set up by various initiatives to promote alternative trade in the Member States.

1.4 Cofinancing programme from 1976 to 1993

The cofinancing programme under Item B7-5010 was launched in 1976 on a trial basis with a small amount of commitment appropriations (ECU 2.5 million). In following years these appropriations were gradually increased, partly as a result of the active support given by Parliament, and in 1993 reached ECU 135 million. The table in paragraph 1.1 shows the rise in the appropriations available under Item B7-5010 since 1976.

During this period, 6 755 NGDO projects were cofinanced; the total Community contribution to these projects was ECU 886.9 million.

The breakdown of projects in the developing countries and education campaigns was as follows:

1976-1993	NUMBER OF PROJECTS	EC CONTRIBUTION (ECU m)	%
Projects in developing countries	5 579	805.1	91
Education projects	1 176	81.8	9
TOTAL	6 755	886.9	100

5 579 development projects were carried out by 593 NGDOs in 122 developing countries.

The geographical breakdown of Community contributions to these projects is as follows:

1976-1993	ECU m	%
Sub-Saharan Africa	328,7	40.8
Latin America	281.5	35.0
Asia	147.9	18.4
Mediterranean	39.8	4.9
Pacific	4.8	0.6
Other	2.4	0.3
TOTAL	805.1	100.0

The ACP countries received 43% and the non-ACP countries 57% of the total Community contribution.

Tables I and II in the Annex show respectively the breakdown by recipient developing country and by Community Member State.

1 176 education campaigns were implemented by 382 NGDOs in the twelve Member States.

Roughly half of all projects cofinanced and 58% of all commitments took place in the last five financial years, from 1988 to 1993. This reflects not only the rapid growth of the cofinancing programme over the last few years but also an increase in the average financial scale of the projects cofinanced, mainly as a result of inflation and the emergence of larger projects conducted by consortia of NGDOs. The average Community contribution to projects in the developing countries thus rose from ECU 123 000 in 1985 to ECU 207 498 in 1993, and the average contribution to education campaigns from ECU 82 027 to ECU 93 096.

1.5 Evaluation

Since the end of 1991 the Commission has launched four thematic evaluation exercises concerning projects cofinanced with the NDGOs in the developing countries. They cover:

- (a) institutional support for grassroots organizations;¹
- (b) vocational training;²
- (c) integrated development;
- (d) savings and loans projects.

The 1992 annual report contained a summary of the main conclusions of the first two evaluation exercises; the other two are under way and summary reports will be ready in 1994.

1.5.1 Evaluation of savings and loans projects

The specific objective of this evaluation exercise is to assess the relevance, quality and sustainability of operations conducted by the NGDOs and cofinanced by the Commission in the field of savings and loans. Savings and loans projects may encompass activities aimed at helping to develop and diversify business initiatives, particularly at grassroots level, to increase recipients' income and to promote the emergence of new agents of development.

¹ COTA Evaluation of EC-NGO cofinancing for institutional support for grassroots organizations. Summary report, Brussels, March 1993.

² SACED Evaluation of NGO vocational training projects cofinanced by the EC. Summary report, Paris, February 1994.

Although the summary report of this thematic evaluation is not quite ready, some conclusions can already be drawn.

In the South we can pick out three types of organization which are developing a different approach: (a) NGDOs that specialize in this type of project, i.e. they not only offer credit, they themselves constitute a credit system; (b) NGDOs with multiple activities (education, health, etc.): if credit is an important part of their work, they will create a special structure to handle credit activities; (c) grassroots organizations: credit operations directly run by such organizations generally fail to give good results, which is why they often set up separate structures to handle credit operations.

The term "savings and loans" is in fact ambiguous because it embraces two sectors: the objectives, methods and organization will differ radically depending on whether the aim is to mobilize savings or provide credit.

Note also that the more the beneficiaries are involved in the system's decision-making, the greater the need for organization and training of beneficiaries and their representatives, plus guidance for running the structures thus created.

The credit requirements of groups defined as "marginal" are structural and call for a structural response, namely permanent organizations offering viable solutions. This demands a high level of professionalism and organization on a greater scale than is traditional and the creation of special banks. This is where EC cofinancing with NGDOs comes in useful. It can, and does, provide a "laboratory" for trying out new structures and then providing financing during the start-up phase. It is a good tool that has proved its value.

1.5.2 Evaluation of integrated development projects

Evaluation of projects on the ground took place in the summer of 1993: of the 23 projects selected, 16 were evaluated on the spot (6 in Africa, 6 in Latin America and 4 in Asia) and the other seven on the basis of project dossiers.

1.6 Relations with the NGDO Liaison Committee

Over a period of 20 years the Commission has built up close relations with the NGDO Liaison Committee, which is a democratic umbrella group for more than 700 European NGDOs. There is a representative from each Member State, elected by national platform.

Once a year the Committee holds a General Assembly, which is the association's supreme body. The 19th Assembly took place on 14-16 April 1993 and had as its theme "European Development Policy". There were four workshops where NGDO representatives discussed poverty, sustainable development, democracy and development, and migration. A number of recommendations were adopted.

The Commission has regular meetings with the Committee to discuss NGDO-related issues such as development policy and financing, development education and the like.

In 1993 the Committee put forward proposals to the Commission aimed at improving the rules on NGDO cofinancing and simplifying the procedures.

1.7 Conclusions and outlook

In 1993, 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 from ECU 480 million ECU in 1991 to ECU 634 million in 1992 and ECU 703 million in 1993.

Non-governmental development aid will have an increasingly important role to play in meeting the challenges generated by a greater commitment and a greater show of solidarity on the part of Europe vis-à-vis the developing world. To assume this role fully, they must try to become more professional as regards the nature and formulation of their objectives and their financial management, which should be sound and transparent.

Inter-organizational coordination also needs to be stepped up in the interests of increasing the impact of their projects in the South and the involvement of the general public in the North.

Although the EU's aid is directed to all developing countries, there are some geographical areas, such as the Maghreb, where NGDO activities are still thin on the ground. Our historical, geographical and cultural links with these countries, and the seriousness of the socio-economic problems engendered by large migratory movements into Europe, lead us to act together to take practical steps to foster the development of their civil societies, a task for which the help of European NGDOs will be needed.

Lastly, it is important that European NGDOs strengthen their links with NGOs and grassroots organizations in the South so that they are more receptive to new initiatives from the South.

