

SEMINAR IN ADDIS ABABA ENTITLED "LESSONS LEARNT FROM ACTIONS CO-FINANCED WITH NGOs"
1st - 2nd March 2004, Addis Ababa (Ethiopia)

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EXECUTIVE SUMMARY

In early March 2004 the European Commission financed a seminar in Addis Ababa, Ethiopia to facilitate lesson learning from actions co-financed with NGOs in East Africa and the Great Lakes Region. In light of the on-going dialogue [known as the "Palermo Process"] that the EC launched in 2003 with its NGO partners and partner representative bodies the overall objective of the seminar was to: [1] Draw on existing experience to learn the lessons from the implementation of the co-financing budget line 21 02 03 [formerly B7-6000], and [2] Identify and tackle the principal questions relating to the organisation and management of the budget line from the perspective of the principal actors.

The seminar was divided into five sessions involving group discussions and culminating in a plenary discussion designed to stimulate participants' active involvement. Participants were divided into 8 groups of 7-8 people so each group contained a good range of EC staff and European and local NGO representatives.

The EC wanted to ensure that participants were consulted on all the key questions providing an opportunity for participants: [1] to understand current policy structures; [2] to receive information, explanations and insights into current procedures; and [3] to provide feedback to the EC about such matters as payments, contracts, eligibility criteria, etc. The Commission also wanted to focus on what was dubbed the "Way Forward" and the possible evolving strategic focus of the budget line.

The seminar began with a presentation outlining the principal issues and challenges discussed in the context of the on-going dialogue relating to 21 02 03. The second session consisted of a presentation of the contract cycle for 21 02 03, while sessions three and four focused on learning lessons from the actions co-financed with NGOs in the region. The last session focused on the Way Forward.

In each session participants were asked to respond to a series of prompts and questions in order to generate a response. The plenary discussion in session one focused on the selection procedure and to a lesser extent on the strategic issues mentioned. There was some frustration about the call for proposals process, in particular the low ratio of successful to rejected proposals. NGO representatives seem largely to agree that the selection procedure was "like a lottery." EC officials answered questions and clarified issues and despite some participants' frustration about some of what they were hearing, the seminar was providing an opportunity to get information directly from the EC. Officials stressed that where there is a well-argued case for changing certain procedures it may be possible. It was also clearer than before where there was scope to intervene and where there was little or no room for flexibility or manoeuvre.

Session 2's plenary discussion focused on whether the selection process would be facilitated by the introduction of a Concept Note which would act as a pre-selection mechanism on the basis of which a reduced number of NGOs would be invited to submit full project proposals – the idea was broadly supported by participants. Groups generally wanted better communication between EC HQ and the Delegations and between the EC generally and the NGOs. The need for better communications within the NGOs' HQs and Field Offices was also highlighted. Certain groups wanted to rationalise procedures, other to streamline reporting formats. The EC acknowledged such calls though no decisions were made.

In session 3 participants mentioned some apparently common problems relating to payment delays, inflation, interest earned and exchange rate fluctuations – all of which have been compounded by recent

changes. Groups also mentioned problems caused by the long time period between project formulation and implementation and the need for flexibility when conditions in the intervention area change significantly. EC officials answered and clarified most of the issues raised by participants and also stressed that NGOs must improve their management capacity and knowledge of the contractual rules, noting that often the contracts contain the answer to participants' questions.

In session 4, many groups emphasised the importance of participatory approaches and capacity building. There were complaints of poor feedback from the EC and requests for benchmarks for evaluations and guidelines on how to learn lessons. Indeed while everyone seemed to appreciate the importance of monitoring and evaluation participants seemed to want help to develop and use genuinely participatory approaches and build capacity among partners. In response, the EC made it clear that it expects its European NGO partners to have these skills and be able to transfer them to their partners. If though, there is a skill deficiency in this area it may be worth examining how to capture, model and develop such capacity. It is worth noting that most participants sought answers and guidance from the EC relating to the different issues raised, while providing little input about their own practices and experience in the region.

