



# **FINAL REPORT FOR THE REGIONAL SEMINAR**

## **LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOs**

**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**

Luisa María Aguilar, Moderator  
Dominique Bourgault, Assistant

**LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS**  
**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**



**INDEX**

- 1. EXECUTIVE SUMMARY**
- 2. INTRODUCTION**
  - 2.1 Context
  - 2.2 Agenda and Objectives
  - 2.3 Participants
  - 2.4 Presentation of the report: the contributions of the seminar
- 3. CHANGES IMPLEMENTED IN THE BUDGET LINE 21 02 03 (EX B7-6000) IN RELATION WITH THE ADMINISTRATIVE, FINANCIAL AND LOGISTICAL MANAGEMENT.**
  - 3.1 Presentation of the Budget Line
    - 3.1.1 The main changes in the management of the Budget Line
    - 3.1.2 Devolution of the thematic budget lines
    - 3.1.3 The Contract Cycle
  - 3.2 Issues of interest, questions and information for clarification
- 4. LESSONS LEARNT FROM THE NGOS' EXPERIENCE IN RELATION WITH:**
  - 4.1 The implementation modalities: achievements and challenges
    - 4.1.1 Monitoring and evaluation
    - 4.1.2 Partnership and capacity building
    - 4.1.3 Technical issues related to the project content
  - 4.2 The strategic issues: political options, innovative aspects, added value and impact
    - 4.2.1 Innovative aspects and added value
    - 4.2.2 Sustainability of the actions
    - 4.2.3 Impact
    - 4.2.4 Transfer of good practices
- 5. RECOMMENDATIONS**
  - 5.1 Flexibility
  - 5.2 Administrative and financial management
  - 5.3 Relationship European Commission – NGOs
  - 5.4 Strengthening the Civil Society by consolidating the partnership
  - 5.5 Project implementation: Modalities and strategies
  - 5.6 Political options for the region
- 6. ANNEXES**
  - Annex 1: Programme
  - Annex 2: Participants list
  - Annex 3: Background documents
  - Annex 4: Questionnaire previous to the seminar  
Summary of the answers to the questionnaire
  - Annex 5: Results of the Seminar evaluation

LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS  
Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004



## 1. EXECUTIVE SUMMARY

The **new financial regulation** come into force in 2003 and the start of the **devolution process** are the two main changes which have modified the implementation of the budget line B7-6000 of co-financing with NGOs.

The seminar "**Lessons learnt from co-financed actions with NGOs**" was organized at a strategic moment of this process of change since it gave the participants the opportunity to express their **opinions and requests**, to obtain information and identify their **concerns** and **uncertainties** with respect to the consequences that such changes may have on their action and relationship with the co-financing budget line B7-6000.

In the working groups and the plenary sessions, the participants – representatives from the European Commission and from the local and European NGOs - have had the opportunity to analyse the experiences developed by the NGOs during the last years in the context of the co-financed actions.

The debates and exchanges have allowed not only to revise the **consequences resulting from the implementation of the adopted changes** but also to identify the **achievements** and the **extension and development opportunities** that could be promoted on the basis of this transition phase.

The main contributions and proposals focused on three major axes:

- A thematic axis, which gave rise to a strong request for clear and operational information, consisted in the **administrative and financial management** along with the clarifications related to the interpretations of the regulation in force. When dealing with this issue, the concerns of the NGOs in relation with the rigidity of this new regulation and their doubts with respect to the possible negative consequences it could have on the implementation level of the co-financed actions, could be observed. The participants requested to have:

- Clear counterparts and credible referents, especially at the Delegations level, in order to impede wrong or contradictory interpretations of the new directives.
- Accessible and regularly updated information instruments allowing the harmonisation of the budget line implementation criteria and modalities.

- Another axis of significant contributions regarding the reinforcement of the budget line implementation was related to the necessity to **strengthen the partnership**, allowing a greater importance to the qualitative aspects and consolidating synergies with other actors at both strategic level and project implementation. Complementing this proposal, the necessity to strengthen capacities and spaces for the local participation, as well as the one of the Civil Society, was also stressed.

- Finally, the third thematic axis was including the aspects related to the identification of the **strategic priorities** and the development of a global and consistent vision with respect to the conception and design of co-financed projects and actions. The participants analysed various aspects that should be worked on all together in order to optimize the impact of the

interventions. Among these were stressed:

- the design and implementation of methodological tools for monitoring and evaluation
- the improvement and assessment of the impact
- the strengthening and diffusion of the experimented innovations
- the development of the sustainability components
- the transfer of good practices.

The proposals raised during the plenary sessions allowed to identify a set of **recommendations** related on the one hand to specific requests and, on the other, to experiences and processes already initiated which were considered as positive contributions of the budget line for the region and for which a reinforcement in the future steps is hence sought.

The main **Recommendations** are structured around the following thematic axes:

- Within the limits set by the existing legal framework, to maintain and preserve the **flexibility of the budget line B7-6000** in order to ensure that the procedures adopted for the management are helping to meet the objectives and strategic priorities.
- That the **change processes should not weaken nor slow down the initiatives** already started or those which could be implemented in the future, aiming at promoting a sustainable development in the countries of South America.
- To organize, strengthen and implement future **dialogue opportunities between the European Commission and the NGOs**, specifically at the Delegations level, in order to join the efforts and consolidate synergies resulting from the optimization of the transition phase.
- To reinforce the lessons learnt and create the **spaces for learning and exchanging the good practices** (regional/national or thematic seminars, website and forum, etc.) essential to promote the positive impact of the budget line.
- To implement the development of a **strategy aiming at strengthening the partnership** between the European and the local NGOs, which could valorise the community based NGOs' skills, promoting their capacities as actor of the sustainable development.
- To strengthen and implement, on the basis of a global and coherent vision, the **implementation methods and strategies** - such as the co-financing instruments used, consolidation of the partnership, innovative aspects, added value, monitoring and evaluation tools and optimisation of the budget line impact – so as to harmonize and promote the achievement of significant and sustainable results in the region.

Answering the NGOs' requests and proposals, the EuropeAid/F2 Unit offered a set of important information and clarifications with respect to the implementation of the budget line and expressed again its will to promote future dialogue spaces and ensure follow-up, within the limits of the present legal framework, of the recommendations which resulted from this seminar.

**LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS**  
**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**



## **2. INTRODUCTION**

### **2.1 Context**

The community policy of co-financing with NGOs is developed in the context of the European Union's commitment to reduce poverty, protect the rule of law and respect the fundamental freedoms as stated in Article 177 (former 130U) of the European Commission Treaty.

In July 1998, the Council adopted the Regulation (CE) n° 1568/98 (JOL 213, 30/07/1998), which provides the Commission with a formal legal basis to manage the B7-6000 financial resources. In January 2000, the Commission approved the new General Conditions that regulate the current co-financing modalities.