II. OTHER AREAS OF COOPERATION WITH NGDOs

2.1 Food aid channelled through NGDOs (Chapter 72 of the budget)

In 1993 Community food aid channelled through NGDOs totalled ECU 169 421 000.

This accounts for 27.2% of all EC-financed food aid.

Food aid allocated under the 1993 programme was up by 7.2% on the 1991 figure (ECU 158 040 000).

The programme of food aid channelled through NGDOs is run by EuronAid, a service agency established and managed by 24 European and international NGDOs which are among the principal handlers of Community food aid. The procedures governing the delivery and use of aid by NGDOs, and the justifications they have to provide are decided by the Commission in consultation with EuronAid.

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

The overall total of products made available to the NGDOs under the programme breaks down as follows:

PRODUCT	QUANTITY (tonnes)	% VARIATION ON 1992
Cereals	367,780	+19.0
Skimmed milk powder	16,692	+10.5
Sugar	3,661	+6.5
Vegetable oil	22,075	+32.8
Legumes	41,428	+29.5
Dried fish	156	-55.2

A. Types of operation

In 1993 NGOs implemented operations in the following sectors (calculations based on tonnage):

	1993	1992
Development projects	47%	17%
Projects to aid refugees	4%	5%
Social assistance projects	16%	28%
Relief operations (famines, displaced persons, etc.)	32%	50%

As the table below shows, a relative improvement in the food situation in most of the developing world after the famine that called for a special programme in 1991-92 meant that programmed food aid could once again be used to finance development projects, which is the principal aim.

Projects so financed fell into the following categories:

Development

Food for work	20%
Training	2%
School meals	2%
Nutrition	4%
Rehabilitation	10%
Other	9%
TOTAL	47%

B. Examples of projects

1. *Food for work in Vietnam - OXFAM (B)*

Since 1989 500 000 people in Vietnam have taken part in food for work programmes run by OXFAM and financed by the European Commission.

Under the 1992-93 programme 4 300 tonnes of wheat flour were sold for about ECU 750 000, which was used to buy 5 019 tonnes of rice locally. The work supplied was used for 10 projects to build dams and dykes and carry out drainage and irrigation works in the Nghe An, Ha Tinh and Thanh Hoa regions. The aim is to protect the land against salt and rain water and so increase the area under cultivation. These projects were made possible by food aid. These particular projects directly involved 150 000 people who previously endured food shortages for more than three months in the year.

2. *Purchase and distribution of 4 000 tonnes of seed in Peru - Caritas (Peru)*

The first phase of this rehabilitation programme, which was initiated after the great drought of 1992, was carried out in 1993. The programme was designed to aid farmers in the Sierra region who had lost their crops after the unusually severe drought. The Commission financed the purchase of 4 330 tonnes of seed, which were distributed to farmers of the "Sierra Central", who were among the worst hit by the 1992 drought. A lower than forecast purchase price obtained by the programme meant that 8% more than the proposed quantity was bought.

The programme involved the distribution of seed, the setting-up of revolving stocks and seed-growing nurseries. The recipients undertook to return a corresponding amount of seed. They were thus able to return to their traditional eating habits, conserve stocks for the next marketing year, "repay" the seed loan from the revolving stock and slowly improve their living conditions.

In 1993 69 500 families that benefitted under the programme were able to cultivate 4 115 hectares using the seed thus provided.

3. *Soil and water conservation programme in Eritrea - LWF/ECE*

The programme provides for the building of 18 dams in three years (1993-95) and is coordinated by the three ministries concerned (Agriculture, Energy and Health). Each dam will cost about ECU 140 000 to build.

Apart from the LWF project staff, all the work is done by the people concerned in return for food aid - on average 1 500 tonnes of cereals and 60 tonnes of vegetable oil to some 1500 participants.

The works carried out should ensure a permanent supply of water for 90 000 to 100 000 people. The health component of the project aimed at improved hygiene, possible thanks to the new water supply.

2.2 Cofinancing for the purchase of food products and seeds by international organizations and NGOs (B7-5011)

The entire ECU 5 million budget for 1993 was allocated to NGOs. Some twenty projects have already been approved: ECU 3.7 million, 77% of the budget, went to Africa, while Latin America got 17% and Asia only 6%.

A large proportion of the 1993 projects was concerned with rural development - about half the projects approved involved provision of seeds and/or tools. Rural development and food security do not depend solely on the sowing of seeds, however - much emphasis was laid on education and food for work projects. Most food products were bought on local markets, giving regional commerce a boost.

Example: soil conservation in El Salvador - CRS

This cofinanced operation is part of a much larger soil conservation programme. The beneficiaries received food from the WFP and their contribution to the project was put at about 25% of the total.

The Commission cofinanced the purchase and transport of seeds for both food crops and plants to conserve the soil. The NGO supplied technical assistance and training for the peasant farmers. Soil erosion is a big problem in certain parts of the country and action on this front can only improve food security and promote development.

2.3 Community contribution to storage programmes and early warning systems (B7-2071)

Both the number of projects and the amount of financing accorded under this heading doubled in 1993 following an information campaign mounted by EuronAid in 1992.

The ECU 1 087 450 accorded in 1993 was used as follows:

ECU 489 600 for building food storage facilities in Nicaragua and Zimbabwe;

ECU 166 100 for a risk-mapping system to identify groups at risk in certain situations, such as bad harvests, price fluctuations, interruption of trade flows, etc, in six African countries: Ethiopia, Mozambique, Mali, Malawi, Sudan and Kenya;

ECU 291 750 for setting up an early-warning and food-security system in the Darfur region of Sudan to deal with famine and lack of food security among vulnerable groups (2 500 000 people):

ECU 140 000 for a study of the impact of the corn weevil on the cereals market and food security in West Africa with the aim of identifying the measures needed to control this pest in the region.

2.4 European Community Humanitarian Office

2.4.1. ECHO: background and mandate.

Although ECHO was formally set up in April 1992, 1993 was the first full year of operations for the new organisation.

The Commission mandated ECHO to take full responsibility for a coherent administration of the following tasks (outside the borders of the Union) which had previously been carried out by several services within the Commission:

- (a) Humanitarian Aid
- (b) Emergency Food Aid
- (c) Prevention and disaster preparedness activities

Priorities were: concentrating and re-organising the Commission's internal resources; achieving increased efficiency through better external coordination with ECHO's partners (NGOs, UN agencies and international organisations); establishing closer relations with Member States; initiating work on disaster preparedness; engaging in direct actions if other solutions were not available or inadequate.