In the final session on "The Way Forward" and how to improve 21 02 03 most groups focused on the issues of value added and the right of initiative. The right of initiative was welcomed by groups for allowing 21 02 03 to "fill the gaps left by other budget lines" and allowing NGOs to remain autonomous of government. There seemed to be general agreement that the main added value of this budget line was that, contrary to the thematic budget lines, 21 02 03 allowed holistic approaches combining in a single project different areas of activity such as, for example, health, education, employment, environment, capacity building.

In the concluding session the selection process, the project cycle, management themes and the added value 21 02 03 were mentioned in a brief summary of proceedings. While no firm undertakings were made in response to the concluding remarks, the Commission did acknowledge all the recommendations and observations by the participants. Indeed, in his closing address, EuropeAid Director, Francesco de Angelis, said he was open to examining: [1] "changing the system" for 21 02 03; and [2] streamlining procedures. Moreover, in order to take this undertaking forward he was going to study the possibility of setting up a Steering Committee to look into how things might be changed and improved.

The most valuable aspect of the seminar was perhaps the opportunity it provided for participants to put names to faces and talk and discuss directly with their various interlocutors. The presence of EC staff from several EC Delegations in the region provided the opportunity to get the views of EC personal in the field. Their points of view sometimes differed slightly to those of the EC personal in Brussels and seemed to be closer to the concerns expressed by the NGOs regarding, for example, a certain lack of flexibility on the management of the budget line and on the contractual rules. Not only during working sessions but during breaks discussions were often on-going as participants sought to clarify matters of importance to them. It was less successful however, in getting information from the NGOs themselves about their own practices in terms of strategic planning and management procedures. There is though obviously a limit to what can be achieved in a two-day seminar with over 60 participants. Nonetheless, the seminar can be said to have achieved its broad goal of stimulating discussion among participants on: [1] learning lessons from implementing the NGO co-financing budget line; and [2] the key strategic issues faced by 21 02 03.

While participants may have hoped for more solid agreements on various issues, it is perhaps more realistic to welcome this initiative and hope that it can be built on further in coming years in the same atmosphere of openness and trust that characterised this seminar. All participants demonstrated a willingness to help ensure that the NGO Co-financing budget line does not get marginalised but continues to provide a very valuable source of finance for Non-Government and Civil Society Organisations to fill in some of the gaps not covered by other forms of development cooperation.

INTRODUCTION

On Monday 1st and Tuesday 2nd March 2004 the European Commission financed a seminar that was designed to facilitate lesson learning from actions co-financed with NGOs in East Africa and the Great Lakes Region. The seminar was held in the Sheraton Hotel in Addis Ababa, Ethiopia.

In light of the on-going dialogue [known broadly as the “Palermo Process”] that the European Commission launched in 2003 with its NGO partners and partner representative bodies –and taking into account the particular challenge posed by the EC’s deconcentration process– the overall objective of the seminar was to:

- Draw on existing experience to learn the lessons from the implementation of the co-financing budget line 21 02 03 [formerly B7-6000], and
- Identify and tackle the principal questions relating to the organisation and management of the budget line from the perspective of the principal actors [broadly speaking: NGO staff based in Europe; NGO staff in the partner developing countries [local and non-local]; NGO platforms from the countries in the region; EC staff at the Brussels HQ; EC staff based in partner countries]

The seminar was divided into five sessions as outlined in the agenda [see Annex 1], involving group discussions and culminating in a plenary discussion designed to stimulate participants’ active involvement. Participants were divided into 8 groups of 7-8 people so each group contained a good range of EC staff and European and local NGO representatives. The sessions themselves consisted of a number of discussion formats designed to maximise the use of time. In essence, the sessions involved a more or less formal presentation of the area under discussion followed by a plenary discussion. It was decided to adopt a highly participatory approach and to attempt to stimulate as much involvement on the part of the participants as possible. This was a particularly challenge as there were more than 60 participants. [Further details of the methodology, the rationale and discussion details are found in Annex 2.] The sessions ended with a presentation by each group of their comments, observations and recommendations corresponding to the area/issue under discussion. The sessions are discussed below, more details are provided in Annex 2 and digital photos corresponding to these exercises make up Annex 3.