The Seminar "***Lessons learnt from co-financed actions with NGOs***" was organized by the European Commission Cooperation Office EuropeAid - Unit F2, in the context of the management of the programme "Actions co-financed with NGOs in the developing countries", budget line 21 02 03, former B7-6000.

Through this seminar, the European Commission was aiming at promoting a space for dialogue with the NGOs in order to discuss the essential themes related to the implementation of the changes operated in the budget line B7-6000, with the objective to inform them about these changes and to identify recommendations aiming at improving the future interventions financed by this budget line in the region.

In the context of the reform process of the external aid management, the Cooperation Office EuropeAid was created in January 2001 by decision of the European Commission. This Office ensures the execution of the community aid and is responsible for the implementation of the mechanisms required in order to promote a sound, consistent and transparent management of the external assistance.

In order to harmonize and strengthen the management of the budget lines, EuropeAid has initiated a streamlining process – which implies the implementation of improvement processes with respect to the aspects related to the consistency between the objectives and the instruments developed, and those related to the financial management of such instruments. At the same time, this rationalisation process goes along with a devolution process, consisting in the transfer, from the head office in Brussels to the Delegations of the Commission, of tasks and responsibilities in the management of the external assistance.

Further, the new Financial Regulation of the Commission came into force the 01/01/2003 and implied important changes in the financial management of the projects.

These new directives gave rise to a set of modifications directly affecting the budget line "Co-financing actions with NGOs". These latter wonder what will be the consequences that these changes may generate on their action and future commitment in the region.

This was the context of the Seminar, understood as a space for exchanges and rapprochement between the authorities of the European Commission – the head office in Brussels and the Delegations – and the local and European NGOs.

### **2.2 Agenda and Objectives**

In order that the Seminar could actually be a space for an active participation and a constructive and clarifying dialogue and, as much as possible, come up to the participants' expectations, the activities were organized around **three objectives**:

- To analyse, study thoroughly and clarify the aspects related to the administrative, financial and logistical management in the context of the changes implemented in the budget line 21 02 03 (former B7-6000), and more specifically those concerning the implementation of the devolution process and of the new Financial Regulation.
- To have a better knowledge of the practices of the NGOs and their local partners with respect to the implementation of the budget line in order to identify suggestions and proposals, particularly those related to the co-financing instruments used, the strengthening of the partnership between the European and South NGOs, the implementation of the projects, the results achieved and the difficulties faced.
- To exchange experiences and contributions on strategic issues, innovative aspects, added value, monitoring and evaluation, with the aim of identifying new insights and working instruments in order to optimize the impact of the programme in the region.

A questionnaire had been sent previously to the participants in order to know their opinions, concerns and questions with respect to the implementation of the budget line B7-6000. It was more specifically focusing on aspects related to the co-financing instruments used, the partnership and the monitoring and evaluation systems.

Although the answers were not significant, owing to their small numbers, the received contributions were processed and used as reference in the preparation of the Seminar (See annex 4).

The Agenda was organized around the presentation of the budget line B7-6000, studying more in depth the following themes:

- Issues related to the administrative, financial and logistical Management
- Lessons learnt from the NGOs' experiences – Project implementation modalities: achievements and challenges
- Lessons learnt from the NGOs' experiences – Strategic issues: innovation, added value, impact.

## **2.3 Participants**

The seminar gathered about 120 participants, representatives of:

- South American NGOs from Argentine, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Nicaragua, Peru and Venezuela,
- European NGOs from Germany, Belgium, Spain, Finland, The Netherlands, the United-Kingdom, Italy and Portugal.
- POJOAJU (Paraguay) and the National Association of Centres (Peru) representing the NGOs Platforms of South America,
- The European Commission, represented by the Head of Unit EuropeAid/F2, 3 members of the Unit F2 coordination team for Latin America and by 26 representatives and agents working in the EU Delegations in Argentine, Bolivia, Brazil, Chile, Colombia (also responsible for Ecuador), Peru, Uruguay (also responsible for Paraguay) and Venezuela.

The five working groups were composed so as to promote the complementarity in the participants' profiles. This way in each group, representatives of the European Commission and/or of its Delegations were participating along with representatives of both the European and the local NGOs. Attention was also paid to the geographical representation of the participating countries so as to achieve groups balanced in this respect.

This way, the themes tackled, the questions raised, the identification of needs and proposals for the future, were analysed and enriched with the diversity of the participants' insights, according to their origins, job functions, responsibilities and experiences.

The analysis of the themes tackled was structured around five cross-aspects:

- analysing the lessons learnt
- analysing the negative aspects
- analysing the positive aspects
- clarifications required
- proposals and recommendations

## **2.4 Presentation of the report: the contributions of the Seminar**

This report has been elaborated by the team in charge of the moderation, with the objective to offer all the participants, as well as the NGOs and persons who could not attend the Seminar, a document which – based on a neutral position – gathers the most significant contributions and recommendations that can be used as a basis for the improvement of the daily work of all the stakeholders involved into the implementation of the budget line B7-6000, and also for pursuing this initiative, in future meetings and opportunities of dialogue between the European Commission and the NGOs.

This report is composed of three parts:

- The first part, mostly informative, summarises the information and answers for clarification regarding the consequences induced by the changes implemented in the budget line B7-6000 with respect to the administrative, financial and logistical management. Among others, themes such as the rigidity of the procedures and management framework with respect to the NGO co-financing, the new procedures for the calls for proposals, the enforcement of the financial regulation, the more strict contractual rules, the deconcentration process of the access for financing, were tackled by the participants and gave rise to clarification.
- The second part gathers the contributions related to the lessons learnt and the NGOs experiences with respect to the implementation modalities and the strategic issues such as the value added, the impact of the budget line in the region, the improvement and strengthening of the partnership between the European NGOs and their local partners.
- The third part presents the main recommendations elaborated by the working groups and during the plenary sessions. These recommendations are fundamentally based upon proposals aiming at strengthening the actors and future actions in the context of the NGO co-financing programme, in the region.

**LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS**  
**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**



**3. CHANGES IMPLEMENTED IN THE BUDGET LINE  
21 02 03 (FORMER B7-6000) IN RELATION WITH THE ADMINISTRATIVE,  
FINANCIAL AND LOGISTICAL MANAGEMENT.**

The first day of the Seminar was entirely dedicated to issues related to the management of the budget line. The members of EuropeAid, Unit F2, namely Mr. Bouratsis, Head of Unit, Mr Paulo Campilho, coordinator responsible for Latin America, and Mrs Katia Dimitrieff and Marlene Trutzeneberger, members of the team, made an exhaustive presentation of the budget line B7- 6000<sup>1</sup>. They answered the requests for clarification, explaining at the same time the changes induced by the financial regulation and by the devolution process, and insisting on the importance that, during this period of time, the communication between all the actors participating in this process could be intensified. The seminar gave an opportunity to already materialize this latter aspect.