ECHO has in addition been entrusted with ensuring coherent Commission policy and action in favour of refugees in conjunction with other relevant Commission services.

2.4.2. Operations.

Throughout 1993 ECHO responded to the pressing needs of victims of catastrophes in around 50 developing countries across the globe involving over 700 contracts of humanitarian aid for a total of 605 MECU. From the Union's budget the share amounted to 515 MECU including a reserve of 212 MECU; from the Lomé III & IV Conventions a total of 90 MECU.

Geographically this went to ex-Yugoslavia (63.4 per cent), ACP countries (16.1 per cent), the republics of the former Soviet Union (8.2 per cent), Iraq (3.4 per cent), the rest of Asia (3.2 per cent), Latin America (2.0 per cent) and North Africa (3.6 per cent).

In all theatres of disaster and conflict it is partners, primarily experienced and competent NGOs, who execute, and in many cases initiate, the humanitarian effort funded by the Commission.

- a). **Former Yugoslavia:** the Union's aid to the 4.5 million victims of the conflict is a manifestation of its support and solidarity, with 685 MECU contributed by the Commission since the beginning of the conflict. Together with the EU member states' contribution of 276 MECU, the combined EU effort is close to 1 billion ECU or **65 per cent of the global international aid to the conflict**. For 1993 alone, Commission humanitarian aid to the former Yugoslavia totalled 395 MECU or 63.4 per cent of all humanitarian aid administered by ECHO during 1993. Of this amount about 38.3 per cent has been channelled through NGOs. In these operations the European Community Task Force (ECTF) in Zagreb has been particularly successful with regard to the logistic support provided for implementing agencies such as UNHCR and various NGOs.
- b) **ACP countries** saw a total of 100.1 MECU directed towards the victims of conflicts, droughts and other natural catastrophes. Of this amount around 82.2 MECU was financed through Art. 254 of the Lomé IV Convention and 7.8 MECU through the Lomé III Convention. Special mention should be made of those ACP countries where populations suffer from the effects of different kinds of conflicts, such as in: Angola, Burundi, Liberia, Mozambique, Rwanda, Somalia, Sudan, Zaire, and Haiti. These countries have taken up about 80 % of the resources allocated to ACP countries.
 - **Burundi:** with ethnic violence unleashing a massive exodus of people to neighbouring countries, immediate assistance (food, shelter and medical attendance) of 6.5 MECU was enlarged subsequently with NGO and UN partners into a global plan for 18 MECU.

- **Somalia:** 12.3 MECU funded medical and sanitary assistance, water supply projects and hygiene facilities to civil war victims. A further 2.4 MECU went mainly in support of Somalian refugees in camps in northern **Kenya**.
- **Sudan:** 10.4 MECU allocated mainly for the south of the country for air-lifted food aid and other relief items as well as medical and support personnel.
- **Liberia:** 9 MECU for food aid, medical and sanitary assistance as well as shelter to the victims of the civil war.
- **Angola:** ECHO funded operations in this theatre of prolonged civil war for 7 MECU mainly for medical and sanitary assistance, food aid, kitchen utensils and shelter.
- **Zaire:** 7.8 MECU provided in humanitarian aid towards displaced persons in the Shaba and Kivu Provinces. The aid has included food aid, medical and sanitary assistance, shelter and utensils.

Other major ACP recipients of ECHO aid were: **Mozambique, Haiti, Ghana, Benin, Fiji and Djibouti.**

- c). **Ex-USSR.** Operations totalling received 51.3 MECU went to stricken populations in these countries during 1993. Action was at first difficult to initiate given the relatively few experienced partners, especially NGOs, on the ground.
- **Armenia, Azerbaidjan and Georgia** accounted for two thirds of aid to the CIS. Almost 2 million refugees and internally displaced people fled from the Nagorno-Karabakh dispute and the civil war in Georgia. Aid has consisted of shelter, medicines and food supplies while in Armenia it also went to rehabilitation of mini-hydro electric plants (for heating) and seed potatoes.
 - **Tadjikistan and Kyrgyzstan:** funding totalling 9.3 MECU met acute needs for heating material, food and medicines in a situation where up to half the population in many areas was vulnerable.
 - **Russian Federation:** humanitarian aid of 4.8 MECU included medical assistance countrywide and canteens in Moscow.

- **Ukraine:** aid of 0.9 MECU covered medicines following severe floods; specific assistance to Chernobyl victims (0.5 MECU) comprised assistance to the Ukraine, the Russian Federation and Belarus.

- d). **Iraq.** Humanitarian relief totalling 21.5 MECU for 39 projects was provided during 1993. ECHO-funded projects mainly covered food aid, mine clearance, rural rehabilitation and medical assistance. Close liaison is maintained with actors in the field, notably NGOs to keep under review the difficulties in implementation and future needs for the whole country.
- e). **Asia.** Recovery from the conflict progresses in **Cambodia** and there are hopes that recovery will resume in **Afghanistan**. About 5 MECU went to these 2 countries from ECHO in 1993. In Cambodia, resources have been mainly concentrated on mine clearance and medical aid for returning refugees; in Afghanistan food aid went to victims of earlier fighting in Kabul and to Tadjik refugees forced to remain in the country.

In **Nepal**, 1.8 MECU paid for medical assistance and shelter to Buthanese refugees and to flood victims. In **India**, 1 MECU went to victims of the earthquake in Maharashtra State. **Pakistan** received 0.5 MECU to combat locusts. **Mongolia** was granted 1.8 MECU in food aid and medicines for victims of a severe winter.
- f). **Palestine/Israel.** After the Israel-Palestine peace agreement humanitarian aid was needed to assist the return of Palestinians to Jericho and Cisjordania. For the whole of 1993, 10.4 MECU went towards humanitarian aid in the territory, including medical supplies and medicines to hospitals, shelter and basic health care.
- g). **Latin America.** A total of 12 MECU was allocated in 1993, almost 8 MECU of which went to **Cuba** for victims of a hurricane and of floods and for a neuropathy epidemic. Subsequently, ECHO provided family parcels specially designed to improve the nutritional status of the population exposed to this disease as well as medicines and sanitary products. Tropical storms leading to damage and flooding prompted ECHO to provide humanitarian aid (mostly medical assistance and shelter) to **Colombia, Ecuador, Nicaragua, and Honduras**. Aid to Colombia went also to victims of earthquakes and to those hit by epidemics of cholera in **Brasil, Bolivia and Peru**.