In organising this seminar the EC wanted to ensure that participants were consulted on all the key questions under discussion. The seminar would be a valuable opportunity for participants: [1] to understand the whys and wherefores of the current policy structures; [2] to receive information, explanations and insights into current procedures; and [3] to provide feedback to the EC about such matters as payments, contracts, eligibility criteria, etc. For its part, the Commission was also keen to stimulate discussion on the experience of its partners in the region and on what was dubbed the “Way Forward” and could be the evolving strategic focus of the budget line.

In light of these concerns, the seminar began with an overall presentation of the budget line [history, evolution, recent developments, etc.] and ended with an outline of the principal issues and challenges that have been discussed in the context of the on-going dialogue relating to 21 02 03. The aim was to ensure that all participants had at least basic knowledge about the budget line and were aware, from the outset, of the strategic questions on which the Commission hoped to generate feedback.

The second session consisted of a presentation of the contract cycle for -21 02 03, followed by a facilitated discussion in the working groups and was designed to increase understanding by the parties involved [crudely, the Commission on the one hand and the NGOs on the other] of the pressures and constraints under which each operates.

Sessions three [Monday afternoon] and four [Tuesday morning] focused on learning lessons from the experience of carrying out the actions co-financed with NGOs in the region. Session five focused on the Way Forward and the key strategic issues that had emerged – and was to include any new issues specific to East Africa and the Great Lakes Region.

Note on the Report

The report aims to outline accurately what happened and was discussed during the seminar with as little personal interpretation as possible by the author. It is intended to help those present remember what was discussed and give those who were absent some insight into the proceedings. The seminar was characterised by marked goodwill on the part of the participants and imbued with a highly collaborative spirit. The contributions of the different groups with regard to the practical exercises 1-4 are summarised below. This is done in a spirit of relative anonymity as the report contains no list of who was in which group. The information contained herein is intended as a post-seminar resource and reference document and should not be used to bolster any argument or position that conflicts with that of any other group present. While every attempt has been made to reduce them to a minimum, any mistakes of fact, sequence or interpretation contained in this report are the sole responsibility of the author of the report.

SESSION 1: PRESENTATION OF BUDGET LINE 21 02 03 (FORMER B7-6000)

This session began with a detailed and comprehensive presentation [*contained in the seminar folder that each participant received*] made by Carlos Cardão of Commission Unit F2 / Co-financing with NGOs. Following the presentation, participants worked in groups and discussed what they considered to be the principal challenges and/or issues that the NGO Co-financing budget line currently faces. Each group was asked –without being required to reach a consensus– to come up with three summarised challenges/issues. These were written on coloured card, read out by the moderator and then discussed in plenary session.

The responses generated fell into five broad categories: [1] The impact of deconcentration; [2] Strategic focus of 21 02 03; [3] Challenges relating to local capacity and geography; [4] Issues relating to Project Implementation; [5] The Selection Process.

It is striking that of the 26 cards generated by this exercise no two are the same although many are similar or concern a common issue [please see Annex 2 and the digital photo “Issues+Challenges” in Annex 3 for more details]. The moderator deliberately did not give too much orientation to participants precisely in the hope that a wealth of different issues would be mentioned. This exercise, which was the first opportunity during the seminar for participants to give the Commission feedback, clearly demonstrated many participants’ preoccupation with the whole 21 02 03 selection procedure. Indeed, fully half of the 26 cards related to selection procedures variously seeking clarification, making recommendations, etc.

The ensuing plenary discussion focused on the selection procedure and to a lesser extent on the strategic issues mentioned. There was a certain amount of frustration about the call for proposals process, in particular the low ratio of successful to rejected proposals. There seemed to be little dissent among NGO representatives to the suggestion that the selection procedure was “like a lottery.” This matter was returned to on a number of occasions during which time EC officials were able to respond directly to questions and make points of clarification. Indeed, despite the frustration about some of what they were hearing, the seminar was providing an opportunity for participants to get information directly from EC officials. Anecdotal evidence suggests that participants were generally glad to have had the opportunity to clarify things and reduce areas of confusion.

While it was emphasised that what had been outlined in the initial presentation was a summary of the current rules, it was also stressed that where there is a well-argued case for changing certain procedures it may be possible. Moreover, following the initial presentation, it was clearer than before where the EC officials present had scope to intervene and where there was little or no room for flexibility or manoeuvre [e.g. the new Financial Regulation].