The information shared with the participants was set out on the basis of the new regulation in force, clarifying the aspects and changes implemented, their consequences and the limits between which it is possible to operate.

Mr. Bouratsis explicitly expressed the will of the Commission to strongly commit itself, through the budget line B7-6000, to combat poverty: *“we intend to do the best but we can’t do all and what we do must be done within the rules established by the law. In the future, the Delegations will have more contact with the NGOs, more possibilities to ensure a better monitoring of the actions but all has to be done within the framework given by the regulation. Even if we are doing the best to change some aspects, we have to adjust to the legal framework in force”*.

The participants requested to have as many answers and information for clarification as possible in order that the transition process and the changes implemented could occur in a constructive way, strengthening the realisation of the initiatives supported by this budget line.

This part of the report intends to structure and summarise the presentations, questions and clarifications regarding the management aspects, in order to support the daily work of the actors involved in the implementation process of the budget line.

### **3.1 PRESENTATION OF THE BUDGET LINE**

The budget line B7-6000 was created in 1976. Its initial allocation amounted to EUR 2.5 million and it is now dealing with about EUR 200 million per year. This budget line is **exclusively opened to proposals submitted by European NGOs**. The NGOs from the Southern countries wishing to present a proposal have to do it through a European NGO, in other words, they have to work in partnership.

***- The objective of the budget line B7-6000 is to combat poverty.***

There are no thematic nor geographical priorities. The NGOs are free to submit the projects they consider important, as long as they have a social, human and/or economic dimension and promote sustainable development processes.

For the 2004-2005 call for proposals, some specific issues should be emphasized. It will be intended to reinforce the different aspects of the training that the European NGO can

---

<sup>1</sup> See annex 3

implement in order to strengthen the local NGO in both the field and its capacity of action. It will also be intended to favour the low "per capita" income and least developed countries.

- In the context of the B7-6000, three **instruments are used** for co-financing actions in developing countries. For each one of them, a separated call for proposals is launched. The instrument for co-financing individual projects and/or those implemented in consortium is the one which receives the most important part of the funds allocated to the budget line, approximately 55%. The other two are called the Block Grant and the Contract-Programme.<sup>1</sup>

### 3.1.1 THE MAIN CHANGES IN THE MANAGEMENT OF THE BUDGET LINE:

- A **system of call for proposals** in order to deal with the requests for co-financing submitted by the NGOs, was initiated in 2000. Only the projects complying with the requirements of the call for proposals, which are presenting all the information required and have all the requested forms filled in, can be accepted.
- The coming into force of the **new Financial Regulation in 2003** was another important change.  
A first requirement consisted in submitting for approval, at the beginning of the year, the annual work programme to the Committee of EC Commissioners. This work plan must define the number of calls for proposals for the year, when they will be launched and the type of projects that will be selected. Once the work programme is approved, the new calls for proposals should be published and for this year, it is expected to be by the end of April.

In the main evolutions occurred in the budget line during the last years, changes of **trends** can be observed since 2000.:

- The number of projects received yearly has increased by approximately 10% per year,
- The number of projects approved is decreasing, what is explained by the increasing dimension of the projects, amounting up to 600,000 €(of EU financing) in average
- Receiving more projects every year means a work overload for the Unit F2, what results in management difficulties. Some suggestions have already been studied in order to compensate this aspect, such as:
  - a) changing the application form by giving more importance to the qualitative aspects,
  - b) separating the eligibility of the NGO from the eligibility of the project,
  - c) working with two calls for proposals, the so-called "concept notes", procedure which will enter into force in 2005. For the first call for proposals, only a summary of the project is required. The EC will select a limited number of proposals, for example about 400. If the proposal is selected, the NGO will be invited to present the complete application form. This modality will both alleviate the work for the NGO, which often needlessly dedicates time and resources for presenting proposals neither eligible nor relevant, and at the same time make the management of the call for proposals easier for the Commission.
- From this year, with the enlargement of the European Union, more projects issued by the 10 newly integrated Member States, will be received. Taking into account that these countries are more used to work with Eastern Europe and Asia, it is expected to receive new projects with specific profiles.
- A process of reinforcing the dialogue with the NGOs has been initiated. For this purpose, the Commission has organized in October 2003 a Seminar with the European NGOs in Palermo that resulted into the so-called "**Palermo Process**". At that meeting, a number of recommendations were produced. They were related to sharpening the identity of the budget line, the need to increase the importance of the partnership between the European and Southern NGOs,

<sup>1</sup> See information in annex 3 and/or on :  
[http://europa.eu.int/comm/europeaid/projects/ong\\_cd/index\\_en.htm](http://europa.eu.int/comm/europeaid/projects/ong_cd/index_en.htm)

strengthening the capacity building of the Southern Civil Society, creating synergies with other actors such as the regional authorities, trade unions and other stakeholders working in the same fields and promoting integrated and innovative projects.

### 3.1.2 DEVOLUTION OF THE THEMATIC BUDGET LINES

The devolution of the management of the external aid to the Delegations of the Commission is another key-element of the reform process of the external assistance management. ***The principle is that "Anything that can be better managed and decided on the spot, close to what is happening on the ground, should not be managed or decided in Brussels".<sup>1</sup>***

The devolution process affects the whole external aid and not only the budget line of co-financing actions with NGOs. A few of the ***thematic budget lines*** have already been devolved, such as the budget line for Food Security and the Human Rights Micro-projects. For the other budget lines such as the B7-6000, the devolution is in process and it is expected that it could be finalised by October 2004.

This process will have implications ***at the level of the responsibilities and roles*** ensured by the Head office in Brussels and by the Delegations, and also at the level of their relationship with the NGOs:

#### ***The Head office in Brussels:***

- There will be no change with respect to the selection of projects for budget line 21 02 03. The management of the global calls for proposals will still be done from Brussels which will keep on being responsible for the decision, although the Delegations will be asked for their opinion.
- Will ensure the follow-up of the management of the regional projects in process, which depend upon various Delegations.
- Will provide support to the Delegations for logistical, planning and monitoring issues.
- Will inform the NGO when the management of its project is transferred to the Delegation.

#### ***The Delegations:***

- Will participate in the proposals selection process and project appraisal.
- Will ensure an important role in the contractual procedures since the contract will be signed by the Delegation.
- Will be responsible for the monitoring, payments and management of the projects.
- Will be in charge of the aspects related to the audit and evaluation of the projects.
- Will be able to provide a closer support to the local NGOs and more easily visit the projects taking into account the proximity.

#### ***The NGOS:***

- In terms of relationship between the European NGO and the local NGO, there will be no change.
- The NGOs will have to send to the Delegations the reports and requests to modify the contract.