2.4.3. Working with partners.

In ECHO's relations with its partners, especially with Non-Governmental Organisations, this was a year of major innovation, re-organisation and consolidation of relations. NGOs, after all, are ECHO's primary operational partners in the field. In 1993 a total of 200 MECU or 44 per cent of all operational funding decided by ECHO was deployed in partnership with NGOs.

The beginning of the year ushered in a major debate within the NGO community and between NGOs and ECHO about the shape and nature of their future relationship. The apex of the dialogue was reached in May when ECHO produced a first draft of its proposed Framework Partnership Agreement (FPA).

It had become necessary for the Commission to structure and institutionalize its long-term relations with these organisations.

Hence, the Commission adopted on 5 May 1993 the model of the Framework Partnership Agreements aimed at speeding up procedures and simplifying decision-making. Implementation of humanitarian operations is now considerably simplified as the negotiation of the operational conditions on a case-by-case basis for each action is no longer necessary and the operation contract has been reduced to the terms specific to each action (amount, location, length etc).

This new instrument thus meets wishes often expressed by partners and enables ECHO to structure and institutionalize its relations with the NGOs and international organizations involved in the field of humanitarian aid on the basis of clear and known rules.

The Framework Partnership Agreements went into operation in September 1993. To date, around 80 NGOs and international organisations have concluded the Framework Partnership Agreements with the Commission (the full list of partners is shown in **Annex 1**). The first 360 operational contracts have been signed using the new Framework Partnership format.

On 13 December the European Commission and the United Nations High Commissioner for Refugees (UNHCR) signed the Framework Partnership Agreement. It is expected that other UN organisations will follow.

Around 94 per cent of resources administered by ECHO are channelled through its partners of which NGOs account for 44 per cent, and UN agencies for 35 per cent, and other organisations for 11 per cent. Only around 6 per cent were carried out as "direct actions" by ECHO. It should be noted that even "direct actions" in most cases depend on NGOs (often local) who help with the distribution of aid in the field.

One issue much debated between the Commission and NGOs in relation to humanitarian aid was that of visibility. In dealing with visibility of EU humanitarian aid, ECHO has been guided by two main considerations. Firstly, that visibility should not be an end in itself but the means to create public awareness and generate the goodwill necessary to mobilise the material resources for humanitarian action. Secondly, that this projection should be done in partnership with the NGOs and international organisations that are financed by it in the field.

The partnership agreements with NGOs have to some extent formalised the arrangement whereby their visibility will now be matched by that of the EU in ECHO-financed operations. This is now being widely implemented with few problems.

2.4.4. Improving management.

Improving assessment, decision-making, speed and efficiency of delivery of aid to victims are overriding concerns in the Commission's management of its humanitarian aid. In efforts to improve performance under these headings, ECHO seeks to engage its partners in dialogue.

Consideration is currently being given to the best mandate and working method for a Forum on humanitarian matters, the principle of which was set out in the Framework Partnership Agreements.

Programming. ECHO cannot, almost by definition, predict or programme in any meaningful way future humanitarian actions. But its aim has been a maximum degree of readiness. Improved management tools within ECHO, the Framework Partnership contracts with partners and the network of ECHO Coordinators on the spot in important disaster areas will put ECHO in a better position to cope with future humanitarian challenges. Improved coordination between actors in theatres of operations is a priority.

Disaster preparedness activities, the Commission recognizes, should be given greater emphasis in both development and relief programmes and can help to limit the adverse effects of disasters on long term development and reduce the cost and necessity of short-term relief aid.

In executing its mandate in this field ECHO is seeking to find out what is going on in this field, whether carried out by Government agencies, national NGOs or scientific institutions.

Military assets have come increasingly under review as traditional resources of organisations such as the Red Cross and humanitarian NGOs have been increasingly overstretched. Attention has focused on the possibility of making more systematic use of the potential of armed forces so as to provide well-organised, trained and equipped support to the civil authorities and emergency services of a country or region facing a disaster. In an international standing co-ordinating group set up to supervise development of guidelines, ECHO was asked to participate, along with a number of other organisations, states and NGOs.

Information Technology. By its very nature, ECHO is exceptionally dependent on a good information system. To become more efficient as its mandate stipulates ECHO was obviously obliged to adopt modern information technology in all its operations. Its plan emphasizes the need to use external databases to the largest extent possible. Consequently, ECHO is actively pursuing access to all available databases through international networks and wishes to link up with NGO networks in due course.

2.5 Aid towards self-sufficiency for refugees, displaced persons and voluntary returnees in Asia and Latin America (B7-302)

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

The appropriations have increased steadily since 1984. In the period 1984-93 a total of ECU 288 173 000 was spent on over 250 projects implemented by many NGOs (European and local), international organizations (primarily the UNHCR) and government agencies.¹

In 1993 51 projects were financed under Article B7-302 for a total of ECU 65 000 000: ECU 45 000 000 (69.3%) in Asia and ECU 20 000 000 (30.7%) in Latin America. Of these projects, 35 were cofinanced with NGOs, of which 19 (ECU 32 280 000) in Asia and 16 (ECU 7 300 000) in Latin America, for a total amount of ECU 39 580 000, i.e. 53% of the total committed in 1993.

¹ A Commission working document, SEC(92) 2426 - "Community aid to refugees, displaced persons and returnees in the developing countries of Asia and Latin America" outlines the aid granted in 1990-91.

The programmes implemented in 1993 for refugees, displaced persons and returnees are broad in scope and geographical spread. They remain in line with the action plans adopted at the international conferences on refugees in Central America (CIREFCA, Guatemala, 1989) and on Indochinese refugee¹ (Geneva, 1989). The international institutions also receive aid for their care and maintenance (UNHCR) and repatriation (UNOCHA,²UNHCR³) operations.

In Asia, the NGOs are fostering self-sufficiency through new projects in the areas of mine clearance, health and rural rehabilitation in Afghanistan, care and maintenance and health in Bangladesh for Rohingya refugees and health in Thailand.