SESSION 2: OVERVIEW OF THE CONTRACT CYCLE FOR B7-21 02 03 [PRACTICAL EXERCISE 1]

This session began with a comprehensive presentation [*again contained in the seminar folder that each participant received*] made by Augustin Tshiani of Commission Unit F2 / Co-financing with NGOs. Following the presentation, participants worked in their respective groups focusing on their experience of the contract cycle [selection process, reporting, etc.]. In particular, participants were asked to consider the following five questions relating to the subject: [1] How can the selection process be improved? [2] What have you learned? [3] What is good? [4] What is bad? [5] What do you recommend?

Having discussed these questions, each group was asked –without being required to reach a consensus– to write their responses/observations on coloured card. Please see Annex 2 and the digital photos “Group1-Exercise1.jpg” through to “Group8-Exercise1.jpg” in Annex 3 for more details.

Note of Caution [1]

The reader should bear in mind that the time available for this and the three subsequent exercises was very short. Nonetheless, despite vigorous debate within groups and disagreements –and while what is written on the cards does not necessarily reflect the opinions of all group members– the exercises did succeed in generating a fair amount of information in contribution to the important on-going debate into the budget line 21 02 03.

As with the plenary discussion that ended Session 1, Session 2’s plenary discussion continued to focus on the selection procedure for 21 02 03 funding. Particular attention was paid to the question of whether the selection process would be facilitated [from the point of view of the NGOs] by the introduction of a Concept Note. Though no precise definition of a Concept Note was given, the idea was to introduce a brief and, in principle, relatively non-time-consuming summary of the proposed project. In essence, the Concept Note would act as a pre-selection mechanism on the basis of which a reduced number of NGOs would be invited to submit full project proposals. Though not without disadvantages, this approach would seem to have time-saving qualities for both NGOs and the EC.

Many groups wanted feedback from the EC about unsuccessful funding applications – one group even suggested that the minutes of evaluation committee meetings should be posted on the EuropeAid website. Groups generally wanted better communication: [1] between EC HQ and the Delegations [and clarification as to the role of the latter following deconcentration]; and [2] between the EC generally and the NGOs. However, the need for better communications within the NGOs [HQ – Field Offices] was also highlighted when the EC replied to the request for feedback on unsuccessful funding applications saying that letters had been sent to all the unsuccessful European NGOs’ Head Offices with an undertaking to provide further feedback on request. NGO representatives present were not aware of these letters and not many European NGOs had asked the EC for feedback about an unsuccessful funding application.

Certain groups wanted to rationalise procedures. There were calls, for example, to create a database of applicant NGOs so that standard information required under funding application procedures could be centrally stored and updated periodically and thus not submitted with every application. Other groups wanted streamlined reporting formats which would then be made available on the internet. The EC acknowledged such calls though no decisions were made.

Some groups also favoured an implicit reduction of the right of initiative in calling for the establishment of thematic and geographic priorities; others wanted least developed countries to be favoured. [It is worth mentioning that in the final session there was very little enthusiasm for any reduction of the right of initiative.] With regard to the idea of geographic priorities and a fixed funding allocation per country or region, Aristotelis Bouratsis, Head of EC Unit F2 [Co-financing with NGOs] stated that “we cannot do this as it goes against the spirit of the budget line” and, moreover, “the EC and the European NGOs [under the aegis of CONCORD] have already agreed on this.”

Various groups sought guidance on “How to build capacity of local partners?”; others lamented that design costs are no longer eligible for funding; yet another, linking the two, stated that it is “not worth involving local NGOs in project preparation” as it is very time-consuming and “unclear how much it is valued by the EC.”

Note of Caution [2]

It is important that the reader does not take these quotes out of context but rather understands that these statements were motivated by a desire to demonstrate how changes to rules and procedures sometimes have unforeseen and adverse consequences for local partners [and final beneficiaries]. Moreover, it suggests that such adverse consequences can be incompatible with the desire of all involved to build capacity and ensure the increased and positive impact of 21 02 03 interventions.

The plenary debate was lively, participants well informed, questions and comments perceptive and a range of matters were clarified. Of note: [1] the idea of introducing some form of Concept Note to facilitate the financial application selection process had broad support; [2] there was widespread support for deconcentration and hope that this process would facilitate communication between EC HQ, EC Delegations and NGO partners.