### 3.1.3 THE CONTRACT CYCLE

---

<sup>1</sup> Development policy and implementation of the external aid

Many of the requests for clarification raised by the participants were related to the phases of the **Contract Cycle**<sup>1</sup> which is regulated, since 2003, by the new Financial Regulation (Law 01/01/2003). The information is structured around four aspects:

- The entire **call for proposals** process is lasting more or less one year. Starting from the publication of the call for proposals, the timing is distributed into a period of time of about 4 months for the NGOs to present a proposal; more or less 6 months for the appraisal and selection of the proposals and about 2 additional months to establish the contract.

Even if it is understandable that these periods of time can be too long for the NGOs, considering the important number of projects received by the Unit F2 and the procedures to be followed, it is impossible to shorten them.

- **The selection of the projects** is divided into two phases. The first one is the **assessment of the administrative compliance and of the eligibility (A.C.E.)** of the action and the second one consists in the **appraisal of the eligible proposals**.

The criteria applied for the evaluation of the proposals are the following ones: relevance, methodology, sustainability, budget and cost-effectiveness, technical and operational capacity of the applicant and its partners.

- Once the proposal is approved during the second phase of the selection, **a contract**, signed between the EC and the European NGO, is designed. During this phase, a set of elements is specified, when necessary, for instance the budget and the eligible costs, the payment instalments, the audit and the information related to the action, such as the starting date and its duration.

The design of the contract is regulated according to the terms and conditions established by the new Financial Regulation, as mentioned hereafter:

- It stipulates that design costs are not eligible.
- The interests received on the EC contribution are considered as "extra contribution" to be deducted from the final payment.
- The starting date cannot precede the date when the contract has been signed, apart from exception duly substantiated.
- The administrative costs cannot exceed 7%.
- Contingencies can no longer be included into the budget.
- It stipulates the necessity to have a specific audit accompanying the final report of the project. In addition, in case the EC payments are exceeding 750.000 Euros, it is also required to present the audit report.
- A bank guarantee is required for any pre-financing payment exceeding one million Euros.

The establishment of the contract is regulated by various legal texts, which, for some of them, cannot vary since they depend upon decisions of the Council or of the Commission.

The **unvarying legal texts** are: the **General Conditions for Co-financing** projects implemented in the developing countries with the NGOs (VIII/505/99), which define the duration of the actions, for example, a maximum of 5 years for a project and of 3 years for a Block Grant; the **Practical Guide to contract procedures** for the external aid and the **General Conditions applicable to the grant contracts** of the EC (Annex II of the Contract).

The **varying legal texts** are the Special Conditions of the contract, the technical description (annex I) and the budget (annex III). When changes are introduced into these texts, they have to be approved by an addendum to the contract.

#### **Changes calling for an addendum:**

- The date when the project is starting.

---

<sup>1</sup> See annex 3  
and: [http://europa.eu.int/comm/europeaid/projects/ong\\_cd/index\\_en.htm](http://europa.eu.int/comm/europeaid/projects/ong_cd/index_en.htm)

- The duration, limited to 60 months for the projects and to 36 months for the Block Grant.
- The revision of the budget in case the variations are exceeding 10% of the budget heading compared to what has been initially stated in the budget. For the contracts established after 2003, if the variation exceeds 15%.
- The variations affecting the objectives of the action (annex I).

**Changes subjected to derogation:**

The Unit F2 has reached a consensus with the services involved by means of which all the supplies and consumable equipment originating from Europe and also from the developing countries can be considered as eligible and hence no derogation is needed. The derogation is required only when the consumables and supplies are originated from countries outside Europe and outside the developing countries.

- With respect to the **Reports and Payments** the following principles have been laid down:
  - Any payment occurring before the approval of the final report is considered as anticipated.
  - The payments are made on the basis of the presentation of the **technical and financial reports**, the **request for payment** and the **audit report** according to what is stipulated in the contract.
  - **Further instalments are conditioned by** the fact that the expenditures incurred amount at least to 70% of the latest payment and 100% of the other previous payments made. In other words, a third payment can only be made if at least 70% of the second payment and 100% of the first one, interests included, have already been spent.
  - If the expenditures are lower than the payments made by the EC, a reimbursement of the balance will be required to the NGO.
  - Any **erroneous or incomplete information** will result in a payment suspension. For example, if the request for payment or the audit report is missing, the payment will be suspended until all the information is presented in a complete and correct way.

**3.2 ISSUES OF INTEREST, QUESTIONS AND INFORMATION FOR CLARIFICATION**

This section of the report presents the **additional information given for clarification** by the European Commission representatives during various sessions of the seminar in reply to specific questions and requests of the participants.

It was repeated at several opportunities that the **financial regulation could not be made more flexible** since it does not depend only upon the Unit F2. Further it was also clarified that the rules, which have been changed by the new Financial Regulation, are applicable only for the contracts signed since 2003.

The information offered is corresponding to the legal framework regulating the administrative and financial management of the budget line B7-6000.

- Concerning **the requirement that the budget of a project meets the local regulation**, particularly regarding the salaries, it was made clear that the budget line B7-6000 allows the presentation of salaries for 15 months in the annual budget in case the regulation of the country states so.
- Regarding **the interests**, the new regulation is applicable only for the contracts established since 2000 onwards and stipulates that the interests resulting from the Commission's contribution are not to be used. For this reason, they will be deducted from the final payment or, in case the NGO did not spend the entire grant, have to be reimbursed. This provision has not been established by the Unit F2, which has no hold on it, but it has to be applied since the Financial Regulation in force states so.

- With respect to the **flexibility of the budgetary aspects**, it was clarified that the **contingencies** are not allowed. However, in order to alleviate this provision, the flexibility of each budget heading has been increased from 10% to 15% for the contracts signed since 2003. This means that there is no need to seek for approval the changes in the budget if they do not exceed 15% of the heading stipulated in the contract.

- Regarding the **exchange rate fluctuations**, the General Conditions stipulate that the Commission does not compensate the fluctuations occurring in the exchange rate. If the exchange rate happens to be unfavourable to the NGOs, these latter have to bear the differences. In case the exchange rate is favourable to the NGOs, they can make use of the additional difference for the project, since the expenses have to be justified in Euros.

This is applicable to the projects approved after 2001 for which the budget has been drawn in Euros. The General Conditions also stipulate that the financial report must present expenses calculated on the basis of the exchange rate in use during the month when the expenses have incurred. This information can be found in the Europa Website, in INFOEURO.<sup>1</sup> The General Conditions also stipulate that in case of high fluctuations in the exchange rate, the NGO can request for an exception in order to use the real exchange rate.

- Concerning the **evaluation of the European NGO** by the Delegation, the head office in Brussels will request for information on all the aspects, including the capacity and the experience of the two counterparts, the European and local NGOs.

- With respect to the **contributions amounting to 15% of private European funds**, it was clarified that stating that the funds must be private does not mean that they have to originate exclusively from the European NGO submitting the project proposal. This contribution can originate from other European private sources such as firms, trade unions, campaigns and fund raising actions. A problem can occur when the European NGO is benefiting from **public grants specifically allocated to the project** being submitted to the EC. These funds cannot be considered by the EC as part of the 15%.