Eight NGOs, coordinated by three TA consultants, are involved in an ECU 8 million rehabilitation programme in Cambodia for returnees. The programme embraces health, education, agriculture, infrastructure and mine clearance. Apart from this programme, 19 projects were implemented in Asia in 1993, 10 of them for Afghan refugees and returnees, three of them for Rohingya refugees, two for Vietnamese refugees, two for Lao refugees and one for Tadjik refugees.

In view of the peace process under way in Central America, Community aid since 1990 has focused on repatriation and resettlement of returnees or potential returnees. Currently, the focus is on the return of Guatemalan refugees. Projects cofinanced and executed in 1993 by European and local NGOs in the region involved the promotion of productive activities in agriculture and livestock production, vocational training, the development of essential health services, health staff training, and improvement of infrastructure.

Of the 16 projects executed in Latin America, two concerned Guatemalan refugees in Mexico, three were for displaced persons and demobilized soldiers in El Salvador, and 11 concerned the resettlement of returnees (El Salvador and Guatemala).

¹ Vietnam and Laos.
² Afghanistan.
³ Cambodia.

2.6 Aid for NGOs operating in Chile (B7-5073)

Budgetary item B7-5073, first included in the Community budget in 1986, was allocated an appropriation of ECU 4 850 000 million in 1993, ECU 2 850 000 million of which for NGOs. Its aim is to help the people of Chile through NGO projects and to contribute to economic cooperation with Chile.

Of the available funds, ECU 2.85 million was used to finance 42 projects, and the remainder was used for economic cooperation. As in previous years, all Item B7-5073 resources were committed.

The breakdown of operations cofinanced under Item B7-5073 in 1993 was as follows:

BREAKDOWN OF OPERATIONS COFINANCED IN 1993
UNDER ARTICLE B7-5073 OF THE BUDGET

	Number of operations	EC contribution	
		ECU	%
<u>Democratization</u>			
Human rights	3	186 304	6,5
Promotion of women	4	188 396	6,5
Unions	2	100 000	3,5
Ethnic minorities	4	123 719	4,5
Improving living conditions	7	670 707	23,5
Health	5	257 135	9
Education/training	6	554 528	19,5
Economic activities			
- microenterprises	3	212 383	7,5
- campesinos	5	343 131	12
Other	1	50 000	2
Young people	2	160 000	5,5
<u>TOTAL</u>	42	2 846 303	100
<u>Economic cooperation contract</u>		2 000 000	
<u>TOTAL</u>		4 846 303	

Projects financed in previous year have been, or are being, completed with very encouraging results in most cases. Between 1986 and 1993, a total of 334 projects received financial support amounting to ECU 29.1 million from the Community.

2.7 Programme of North-South cooperation projects in the campaign against drug abuse (B7-5080)

Of the ECU 12 997 598 total committed in 1993 for 39 projects, ECU 5 690 905 (43.8%) went to 25 projects implemented by NGOs.

The geographical breakdown was as follows:

Latin America	32.3%
Asia	30.1%
Sub-Saharan Africa	2.0%
Mediterranean	23.7%
Other	17.9%

2.8 Cooperation in the field of rehabilitation in 1993

Developing countries emerging from war or a serious crisis with fragile economies, ruined infrastructure and a social fabric in tatters need an interim period of rehabilitation. Rehabilitation aid bridges the gap between relief operations and the resumption of programmes to promote long-term development.

Rehabilitation must gradually take over from, and reduce the need for, humanitarian aid, while preparing the ground for a revival of the economy and political and social transitional measures.

2.8.1 Special Initiative for Africa

On 25 May 1993, under the Danish presidency, the Council allocated ECU 100 million for special rehabilitation programmes under the title "Special Initiative for Africa". Five countries were singled out as having the most pressing post-emergency rehabilitation requirements: Somalia, Ethiopia, Eritrea, Mozambique and Angola.

The Council conclusions highlighted the importance of transforming Community aid to these countries into rehabilitation aid, a process to be coordinated with the UN agencies and other donors, and with the involvement of NGOs.

In a communication presented in May 1993 (COM(93)204) the Commission emphasized that similar programmes were needed in non-ACP countries (Lebanon, Cambodia, El Salvador, etc.) and proposed that a special programme be launched.

The European Parliament adopted a resolution on 16 November 1993 indicating that a special programme alone was not sufficient and that a specific heading (B7-5076 "rehabilitation and reconstruction measures for developing countries") should be created in the Community budget and adequately funded.

A detailed list of the rehabilitation operations under way in the five countries covered by the Special Initiative for Africa was sent to the Council of Development Ministers on 2 December and updated on 31 December 1993. It showed that a large amount had already been committed since 1991/92 (ECU 373 million) and that ECU 159 million had been paid out. The list also showed that ECU 140 million had been committed by new decisions under the Special Initiative since 25 May. NGOs have played an important role in all these operations.

2.8.2 Design, scope, eligibility criteria and financing of rehabilitation programmes

The nature of rehabilitation aid was defined more precisely by the Council in December 1993 as programmes that are a transitional stage between humanitarian/emergency aid and the resumption of long-term development programmes. Candidates for rehabilitation are countries that are emerging from a serious crisis or war or that have economies seriously damaged by other factors, such as natural disasters.

At the end of 1993, the following countries were receiving rehabilitation aid: Somalia, Ethiopia, Eritrea, Mozambique, Angola, Liberia, Cambodia, Lebanon, El Salvador, Guatemala and Nicaragua. Other countries may be added to the list in the course of 1994.

Rehabilitation programmes may embrace a wide variety of activities that fall into four broad sectors:

- getting productive plant running again;
- repairing essential infrastructure;
- reintegrating groups such as refugees, demobilized soldiers and displaced people back into society;
- rebuilding institutional capacity.

Eligibility criteria have not been formally defined. However, certain crucial elements were established by the Council on 2 December.

- request from partners in the country concerned;
- a disaster situation that prevents essential needs being met;
- actual commencement of a transition process in compliance with democratic values and fundamental freedoms;
- capacity of the administration and/or partners concerned to implement rehabilitation operations.

The Commission decides on the need for, and nature of, a rehabilitation programme after weighing up these different factors.

There are various sources of funds for these programmes.

For ACP countries the main source of financing is the EDF. Resources available under the National Indicative Programmes, Stabex or Article 255 can be topped up with funds from certain budget headings available for rehabilitation aid.