SESSION 3: LEARNING THE LESSONS FROM EAST AFRICA + GREAT LAKES – MANAGEMENT ISSUES: ADMIN, FINANCE, LOGISTICS [PRACTICAL EXERCISE 2]

Session 3 began with a brief explanation of the purpose and benefit of the lesson learning process and sought to demonstrate its relevance for participants by means of the second practical exercise that focused on the questions to be considered in the areas of administration, finance and logistics. Participants were asked to consider the following five questions: [1] What have you learned? [2] What needs clarification? [3] What is good? [4] What is bad? [5] What do you recommend?

Having discussed these questions, each group was asked –without being required to reach a consensus– to write their responses/observations on coloured card. Please see Annex 2 and the digital photos “Group1-Exercise2.jpg” through to “Group8-Exercise2.jpg” in Annex 3 for more details.

Session 3’s focus on the management issues of administration, finance and logistics generated a great many issues of concerns to the different groups. Many of the issues raised seemed to resonate widely among participants.

Experience of payments delays seems to have been widespread and several groups regretted that it is no longer possible to be reimbursed for any costs incurred before signature of the contract. Others had experienced problems due to [variously] inflation, interest earned and exchange rate fluctuations – problems compounded by the new rules prohibiting the existence of a contingency fund. Certain groups seemed confused about the maximum 7% overhead and what could be considered direct admin costs.

Focusing on implementation, various groups mentioned problems caused by the long time period between project formulation and implementation; others emphasised the need for flexibility when conditions in the intervention area change significantly; still others stressed the need to devise an exit strategy from the outset [though, in any case, this has to be included in the funding application].

Some groups, concerned about how to build strong partnerships between European and local NGOs asked for “How to” type guidelines. Guidelines were dismissed out of hand by one EC official as a distraction while other officials seemed to feel they could be useful but should, in any case, not be imposed but rather made available for those who would want to use and adapt them. [The problem of how to develop “guidelines” was barely mentioned and certainly not resolved.].

On the issue of promoting institution strengthening, one group contested that the requirement to hand over assets at the end of a project “is not in the spirit of institution building of the implementing NGO.” Moreover, the EC Delegation was called upon to lobby for retention of a proportion of the assets. Problems of whether income tax is payable on EU salaries to resident expat staff were also mentioned and again EC help was requested. In response, the EC made it clear that the NGOs themselves would have to deal such problems.

Some groups said that procurement procedures were costly and time-consuming and a discussion ensued about rules of origin focusing in part on the problem of a lack of spare parts and difficulties with maintenance. A “common derogation of the rules” for countries where the rules of origin cause logistical problems was called for. Though ultimately non-committal, the EC said that it was a matter that would be examined and, if appropriate, a common derogation might be granted.

Of note: [1] many participants expressed frustration that [a] reimbursement for costs incurred prior to contract signature are no longer permitted and [b] henceforth there is no contingency fund for 21 02 03 projects; [2] participants sought [a] clarification about what is included under the administrative cost for local NGOs [the field office] and [b] guidance on how to account for fluctuations caused by inflation, exchange rate variations and interest earning in the project budget.

The EC officials had the opportunity to provide answers and clarifications to most of the issues raised by the participants and stressed also the need for the NGOs to improve their management capacity and knowledge of the contractual rules, noting that many times the answer to the participants’ questions are in the contract itself.

SESSION 4: LEARNING THE LESSONS FROM EAST AFRICA + GREAT LAKES – MANAGEMENT ISSUES: M+E, IMPLEMENTATION METHODOLOGIES AND TECHNICAL ISSUES RELATING TO SECTOR [PRACTICAL EXERCISE 3]

Session 4 did not have a formal presentation [like Session 3] and followed the procedure adopted for the previous session. While concentrating on M+E (Monitoring and Evaluation), Implementation methodologies and technical sectoral issues, participants were once again asked to consider the following five questions: [1] What have you learned? [2] What needs clarification? [3] What is good? [4] What is bad? [5] What do you recommend?

Having discussed these questions, each group was asked –without being required to reach a consensus– to write their responses/observations on coloured card. Please see Annex 2 and the digital photos “Group1-Exercise3.jpg” through to “Group8-Exercise3.jpg” in Annex 3 for more details.