On the contrary, it is important to point out that what the EC appraises is that the NGO could make available at least 15% of private financing **compared to the total of financial resources** in general. If the NGO benefits from public grants allocated to its general budget, this does not lead to problems when evaluating the origin of the financial compensation of 15% as long as the NGO has at least 15% of private financing over the total of the annual financial resources.

- The **contributions of 10%** originating from other funds are not regulated by a specific rule. They can originate from either European public or private funds, or local public or private funds.

- It is not necessary that **these funds can be made available** immediately. The important aspect is that the NGO could commit itself to ensure the availability of these resources during the project implementation, in accordance with the contribution stipulated in the initial proposal and always keep the level of 15% of private funds.

- With respect to the **Rule of origin**, in case the equipments include components originating from countries outside the European Union and the developing countries, for example from Japan or the USA, it is important that the value of these components do not exceed 49% of the global value of the equipment. The EC considers that a product originates from Europe, from the beneficiary country or from a developing country, if at least 51% of the added value of the product originates from these countries.

- With respect to the **conflict arising from EC and other donors' regulations**, it is not possible to change this situation since the EC cannot change its regulations.

- Relating to the **differences between the salaries paid to the local personnel and the expatriated personnel**, the EC has no regulation indicating a maximum or a minimum for these salaries. It is requested to use the standard wages, corresponding to the person entering into the contract, applied in the labour market. Whenever the contract is signed with

---

<sup>1</sup> <http://europa.eu.int/comm/budget/inforeuro/index.cfm?language=en>

a European or a local NGO, it is requested that the salaries should not be disproportionate and that they could adapt to the average salaries applicable in the country.

- As far as the **size of the NGO** is concerned, the EC does not make any difference between the big or small NGOs. On the contrary, different instruments are made available, which can suit to various NGOs profiles. The Contract-Programme are mainly designed for NGOs having a strong management capacity, whereas the Block Grants foresee actions amounting from 20,000 up to 150,000 Euros in order to take into account the possibilities of smaller NGOs. Further the projects range from 50,000 to 1,500,000 Euros; the most important is that, smaller or bigger, the NGO can prove the quality of its work and its management capacity.

- In relation with the **need to ensure transparency**, it was stated that it is guaranteed by the procedure used to select the proposals, by means of a **call for proposals opened to all NGOs**.

Further additional measures, which help ensuring transparency in the management, are also applied: the publication, in each call for proposals, of the evaluation criteria used for the selection of the proposals; the website<sup>1</sup> offering updated information, particularly in the "Frequently asked questions" section; an email address made available for the NGOs so that they could ask for clarification about the call for proposals and the fact that during the selection phase of the proposals, it is not allowed to influence the final decision of the EC nor lobby the Delegations.

- The situation regarding the **time gap between the payments in advance made by the NGOs and the payments made by the EC** is as follows. During the first year, the EC finances up to 80% of its contribution to the budget of that year and, in this way, grants a pre-financing. In order to start the project, the European and local NGOs have to ensure, for their part, a similar contribution conform to the percentage of their financing.

The problem occurs during the second year when the NGO is requesting for the second and/or third payment. If the documents presented are not in order, the EC can delay any further payment corresponding to its contribution until the requirements are fulfilled, which can, in some cases, take several months. In such case, the NGO must have the financial capacity enabling it to ensure the financing of the project until the problem is solved. This kind of situation can generate problems above all for the smallest NGOs. For this reason, in order to avoid them, the NGOs are strongly recommended to present the reports properly so as to ease and speed up the management of the projects.

- Concerning the deadline for presenting the **audit report**, a request for payment introduced by the NGO before the audit report has been received by the EC cannot possibly be satisfied. Taking into account that the aim of such an audit is precisely to control that the funds have been properly used, it would be illogical to make the payment before checking for the good management of the resources. The new regulations are stating that, for the contracts signed since 2003, it is only required to present the audit report along with the final report of the project and not anymore along with the intermediate reports, except for the contracts exceeding 750,000 Euros. In this case, if the total of the payments done by the EC exceeds 750,000 Euros, it is required to submit an audit report. This provision regards only the projects implemented in consortium.

- The EC does not reject the presentation of **consecutive projects**. However, taking into account that one of the criteria requested consists in ensuring the sustainability of the projects, the capacity of the NGO to ensure the sustainability of the first project could be questioned if a second project is submitted for the same action. Nevertheless, if the need for the action is proven as well as the good management capacity of the NGO, there is no reason why *a priori* the approval of consecutive projects could be rejected.

- Finally, concerning the questions related to **tax refund**, the General Conditions state that if the country where the intervention is implemented authorizes to reclaim the taxes, these cannot be presented as costs for the project. If on the contrary in the country it is not authorized to reclaim taxes, the EC allows that these costs could be presented in the financial report as expenses.

---

<sup>1</sup> [http://europa.eu.int/comm/europeaid/projects/ong\\_cd/index\\_en.htm](http://europa.eu.int/comm/europeaid/projects/ong_cd/index_en.htm)

Taking into account that the situation differs from one country to another, it is necessary to inquire about and study the legal provisions of each country and check whether the projects financed by the Commission could be tax-free or, at least, free from value added taxes.

It is recommended to enquire at the Delegations about this aspect since they are usually informed about the agreements in force between the EC and the country in question. In addition, the Delegations can provide the NGO, when needed, with a document certifying that the project is financed by the European Commission in order to ease the procedure for tax refund.

**LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS**  
**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**



#### **4. LESSONS LEARNT FROM THE NGOS' EXPERIENCE**

The second day of the Seminar aimed at improving the knowledge of and exchange on the NGOs practices, starting from the lessons learnt in the context of the implemented projects supported by the budget line B7-6000. The working sessions were introduced by the presentations of a European NGO, ICCO (The Netherlands) and of a local NGO, DESCO (Peru). The contributions of both NGOs, focusing on the presentation of their experiences regarding, respectively, the implementation modalities and the impact<sup>1</sup>, were used as a basis for the later work in groups.

##### **4.1 THE IMPLEMENTATION MODALITIES OF THE PROJECTS: ACHIEVEMENTS AND CHALLENGES**

Analyzing *what has been learnt from their experiences*, the participants emphasized a set of elements that allowed to enrich their work and commitment regarding the local reality, for example the implementation of the SWOT method<sup>2</sup> and the prospective analysis of the relations between public policies, actors and situations in order to design potential medium and long term scenarios. Lessons were shared regarding the specificities of some projects considering the involvement of state authorities or the geographic areas in which the projects were implemented.

The improvement in the use of some instruments such as the Logical Framework, the definition of impact and quality indicators, the monitoring procedures and, in some cases, the design of permanent monitoring instruments, were mentioned. The contributions resulting from internal and external evaluations were also put forward as well as the strengthening of the partnership relations and of the partner capacities. All these aspects have been identified as learning processes that the NGOs have been implementing in the context of the contributions shared with the NGO co-financing budget line.