As regard rehabilitation actions in the field of social services and small-scale infrastructure, preference is given to NGOs. This is the case of the majority of operations financed under Article 255 (aid for refugees, demobilized soldiers and displaced persons), heading B7-5071 (rehabilitation in southern Africa), heading B7-5011 (purchase of food, seeds and tools) and heading B7-5010 (NGO cofinancing operations).

It should also be noted that NGOs are carrying out a significant proportion of recently decided operations under National Indicative Programmes. In non-ACP countries the resources obviously come from the EC budget.

2.8.3 Role of NGOs

NGOs play a very important role in implementing Community-financed rehabilitation programmes - their knowledge of the countries concerned, their capacity to act fast, the different approaches they bring to bear and their contacts with local people are all extremely useful in a post-emergency situation.

Since the Council launched its special initiative on 25 May, the role of NGOs has been recognised as regards the design of rehabilitation programmes, and close working relations have been forged between NGOs and the Commission departments concerned.

The Liaison Committee has agreed to centralize and classify the proposals emanating from individual NGOs and since August 1993 it has been sending the Commission full dossiers. The dossiers received concerned five countries (Angola, Ethiopia, Eritrea, Somalia and Mozambique) and gave a summary of the rehabilitation requirements identified by NGOs plus a collection of rehabilitation-project profiles grouped by sector. A total of 320 operations have been proposed at a total cost of ECU 173 million, of which ECU 145 million was requested in Community financing. Almost all the proposals concerned small-scale projects to do with agriculture, social infrastructure and the reintegration of refugees and returnees, fields where NGOs have proven experience.

Coordination with NGOs initiated in Brussels but has developed above all at a local level. In each of the five African countries concerned an NGO volunteered to coordinate the individual initiatives. On the basis of dossiers established by the Liaison Committee and additional information gathered on the spot, the Commission Delegations and National Authorizing Officers have been examining proposals with a view to deciding on the scale and scope of complementary rehabilitation programmes.

The ability of the Commission to finance NGO-proposed operations depends primarily on the attitude of the national authorities to European and local NGOs and their willingness to allocate a portion of development cooperation funds to decentralized projects. These authorities have a legitimate concern that NGO operations conform to sectoral priorities and bring additional resources to the country. This is why there is greater NGO participation in rehabilitation operations in ALA developing countries than in the ACP States, and why non-programmed aid (budget and Article 255) is more likely to be used for this purpose in ACP States than programmed NIP aid. The more limited role of NGOs in ACP rehabilitation programmes and the lengthy procedures involved are the result of reticence on the part of some national authorities towards the possibilities afforded by decentralized cooperation.

2.8.4 Budget heading B7-5076

This new heading was included in the 1994 budget for the purpose of financing rehabilitation programmes in all developing countries. It thus covers the ALA and MED countries as well as the ACP States and is administered jointly by Directorates-General I and VIII. The funds are open to NGOs, UN agencies, local government bodies and the private sector.

The 1994 commitment appropriation is ECU 44.8 million and there is also a payment appropriation of ECU 25 million.

Further details on the precise nature of the operations to be financed and the relevant procedures will soon be published by the Commission.

2.9 Special aid programme for apartheid victims (B7-5070)

1. In implementing the Community's special programme under Item B7-5-5070, (ECU 10 million under the 1986 budget, ECU 20 million in 1987, ECU 25.5 million in 1988, ECU 25 million in 1989, ECU 30 million in 1990, ECU 60 million in 1991, ECU 80 million in 1992 and ECU 90 million in 1993), the Commission is working within the framework of European political cooperation as laid down on 10 September 1985, which stipulated that assistance should be channelled through non-violent organizations, particularly the churches.
2. As regards the implementation of the special programme, 134 projects were approved in 1993, using up all of the budget allocation for the year. The breakdown by type of organization is as follows:

	No of projects	ECU million
- Southern African Catholic Bishops' Conference	25	13.5
- South African Council of Churches	6	1.4
- Kagiso Trust	86	63.8
- ICFTU	11	1.5
- Others	6	2.8
- Elections Unit		7.2
TOTAL	134	90.2

3. In 1993 the sectoral breakdown was:

No of projects	Sector	ECU million
58	Education and training	36.9
12	Health	3.3
8	Rural development and farming	1.9
17	Community development	18.8
11	Trade unions	1.5
28	Other	20.6
	Election unit	7.2
134	TOTAL	90.2

4. The Commission has responded to change in South Africa by making the programme more development-oriented through support for a variety of measures in sectors such as training, rural development and primary health care.

In the light of the changing situation in South Africa and the fact that in February 1991 the Commission opened a programme coordination office in Pretoria, it was agreed that the four groups would no longer have exclusive access to resources under the special programme. The Commission, in conjunction with its traditional partners, is attempting to widen the range of institutions with which it cooperates, so as to flesh out the 'development' dimension of the programme. The special programme will, however, continue to be expanded in line with the criteria and guidelines followed to date.

5. The special programme also offers support to initiatives aimed at smoothing South Africa's transition to democracy, including conflict resolution and an ECU 5 million programme of elector education.

2.10 Assistance for rehabilitation programmes in southern Africa (B7-5071)

In 1988, the Community set up Budget Item B7-5071 (ex 9531 - support for front-line States and SADC (Southern Africa Development Community) in order to assist people in the front line States and SADC Member States suffering from the effects of the war and South Africa's destabilization activities in the region. The beneficiary countries are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Projects financed covered a variety of activities, principally aid for displaced persons, training for refugees and rehabilitation in the health and education sectors. Studies and information projects as well as scholarships for refugee students were also financed.

As of 1993, the title of this budget item became "Assistance for rehabilitation programmes in southern Africa". This reflects the fact that as a result of the changing situation in the region funds were being directed towards rehabilitation operations with a view also to contributing to the on-going process of democratization.

The operations financed fell into the following categories:

- humanitarian - reintegration;
- rehabilitation of essential infrastructure;
- vocational training and education;
- information, studies and documentation.

In 1993 a new type of project was financed for the first time: a mine clearance operation in Mozambique costing ECU 1 540 000.

Although this project did not fall into any of the four designated categories, mine clearance was deemed necessary to ensure the safety of the local population and open the way for the distribution of humanitarian aid (food aid and primary health services) by organizations working on the spot.