The Session 4 focus on management issues of Monitoring and Evaluation, Implementation methodologies and technical issues relating to the sector in question generated a great deal of different issues of concern to the different groups. As was the case for Session 3, while one or two groups may have included an issue in their presentation, many of the issues mentioned seemed to resonate widely among many participants. It is worth mentioning that despite an attempt by the moderator to stimulate a response on such matters there was almost no mention of “technical issues relating to the sector in question” with participants focusing instead on M+E and implementation methodologies.

Many groups emphasised the importance of participatory approaches and capacity building. Moreover, many groups –and often the same ones– wanted a clarification of all or some of the elements that make up Monitoring and Evaluation. There were complaints of poor feedback from the EC and requests for: [1] benchmarks for project evaluation and lessons learning; and [2] guidelines on how to learn evaluation lessons. Indeed there seems to be some confusion – or at least differences of opinion – as to what constitutes monitoring and what constitutes evaluation. It was mentioned that “mid-term evaluation allows corrective action to be taken” and while this is certainly true it is also true that corrective action is meant to be taken *whenever necessary* on the basis of the information generated by the project’s on-going and continuous monitoring effort.

Many groups suggested that the EC should support one or other type of mechanism designed to promote information and learning exchange: one mentioned a database for more effective experience sharing, another called for annual progress reviews, yet another wanted lesson learned technical experience to be shared; another wanted more staff training, while another felt that implementing NGOs need training in monitoring, report writing and design. Most called for more participatory Monitoring and Evaluation, often with all stakeholders.

There seems to have been a lot of common ground about what needs to be emphasised and what is considered important – *the participants seemed clear about the types of things the NGOs should be doing*. Moreover, while “participatory approaches and capacity building” can be seen as shorthand for some of the key approaches that the EC clearly expects, *it was not clear that all participants knew how to develop and use genuinely participatory approaches and build capacity among their partners*.

It should be stressed that some [perhaps many] participants and NGOs represented may well be clear on how to do this. In any case though, the requests for training and guidelines suggest that participants also felt that many NGOs [not necessarily themselves] would benefit from some additional assistance in these areas.

The response from the EC made it clear that these are the types of capacities and skills that the Commission expects its European NGO partners: [1] to already possess; and [2] to be skilled in transferring to their southern, local counterparts and partners.

It may be, however, that in these areas there is indeed a capacity and skill deficit on the part of the European NGOs – as their representatives themselves seemed to suggest. Moreover, given the innovative nature of these approaches it would not be too surprising if at least some NGOs have not yet developed them fully. It may, therefore, be worth examining ways of how to capture, model and develop capacity and skills in these related areas. Indeed, if deemed necessary and successfully done, such action could make a substantial contribution to improving the quality and longer term impact of 21 02 03 interventions.

It's also worth noting that most of the participants looked for answers and guidance from the EC relating to the different issues raised, without providing much input about their own practices and experience in the region.

SESSION 5: THE WAY FORWARD - IMPROVING 21 02 03 – STRATEGIC ISSUES: RIGHT OF INITIATIVE V. STRATEGIC FOCUS, INNOVATION, VALUE ADDED, IMPACT
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The fifth and final session followed a similar procedure to Sessions 3 and 4. The aim was to get participants to consider the future development of 21 02 03 by focusing on the above-mentioned strategic issues. For each strategic issue, participants were asked: What do you recommend?

Having discussed these questions, each group was asked –without being required to reach a consensus– to write their responses/observations on coloured card. Please see Annex 2 and the digital photos “Group1-Exercise4.jpg” through to “Group8-Exercise4.jpg” in Annex 3 for more details.

The focus of Session 5 on “The Way Forward” and how to improve 21 02 03 with a specific focus on the strategic issues of the right of initiative v. strategic focus, innovation, value added and impact generated a broad range of responses from the groups. As with Sessions 3 and 4, while only one or two groups may have mentioned an issue, many issues mentioned seemed to resonate widely among participants.