Through the discussions, a number of themes were studied for which the participants highlighted the positive and/or negative aspects, as well as the need for further clarification by the EC.

##### **4.1.1. MONITORING AND EVALUATION**

- Generally speaking, it was considered that *monitoring implies a permanent learning process* which has to be conducted continuously all along the action since it permits to compare what has been planned to the reality and the results achieved and identify the corrective measures needed. It is one of the means of improving the understanding of the reality in which the projects are implemented and, to this extent, it helps improving the formulation of future projects or actions.

The importance to have a well-designed *monitoring system* from the very beginning of the projects was stressed in order to avoid the risk that it could generate an accumulation of data which could not be analyzed nor interpreted because the appropriate methodological resources are missing. In some cases, a discrepancy can even be sometimes observed between the formal monitoring and the real monitoring.

Further, the EC Delegations insist on the importance to get correct and updated information necessary to act efficiently, in case of refinancing for example.

---

<sup>1</sup> See Annex 3

<sup>2</sup> SWOT : Strengths, Weaknesses, Opportunities, Threats

- If the Logical Framework is considered as a good methodological tool, it has been stressed that it can also be of limited use for the analysis of changing and dynamical realities and that difficulties exist for its application. In order to generalize its use in the formulation, monitoring and evaluation of the projects, it would be necessary to strengthen training mechanisms.

Some of the participants mentioned the risk that can result from the emphasis given by the Commission to the Logical Framework. This element, combined with the amount of the contributions asked to the NGOs as counterparts, may restrict the participation of the smallest NGOs or reinforce the concentration process of the strongest actors.

- Concerning evaluations, it has been stressed that it is **essential to ensure the complementary of the financial information**, of course important, and the **narrative** part, even more important for the NGOs. Sometimes the information included in the evaluation (and monitoring) reports are too detailed, so that it is difficult to make a practical use of the results for the benefit of the action evaluated. The more the information could be structured in accordance with the Logical Framework methodology, the more these difficulties would diminish.

- Among the aspects referring to the **external evaluations** undertaken by the European Commission and requiring further clarification, the following items were pointed out:

- The need for more information with respect to the procedures and processes applied to the **external evaluation** of the actions and partners.
- The necessity to clarify if **Terms of Reference** are defined for each evaluation and monitoring visit.
- What is the value given by the Commission to the internal and external evaluations and how the monitoring and evaluation results are used? It appears that the opinion of the counterpart NGO seems to have less weight for the Commission than that of the external evaluator. In practice, this is shown by the fact that there is no system to go on appeal.
- The necessity to revise to what extent **the timing and criteria for evaluation** meet the main objectives of the B7-6000.

Finally, the importance to have actions planning and designs as much realistic as possible was stressed, since sometimes the specific objectives fixed are extremely hard to achieve. In addition, the limited duration of the actions do not always allow the achievement of the overall objectives.

#### 4.1.2. PARTNERSHIP AND CAPACITY BUILDING

The lessons learnt from the NGOs experiences with respect to the **partnership and the capacity building** were mainly structured around two contributions: the partnership between the European and the local NGOs and the collaboration with the direct beneficiaries.

- The **partnership established between the European and South American NGOs**, developed on the basis of a long term perspective, was much appreciated. This aspect has been strongly beneficial, more particularly because the skills of the NGOs of both continents are complementary when dealing with the implementation of the actions.

- The **co-financing instruments** have promoted the creation of alliances, synergies and networks between the European and local civil societies as well as the development of concerted actions so as to work in a coordinated way for a common objective. They also helped opening spaces of participation to technical and academic worlds. The Block Grants, more specifically, have the advantage to open initiatives of collaboration to new partners and to experiment them in the context of an action limited in time and financial terms.

- With respect to the **quality of the partnership relations**, it was noticed that the level at which the European NGO intervenes mainly depends upon the management capacity of the local NGO. Teamwork has been promoted at various levels such as planning, implementation and review of the actions, which led to strengthen the abilities and capacities of the partners.

The partnership has promoted a mutual understanding since it generates spaces of intense exchanges of information, with the NGOs of other regions, on the reality of the local NGOs, thanks to the relationship developed with both the European NGOs and the EC.

These spaces have promoted training and learning processes between peers and synergies between NGOs of both continents, this way reinforcing relationships of mutual trust focused on the will to find solutions for the benefit of the projects and on the definition of local strategies.

The devolution process now opens the possibility to start between the NGOs and the Commission a real partnership and not only a control relationship.

- The **external aid funds**, which mostly support medium term actions, allow the NGO to grow, strengthen its processes and optimize its results. However, to the extent that the partnership becomes stronger and long term relationships take place, the co-financing instruments, currently limited to 5 years duration at the utmost, do not always contribute to the reinforcement of these new forms of relationship.

- The **involvement of the European NGO**, not only with the local NGO but also with the **beneficiaries**, is very important and beneficial as long as a balance can be found between the participation of the beneficiaries and the expectations which ought to remain feasible.

- A **wider participation of the communities** has been promoted and allowed developing the abilities and capacities of the direct beneficiaries. Although it is more difficult to work directly with grass-roots organizations because of their lack of experience as well as the need to dedicate more time to integrate new insights and practices, it is considered that the more agents are “really” involved in the interventions, the better the results. The active participation of the local actors in all the phases of the projects has allowed the “empowerment” of the cooperation initiatives at the level of the exchanges and mutual enrichments between the European and local actors on the one hand, and to ensure a better suitability of the project to the local requirements on the other hand.

It would be interesting to clarify what kind of instruments can be used in order to make viable the participation of communities in processes of acculturation, since some are more appropriate than others.

- The intrinsic nature of participatory processes calls for the expansion and greater flexibility in **schedules and mechanisms stipulated in the contracts**, since during the process of approval of the proposals, reality has very often already changed. The regulations in force should take this kind of adaptations into account.

- The collaboration with organized social actors promoting changes, was stressed as one of the main axes of the **work strategy**. This way the projects could become means to increase their capacity of public impact. Along with the need to find solutions to structural problems, it is necessary to keep the work focused on the strengthening of civil society.

During all the phases of the projects, the NGO has to become a promoter of permanent spaces for analysing, participating and decision taking.

#### 4.1.3. TECHNICAL ISSUES RELATED TO THE PROJECT CONTENT

Two aspects prevailed during the presentation sessions of the groups’ findings: the collaboration with local government authorities in the context of the development of the projects and the implementation of actions in border regions.

- The benefits resulting from **actions implemented in collaboration with local entities**, the complementarity and the results achieved thanks to the articulation of the actions between the NGOs and the governmental authorities, for the benefit of the poorest population, are one of the lessons learnt from the NGOs experience.