The 1993 allocation of ECU 16 million was used to finance 30 projects.

The breakdown among recipient countries was as follows:

<u>Country</u>	<u>No of projects</u>	<u>ECU m</u>
Mozambique	14	7.91
Angola	11	7.2
Europe*	3	0.7
Refugees**	2	0.2
TOTAL	30	16.0

* Refers to all information and education campaigns concerning southern Africa carried out by European organizations in Europe.

** Refers to all aid for Namibian and South African refugees from the war and apartheid.

Breakdown by nationality of implementing organization:

<u>Country</u>	<u>No of projects</u>	<u>ECU m</u>
Portugal	9	3.91
Italy	5	2.37
Spain	2	2.16
Mozambique	1	1.53
United Kingdom	4	1.50
Belgium	3	1.25
France	2	1.03
Germany	1	0.64
Netherlands	1	0.55
Tanzania	1	0.06
EC Delegation (MZ)	1	1.00
TOTAL	30	16.0

Breakdown by sector

<u>Sector</u>	<u>No of projects</u>	<u>ECU m</u>
Humanitarian/reintegration*	11	6.89
Infrastructure	11	6.84
Voc. training/education	5	1.60
Inform/studies/documentation	3	0.67
TOTAL	30	16.00

* The mine-clearance project in Mozambique is included under humanitarian actions.

2.11 Financial assistance for the West Bank and the Gaza Strip (B7-4083)

In response to the conclusions of the Council on 27 October 1986, a new article (Article 966) was added to the Community budget in 1987 to finance development projects in the Israeli-occupied territories of the West Bank and the Gaza Strip. Until then, the Community had been carrying out an ad hoc programme of aid to these territories including rural development, study or training awards and other projects cofinanced with European NGOs. Between 1981 and 1986, total finance for this programme stood at approximately ECU 9 million (including ECU 4 million for NGO projects cofinanced under Article 941).

The Commission was able to finance a wider range of development activities under Article B7-4083 (formerly 966 and B7-406) and funded 130 projects in the period 1987-93, with a total Community contribution of some ECU 79 million (1987: ECU 2.97 million; 1988: ECU 3 million; 1989: ECU 5 million; 1990: ECU 6 million; 1991: ECU 10 million; 1992: ECU 17 million; 1993: ECU 35 million). Health projects accounted for 7.6% of available funds in 1993, 56.2% went to education (primarily for universities), 5.1% to agriculture, 11.6% to other projects and 19.5% to technical assistance.

ECU 250 million has been allocated for the period 1994-98, equivalent to ECU 50 million a year, under heading B7-4083 (ex B7-406). The priority for financing in the short term is to finalize current projects to provide housing, credit and business advice and to build and repair schools - all of which generate jobs. In the medium term, the aim is to improve economic and social infrastructure in Gaza and the West Bank: telecommunications, road works, electricity, industrial parks and the like. Technical assistance will also be needed to develop the technical and financial machinery for the proper running of Palestinian governmental institutions. All these projects were identified and formulated following direct contact with local organizations in order to ensure that they corresponded to local needs and development efforts.

2.12 Programme for NGOs operating in Vietnam (B7-5014)

This budget item was instituted in 1991 with the aim of helping the Vietnamese population through NGO operations. In 1993 it had an appropriation of ECU 2 million, which financed six operations. The three sectors of activity are representative of the specific approach adopted under this heading: rural development, social projects in towns and health. This approach will continue to be developed in 1994.

2.13 Programme for NGOs operating in Cambodia (B7-5015)

This heading was created in 1991 to help the Cambodian population through NGO operations. The 1993 appropriation of ECU 1 million financed one agricultural training project and two health projects, both of which were implemented according to plan.

2.14 Decentralized cooperation (B7-5077)

Decentralized cooperation is a recent innovation in Community development policy.

Heading B7-5077 was created in 1992 with the aim of promoting this form of cooperation by informing, mobilizing and supporting the various bodies concerned (NGDOs, local organizations and authorities, economic interests, etc.). It helps prepare the ground for the possibility of operations financed from official sources (EDF, ALA funds, Mediterranean protocols, etc.).

In 1993 15 projects were financed for a total of ECU 1 998 575:

- five projects aimed at promoting decentralized cooperation and informing NGDOs and local authorities (17% of the funds committed);
- four programmes to aid and strengthen agents of decentralized cooperation in the developing countries (focus on professional organizations and local government associations) (33% of the funds committed);
- six projects carried out by agents of decentralized cooperation in the fields of training in local government, economic development and the environment (50% of the funds committed).

Of these funds:

- half went to NGOs and professional organizations;
- half to local authorities.

The geographical breakdown was as follows:

- | | |
|-------------------|-----|
| - Africa | 65% |
| - Central America | 20% |
| - Asia | 15% |

These projects have considerable impact in that:

- agents of decentralized cooperation in Europe and the developing countries are mobilized: these efforts should be built on since there is a great demand for information about decentralized cooperation and interest in it;
- they influence official aid programmes, especially EDF programmes.

TABLE 1
 BREAKDOWN BY RECIPIENT COUNTRY OF
 DEVELOPMENT PROJECTS COFINANCING BY THE COMMISSION
 FROM 1976 TO 1993 INCLUSIVE

	Number of projects	EC Contribution ECU
AFGHANISTAN	28	1.568.408
AFRIQUE SUBSAHARIENNE	6	1.270.132
ALGERIE	56	2.172.557
ANGOLA	71	2.968.983
ANTIGUA-BARBUDA	6	285.189
ANTILLES NEERLANDAISES	1	59.226
ARGENTINA	242	11.660.239
BANGLADESH	247	14.968.925
BARBADOS	15	660.496
BELIZE	35	1.227.984
BENIN	90	2.992.245
BHOUTAN	16	291.890
BOLIVIA	516	28.319.482
BOTSWANA	32	2.571.275
BRASIL	992	48.512.105
BURKINA FASO	631	22.036.921
BURUNDI	68	5.425.954
CABO VERDE	91	4.804.327
CAMEROUN	230	9.338.827
CARAIBES	15	1.128.095
CENTRAFRIQUE	89	5.905.781
CHILE	552	26.193.008
CHINA	31	2.987.822
CHYPRE	1	43.200
COLOMBIE	226	10.012.227
COMORES	11	600.365
CONGO	36	1.402.544
COSTA RICA	38	1.374.615
COTE D'IVOIRE	82	4.233.348
CUBA	34	814.633
DJIBOUTI	10	628.658
DOMINICA	36	1.066.178
DOMINICAN REPUBLIC	118	5.148.636
ECUADOR	281	13.699.882
EGYPT	60	4.049.588
EL SALVADOR	255	10.588.894
ERITHREE	12	2.384.647
ETHIOPIA	355	26.881.957
FIJI	15	879.970
GABON	9	483.090
GAMBIA	80	1.854.065
GHANA	119	5.365.164