Most groups tended to focus on the issues of value added, right of initiative and innovation with many avoiding the conflict between the “right of initiative” and “strategic focus” by simply not mentioning the latter. The right of initiative was welcomed by groups for allowing 21 02 03 to “fill the gaps left by other budget lines” and allowing NGOs to remain autonomous of government. Another group felt that the right of initiative could lead to a cross-fertilisation of ideas between Poverty Reduction Strategy Papers [PRSPs] and alternative NGO-driven development models. This group mentioned strategic focus as well emphasising more specific links with the PRSPs and calling for the development of synergies with similar projects.

With regard to innovation, a number of groups cautioned against too much innovation for fear that such projects would be too risky.

The strategic issue tackled most by the groups was the value added of 21 02 03. Common themes included the added value of: working with local civil society; strengthening partnership relationships; empowering people at grass-roots level; and the relatively new emphasis on capacity building. One group mentioned the potential to add value by sharing lessons by means of the CONCORD network.

In essence, when it was discussed in plenary, there seemed to be general agreement that the main added value of this budget line was that, contrary to the thematic budget lines, 21 02 03 allowed holistic approaches combining in a single project different areas of activity such as, for example, health, education, employment, environment, capacity building, etc.

CONCLUDING SESSION

The brief concluding session focused on: the selection process; the project cycle; management themes; and added value. On the selection process: [1] the developing [and not yet fully defined] role of the Delegation was mentioned; [2] the frustrations of the process were mentioned and the possible development of the Concept Note.

On the project cycle: [1] rigidity versus flexibility was mentioned – and the Commission stressed [i] that there is more room for manoeuvre than might be expected and [ii] that following the seminar and the opportunity to meet and discuss the issue, communication is expected to improve between all actors [EC HQ – EC Delegations / EC – NGOs in Europe and in the field]; [2] it was hoped that having met and discussed the issues in a frank and open way would also lead to a more “can do” attitude *on all sides* with a commensurate increase in readiness to change where justified and appropriate.

On management themes: [1] the increasing involvement of the Delegations was mentioned; [2] the question of capacity and how it can be captured, modelled and developed further was stressed; [3] the issue of rules of origin was mentioned [with the EC undertaking to look into the matter further]; [4] monitoring and the possible use of guidelines and benchmarks versus a “freer” approach was mentioned; [5] issues of responsibility and partnerships were mentioned – touching on the need for coordination versus duplication; the development of network, skills transfer, information sharing, etc.

On added value: [1] the right of initiative was mentioned as was the right to freedom of operation – free from political and strategic constraints; [2] the question of more innovation being equated with more risk was touched upon; and [3] it was stressed that 21 02 03 remains one of the only way of financing actions and activities not financed and covered by other donors and other EC development instruments.

While no firm undertakings were made in response to the concluding remarks, though the Commission did acknowledge all the recommendations and observations by its NGO partners and partner representative bodies. Indeed, in his closing address, Francesco de Angelis, Director of Horizontal Operations and Link RRD at EuropeAid said, after having attended all but the final sessions, that on the basis of what he had heard and observed he was open to examining: [1] “changing the system” for 21 02 03; and [2] streamlining procedures. Moreover, in order to take this undertaking forward he was going to study the possibility of setting up a Steering Committee to look into how things might be changed and improved.

CONCLUSION

The most valuable aspect of the seminar was perhaps the opportunity it provided for participants to put names to faces and talk and discuss directly with their various interlocutors. Not only during working sessions but during breaks discussions were often on-going as participants sought to clarify matters of importance to them. There is though obviously a limit to what can be achieved in concrete terms in a two-day seminar with over 65 participants. Nonetheless, the seminar can be said to have achieved its broad goal of stimulating discussion among participants on: [1] learning lessons from implementing the NGO co-financing budget line; and [2] the key strategic issues faced by 21 02 03.

While the seminar provided an excellent opportunity to clarify many of the issues regarding EC rules and procedures, it was less successful in getting information from the NGOs themselves about their own practices in terms of strategic planning and management procedures.

While participants may have hoped for more solid agreements on various issues, it is perhaps more realistic to welcome this initiative and hope that it can be built on further in coming years in the same atmosphere of openness and trust that characterised this seminar. All participants demonstrated a willingness to help ensure that the NGO Co-financing budget line does not get marginalised but continues to provide a very valuable source of finance for Non-Government and Civil Society Organisations to fill in some of the gaps not covered by other forms of development cooperation.