A good cooperation and coordination between the local NGOs and the local governments can lead to a “win win” situation for both. However, it is observed that both parts still seem to be reluctant to dialogue.

- It was indicated that, just like for the work with grass-roots organizations, it is more difficult to **work directly with public organizations**, because of their lack of experience as well as the

need to dedicate more time to integrating new insights and practices. Moreover it is sometimes difficult to match the timing and implementation period of the NGOs and governmental entities, which doesn't favour a coordinated action. The fear and risk that working with local authorities could result in "politicizing" the interventions or could generate instability in the project implementation when the political responsibilities change after elections, were also expressed.

## **4.2 STRATEGIC ISSUES: POLITICAL OPTIONS, INNOVATIVE ASPECTS, ADDED VALUE AND IMPACT**

### **4.2.1 INNOVATIVE ASPECTS AND ADDED VALUE**

The working groups came to the conclusion that the budget line B7-6000 has supported initiatives for strengthening the civil society that promoted innovations. The policy followed by this budget line clearly intends to ***promote innovation in actions and projects***.

- It was noticed that two co-financing instruments, the Block-Grants and the Contract-Programmes, were particularly promoting innovations since they support respectively the opportunities to implement "pilot actions" and to work in consortium. However these instruments are unfortunately insufficiently accessible.

- The need to define more clearly what is meant by "innovation" was stressed along with the necessity to clarify to what extent the selection criteria applied by the European Commission for co-financing were giving priority to either innovative or structural actions.

- It was considered that the innovations experimented in the context of the projects are not always sufficiently known. In this sense, the strengthening of the local capacities with respect to the innovative aspects should promote the development of indigenous practices, stimulate the creativity of the partners and the possibilities to share initiatives.

- The added value – related to the opening of spaces for strengthening civil society – resulting from the actions co-financed by the B7-6000 was highly and particularly appreciated.

### **4.2.2 SUSTAINABILITY OF THE ACTIONS**

The projects counting on highly ***involved local actors and already existing partnerships*** comprise more components of sustainability.

Many factors are linked together to ensure the sustainability of the actions:

- the quality and capacity of the counterpart NGO,
- the policy and operative strategies of the NGO,
- the conditions of the local government,
- the involvement of the local actors,
- the strengthening of the local civil society,
- the design of the projects, understood as part and parcel of strategic processes.

It is difficult to achieve sustainability and innovate simultaneously in short or medium term intervention processes, especially when dealing with development processes.

#### 4.2.3 IMPACT

In the context of the budget line B7-6000, the ***Commission has allowed and encouraged the reinforcement of the impact of the interventions***, giving incentives to both NGOs and beneficiaries for working on the concept of "impact" and for designing appropriate instruments for its assessment.

- The efforts made by the European and local NGOs to analyze the globalization phenomenon and coordinate actions aiming at thwarting its negative consequences should strengthen the impact of the actions undertaken.

- It was acknowledge that the quality of a project depends on its impact. It is important that the indicators will not be restricted to the quantitative aspects but that qualitative indicators can be developed, enabling to analyse the impact of the activities on the target group.

#### 4.2.4 TRANSFER OF GOOD PRACTICES

The transfer of good practices has to be planned from the start of the project.

- The NGOs are developing models, which generally remain between the NGOs.

- In order to increase the number of good practices and to transfer them, the collaboration with other institutions, local authorities, etc. is required.

- The promotion of dialogue between the NGOs of the region and, consequently, the possibility to share experiences, helps the process of transfer but a wider thinking process is needed to define how successful models can be multiplied and negative experiences can be shared with projects, NGOs and bilateral programmes.

- It is difficult to implement at the public sector level the transfer and/or institutionalisation of the innovative aspects. Elements such as the corruption or the state inefficiency can threaten the success of the projects.

**LESSONS LEARNT FROM CO-FINANCED ACTIONS WITH NGOS**  
**Lima - Peru, 29<sup>th</sup> – 30<sup>th</sup> March 2004**



## **5. RECOMENDATIONS**

The recommendations resulting from the Seminar are based upon a positive and constructive approach of the NGOs to the budget line B7-6000.

The proposals and options for the future, aiming at optimizing the impact of the future interventions in the region, arose from the analysis and evaluation of the positive aspects and of the lessons learnt, as well as from the identification of the aspects requiring improvements or clarification.

The discussions allowed to identify a set of recommendations structured around specific requests as well as experiences and processes already initiated, which have been positively evaluated and for which a reinforcement in the future steps is hence sought.

### **5.1 FLEXIBILITY**

***Within the limits set by the existing legal framework, to maintain and preserve the flexibility of the budget line B7-6000 in order to ensure that the procedures adopted for the management allow to meet the objectives and strategic priorities.***

During both the plenary sessions dedicated to the presentation of the groups' findings and the plenary debates, the participants insisted on various occasions, on the importance to maintain as much flexibility as possible in the processes for applying the changes operated in the budget line B7-6000, so as to ensure the capacity of the budget line to address the needs and rights of the local beneficiary populations.

For the aspects related to the project implementation in particular, it has been recommended that during the transition period corresponding to the application of the devolution process, a degree of flexibility ought to be maintained for the projects that are being implemented.

Moreover, taking into account the political, social and economic changes affecting the region, the NGOs insisted on the need to keep a margin of flexibility with respect to specific management aspects such as the upholding of the "contingencies", the extensions, the quantity and schedules for determining addenda, etc.

### **5.2 ADMINISTRATIVE AND FINANCIAL MANAGEMENT**

- It is necessary to solve the main problems with respect to the management, by promoting the ***consolidation of the NGO co-financing instruments*** in the context of the process of change.

- ***Subsequent organized clarification*** will be necessary with respect to the way the devolution process will influence project management.

- To offer permanent information regarding the ***distribution of roles and responsibilities*** between the EC Delegations and the head office in Brussels.

- To provide for mechanisms to ***strengthen the capacities of the Delegations personnel*** in the context of the changes implemented in the budget line B7-6000.

- To translate the new orientations regarding the changes in the B7-6000 into ***operational and clear tools*** so that the administrative and financial management is simplified and hence the administrative workload reduced as much as possible.

- To finance the **design of the projects** having passed the profile approval, or “concept note”, taking into account the effort implied by the proposal formulation, above all for the smallest NGOs.
- To review **two aspects related to the NGOs’ contribution**: to include the contributions in kind in the NGOs’ total contribution and to unify the contributions of the local and European NGOs.

### 5.3 RELATIONSHIP EUROPEAN COMMISSION – NGOs

**To organize, develop and implement future opportunities for dialogue between the European Commission and the NGOs, particularly at the Delegations level.**

Increasing the spaces for communication between the NGOs and the EC, is one of the most important axes of the recommendations and includes various complementary proposals. The continuation of the dialogue initiated with the EC authorities has been deeply appreciated and considered as an essential element facilitating the constructive implementation of the changes planned in the budget line of NGO co-financing.