	Number of projects	EC Contribution ECU
GRENADA	21	798.365
GUATEMALA	162	7.628.605
GUINEE	30	4.301.615
GUINEE-BISSAU	120	7.627.537
GUINEE EQUATORIALE	13	1.051.440
GUYANA	16	649.427
HAITI	235	14.345.962
HONDURAS	77	2.512.411
HONG KONG	6	66.243
ILES COOK	1	8.124
INDIA	1.548	53.277.087
INDONESIA	128	5.463.311
IRAK	8	213.558
ISRAEL	9	1.413.394
JAMAICA	51	2.133.168
JORDAN	20	2.580.798
KAMPUCHEA	143	12.133.024
KENYA	394	20.111.465
KIRIBATI	2	13.279
LAOS	68	2.584.915
LESOTHO	68	2.062.944
LIBAN	185	12.526.989
LIBERIA	20	828.224
MADAGASCAR	128	7.438.593
MALAWI	96	4.902.759
MALAYSIA	13	337.936
MALDIVES	2	760.277
MALI	344	15.911.370
MAROC	20	1.322.048
MAURICE	32	1.027.389
MAURITANIE	56	4.002.311
MEXICO	156	9.197.023
MONGOLIE	1	4.847
MOÇAMBIQUE	285	13.326.500
MONTSERRAT	2	21.438
MYANMAR (ex BIRMANIE)	5	224.647
NAMIBIA	88	6.145.216
NEPAL	62	2.863.934
NICARAGUA	650	34.133.375
NIGER	78	4.376.634
NIGERIA	59	2.155.417
PAKISTAN	119	3.648.095
PANAMA	25	1.293.636

	Number of Projects	EC Contribution ECU
PAPUA NEW GUINEA	37	819.837
PARAGUAY	83	3.358.885
PERU	587	30.569.354
PHILIPPINES	395	22.139.649
REGION AFRIQUE AUSTRALE	62	1.118.562
REGION AFRIQUE DE L'EST	5	894.068
REGION AFRIQUE OCCIDENTALE	13	1.020.380
REGION AFRIQUE SAHELIENNE	7	912.477
REGION AMERIQUE CENTRALE	2	464.425
REGION AMERIQUE DU SUD	8	1.566.347
REGION ASIE	4	210.457
REGION CORNE DE L'AFRIQUE	1	15.000
REGION D'AFRIQUE	2	21.031
REGION PACIFIQUE	10	1.401.411
RWANDA	366	13.274.525
SAINT VINCENT & GRENADINES	5	42.838
SAINTE LUCIE	7	225.548
SAMOA OCCIDENTAL	3	284.280
SAO TOME	10	1.816.434
SENEGAL	344	13.734.615
SEYCHELLES	4	113.827
SIERRA LEONE	105	3.444.444
SOLOMON	16	912.476
SOMALIA	53	5.424.478
SOUTH KOREA	19	977.925
SRI LANKA	179	5.868.762
SUDAN	127	9.103.437
SURINAM	6	146.085
SWAZILAND	23	1.435.965
SYRIE	4	241.195
TANZANIE	410	17.076.924
TCHAD	136	6.595.839
THAILAND	144	6.869.788
TOGO	83	3.279.707
TONGA	3	128.990
TRINIDAD & TOBAGO	9	394.209
TUNISIE	35	1.455.000
TUVALU	1	6.127
UGANDA	181	10.991.602
URUGUAY	173	8.259.640
VANUATU	5	383.216
VENEZUELA	45	2.960.659
VIETNAM	151	7.768.354

	Number of projects	EC Contribution ECU
WEST BANK & GAZA	185	14.262.025
YEMEN	31	2.677.381
ZAIRE	615	21.263.996
ZAMBIA	120	6.399.092
ZIMBABWE	266	14.394.599
Several Member States	23	2.132.709
TOTAL	16.489	805.145.436

TABLE II

BREAKDOWN BY MEMBER STATE OF COMMUNITY FUNDS ALLOCATED FROM 1976 TO 1993 INCLUSIVE

Member States	Developing projects in developing countries			Projects to raise public awareness in the Community			Total		
	Number of NGOs	Numb. of actions	EC-contribution in ECU in %	Number of NGOs	Numb. of actions	EC-contribution in ECU in %	Number of NGOs	Numb. of actions	EC-contribution in ECU in %
Belgium	70	866	115.436.325	61	149	8.874.627	113	1015	124.310.952
Danmark	23	102	14.640.413	15	37	2.462.206	32	139	17.102.619
Spain	26	215	41.738.718	23	63	3.780.272	39	278	45.518.990
Germany	82	821	135.228.711	55	151	11.252.172	116	972	146.480.883
France	133	914	121.380.059	59	184	9.475.581	172	1095	130.855.640
Greece	5	20	3.055.044	6	9	1.180.008	9	29	4.235.052
Ireland	12	266	20.656.753	7	42	2.170.527	16	308	22.827.280
Italy	97	734	119.760.723	39	131	10.554.456	108	865	130.315.179
Luxembourg	14	172	10.042.835	2	6	192.166	14	178	10.235.001
Netherlands	19	348	45.500.613	41	139	10.058.838	52	487	55.559.451
Portugal	4	27	3.824.072	4	21	1.748.171	6	48	5.572.243
United Kingdom	103	1037	135.047.315	61	233	16.334.148	145	1270	151.381.463
NGO consortium from several Member States	64(1)	57	38.833.855	29(1)	11	3.654.187	86(1)	68	42.488.042
Total	593(1)	5.579	805.145.436	382	1.176	81.737.359	835(2)	6.755	886.882.795
			100			100			100

(1) Certain NGOs have already previously obtained cofinancing.

(2) These NGOs are active in the field of development and/or in the field of raising public awareness in Europe.

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