It has been recommended to promote and implement dialogue and communication at complementary levels by:

- Promoting the **pro-active role of the Delegations**.
- Organizing training **mechanisms** by means of meetings and innovative workshops taking place in the countries of the region, with the aim of clarifying and harmonizing the interpretation of the manuals and regulations; to inform about the application of the new procedures; to ease the feed-back information about narrative reports; etc.
- Organizing regularly **national and/or regional events and/or meetings<sup>1</sup>** with the participation of Civil Society and EC representatives so as to promote the dialogue, exchange of experiences, expression of suggestions and definition of strategies and priorities.
- Providing for **channels, materials and instruments of information, as well as technical advice and clarification**, regarding the processes of implementation of the changes operated in the budget line B7-6000, that could be accessible to the NGOs and Delegations.
- Establishing **communication tools between the NGOs**, for example by means of a Web page, supporting the spread and transfer of good practices, of successful processes, of lessons learnt, of experiences of collaboration with government authorities for the implementation of programmes aiming at reducing poverty, as well as of other initiatives of interest.
- Promoting **spaces for dialogue and synergies** between the European NGOs having representatives in the region.

---

<sup>1</sup> Events with concerted agendas and substantiating documents received prior to the event.

#### 5.4 STRENGTHENING THE CIVIL SOCIETY BY CONSOLIDATING THE PARTNERSHIP

*To implement the development of a strategy aiming at strengthening the partnership between the European and the local NGOs, which could increase the abilities of the community based NGOs, enhancing their capacities as actors of the sustainable development.*

It has been highlighted that it is necessary and important to define as one of the co-financing priorities, the **strengthening of the public impact capacity** of the organized Civil Society, empowering it as a real actor for the promotion of public policies.

The importance of turning the devolution process into a factor helping to **consolidate the partnership relations between the EC and the European and local NGOs** has also been pointed out.

In this sense, it was suggested that the European NGOs already present in the region and those capable of opening new representations, could support and enhance the **management capacity** of the local NGOs and of the community based organizations, as well as the spaces for local participation.

#### 5.5 PROJECT IMPLEMENTATION: MODALITIES AND STRATEGIES

An important number of recommendations were identified after discussing the **Lessons learnt from the NGOs' experiences**, especially in relation with the implementation modalities of the projects and with the issues of strategic aspect.

*It has been recommended to strengthen and implement, on the basis of a global and coherent approach, various elements and aspects of the project implementation modalities and strategies, so as to harmonize and promote the achievement of significant and sustainable results.*

The following aspects have been pointed out especially:

- To give more importance to the **qualitative aspects, consolidating synergies** with other actors at both strategic and project implementation levels.
- To maintain the use of the **three types of instruments**: Projects, Block Grants and Contract-Programme, even in case they had to be adapted to the changes operated in the budget line B7-6000. Each one of them offers specific advantages according to the beneficiary NGO's profile.  
Some of the initiatives implemented in the context of the Block Grant could, in some cases, be used as **"pilot actions"** prior to broader interventions.  
With respect to the Contract Programme, it would be interesting to know the results achieved by those in progress and clarify what will be the criteria taken into account for the future proposals.
- To consider the possibility that **other differentiated instruments** could be created for projects more restricted in size or time, that could benefit to the smallest NGOs.
- To maintain the **regional actions** under the provision that the monitoring could be ensured under the responsibility of one single Delegation.
- To organize **on site visits to the projects**, for members of the Delegation and of the head office in Brussels, to ensure a better understanding of the reality and the modalities and strategies of intervention of the local NGOs.
- To clarify **what is meant** by innovation, impact, sustainability and added value, so as to harmonize the dimension given by the European Commission and the NGOs and their understanding of these aspects.

- To promote the creation and support of **networks and strategic alliances** between the organizations and initiatives, taking into account that they are spheres for promoting synergies helping innovative processes and capable of socializing the innovation.
- To give priority to and provide for the **institutional sustainability, and not only the financial one**, ensuring the availability of the resources so as to undertake its assessment.
- To strengthen the **impact capacity of the budget line B7-6000** from a strategic point of view, with the aim of capitalizing the experiences, lessons learnt and coordination capacities of the European and local NGOs with respect to poverty and globalisation.
- To create the possibility to **undertake the evaluation of the final impact of the projects**, by providing for the legal and budgetary provisions for the ex-post evaluation occurring 3 or 4 years after the termination of the intervention.
- To organize **resources and training mechanisms for the local and European NGOs with respect to the new focus and tools affecting the project design methodology**, especially with respect to the Logical Framework.
- To improve the **evaluation processes**, ensuring that the projects can be assessed starting from their initial formulation, developing qualitative indicators, providing for mechanisms for periodic and correlative evaluation and preparing in advance the visits of the external evaluators so as to optimize the results of the evaluation processes.

## 5.6 POLITICAL OPTIONS FOR THE REGION

As a result of the contributions and discussions shared during the two days of the meeting, it has been possible to identify a few transversal proposals, mentioned several times on different occasions of the encounter and raised regarding the various themes worked on:

- To give priority to **collective learning processes** among the EC and the NGOs, which would allow to **capitalise the political options as well as the intervention priorities and strategies for the region**, such as the impact, sustainability and innovation, helping the efforts to find and implement common solutions consistent with the B7-6000 objective of **“combating poverty by improving the quality of life of the poor population and promoting endogenous development”**.
- Complementing this proposal, participants pointed out the importance to develop strategies allowing a **deeper involvement** of both the European NGOs and Delegations, with respect to the accompaniment of and commitment to the local realities and projects. Similarly, it was suggested that the Commission could transfer resources to the Delegations with the aim to reinforce the management capacity of the Civil Society.
- The participants insisted on the fact that the budget line of NGO co-financing could promote the sustainable development, **supporting the political processes in the beneficiary countries** by helping leaders to emerge and strengthen pro-active Civil Societies.
- Finally, the participants solicited from the European Commission **more information about the set of initiatives, programmes and activities** supported by the European Union in the region. This way the strategic priorities would be known better and, at the same time, the EU commitment to the region would have a greater visibility.

The NGO co-financing Unit of the General Directorate EuropeAid will intend to give a reply to the produced recommendations within the legal framework in force and to the extent of its resources. With respect to the modifications suggested at the administrative and financial levels, few changes will be possible in the short term considering that these aspects are ruled

by regulations applicable to the Commission as a whole or to the General Directorate, and for which the changes, when they are possible from a political and administrative point of view, require long bureaucratic procedures.

With respect to the other aspects proposed, the Unit will continue the process of improvement of the instruments it is managing, mainly through:

- changes in the texts and the forms of the calls for proposals,
- improvement of the information available on its Web page,
- a better coordination with the Units in charge of monitoring and evaluation,
- closer contacts with the Delegations and
- the continuation of the dialogue with the NGOs of the EU and of the South.

