



EUROPEAID
CO-OPERATION OFFICE

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REGIONAL SEMINAR
IN THE NORTHERN AND SOUTHERN
NEIGHBOURHOOD COUNTRIES

**LESSONS LEARNT FROM ACTIONS CO-FINANCED WITH NGOS
AND PERSPECTIVES FOR THE FUTURE**

CAIRO – EGYPT
4-5 APRIL 2006

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1. EXECUTIVE SUMMARY

The seminar "Lessons learnt from actions co-financed with NGOs and perspectives for the future" in Cairo was organised by the European Commission (EuropeAid, Units 04 and F5) in the framework of the programme 'Co-financing operations with NGOs in fields of interest to the developing countries' (Budget Line 21 02 03, ex B7-6000). Its aim was to provide an opportunity to exchange experiences on the management and the impact of the programme in the Northern and Southern new neighbourhood countries¹.

The seminar in Cairo was also an opportunity to discuss the new context and architecture of the external aid under the new financial perspectives and the new thematic Programmes.

The first day of the two days seminar focused on very practical administrative, contractual, logistical and financial issues while the second day took a closer look at strategic issues such as: innovation, added value, impact and the new financial perspectives.

Around 70 participants attended the seminar including:

- ✧ Representatives from 45 NGOs or platforms co-financed under this budget line coming from 12 of the 18 Northern and Southern new EU neighbourhood countries;
- ✧ Project managers from European NGOs (ENGOS) or networks with ongoing projects financed by the EC in the region;
- ✧ A local NGO representing CONCORD, which is an umbrella organisation for European NGOs active in the field of development and rehabilitation;
- ✧ EC officials from the European Commission headquarters in Brussels: EuropeAid Units 01, 04, F5, F6
- ✧ EC officials from 13 delegations: Armenia, Egypt, Jordan, Moldova, Morocco, Israel, West-Bank and Gaza, Georgia, Ukraine, Lebanon, Jordan, Syria and Yemen.

With regard to project management aspects, participants conveyed the following recommendations:

Project implementation

The entire Calls for proposals (CfP) and application process to access grants is still experienced as too long. There is a real need for local NGOs to be trained on application and implementation procedures. Difficulties in modifying the projects once approved are not seen as helpful.

Communication, monitoring and evaluation

Calls for proposals guidelines should include a contact person with an e-mail address for each CfP. Documentation and formats required should be more user friendly and be more standardised among different donors. Contacts with European NGOs (ENGOS) should systematically become the praxis for local organisations and vice versa.

Target groups

¹ Algeria, Armenia, Azerbaijan, Belarus, Israel, Georgia, Jordan, Lebanon, Moldova, Morocco, Russia, Iran, Iraq, Syria, Tunisia, Ukraine, West Bank & Gaza Strip and Yemen

EC officials and NGOs were very much in favour of direct accessibility by local NGOs to grants under the budget line and welcomed the new administrative eligibility procedures. So far, the project target groups have not sufficiently been the direct beneficiaries. Local communities have in general difficulty in following the EC mechanisms linked to the CfPs. Small grants for local communities should therefore be available (such as the micro projects, which are better adapted to local initiatives).

Dialogue

Regional seminars have been considered an important tool for building a structured dialogue with EC delegations as well as local civil society. With regard to the strategy of the budget line, participants conveyed the following recommendations and conclusions:

Added value

The added value of the co-financing budget line has been emphasised by all actors in Cairo. It was recommended that the right of initiative for non-state actors (NSAs) should be maintained in the future financial perspectives (2007-2013).

Reforms

Participants from the local civil society requested that they be considered as "eligible" under more Budget Lines than the ones nowadays foreseen.

PADOR

A majority of participants welcomed the new data base PADOR (Potential Applicant Data On-line Registration) It was seen as a potentially very useful tool if flexibility towards the local NSAs will be maintained. PADOR should be as simple and user-friendly as possible so that it will more likely be used by all NGOs.

Eligible Partners

As regards local authorities and the private sector, most of the participants were of the opinion that they should not be directly eligible for the future programme



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2. Introduction

2.1 Purpose

This seminar in Cairo was organised by the European Commission (EuropeAid, Units 04 and F5) to offer an opportunity for exchanging experiences on the management and the impact of the programme in the Northern and Southern new neighbourhood countries².

Since 2003, the European Commission has been attempting to revive the dialogue with NGOs and civil society stakeholders, notably through similar regional seminars around the globe, namely in Palermo (Italy), Addis-Ababa (Ethiopia), Lima (Peru), Dakar (Senegal), Bangkok (Thailand), and now in Cairo during which both the strategic focus and the management of the budget line were extensively discussed.

The seminar in Cairo was also to provide an overview of the new context and architecture of the external aid under the new financial perspectives (2007-2013).

With respect to the strategic issues, the focus was on themes like: the added value of the co-financing budget line; how to sharpen the definition of its strategic priorities and increase its impact; how to improve the quality of the partnership between European NGOs and their local partners and the relationship with EC delegations and/or EC Brussels.

2.2 Background

The community policy of co-financing actions 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 liberties as stated in Article 177 (former 130U) of the European Union Treaty.

To involve NGOs in the development process both through dialogue and financial support, is a basic principle of EC development policy.

Established in 1976 with an envelope of 2, 5 M€ to reach 200 M€ in the last 5 years (210 M€ in 2006), the NGO co-financing has three main objectives: (1) to meet the basic needs of disadvantaged people in developing countries through the co-financing of actions with European NGOs, (2) to inform and raise public awareness in Europe of development problems (Development Education - DE) through co-financing of actions with European NGOs, (3) to reinforce the cooperation and coordination between NGOs from the Member States and between NGOs from the Member States and the Community Institutions.

Regulation (CE) n°1658/98 adopted by the Council in July 1998³ constitutes the legal basis of budget line 21.02.03 (ex B7-6000) "Actions co-financed with NGOs in the

² Algeria, Armenia, Azerbaijan, Belarus, Israel, Georgia, Jordan, Lebanon, Moldova, Morocco, Russia, Iran, Iraq, Syria, Tunisia, Ukraine, West Bank & Gaza Strip, Yemen

³ (JOL 213, 30/07/1998)

developing countries”⁴. This legal basis is complemented by the new General Conditions of the Programme approved by the Commission in January 2000.

2.3 Recent changes

In order to improve efficiency and effectiveness, the European Commission embarked on a substantial reorganisation of its External Relations services, through the setting up of EuropeAid in 2001 (previously the Common Service Relex (SCR) in 1998), and the devolution process, started in 2002, which consists in the transfer, from the head office in Brussels to the EC Delegations, of tasks and responsibilities in the Commission’s management of the external assistance.

To rationalise and simplify the current legislative framework governing external actions of the Community, the European Commission has presently proposed a new set of six instruments under the Financial Perspectives 2007 to 2013.⁵ These instruments will be complemented by a set of eight new thematic programmes, which will succeed the existing numerous thematic budget lines.

As regards its management tools, EuropeAid is currently implementing recommendations made by the internal audit system (IAS) for a more effective and efficient programme and budget management (calls for proposals, roster of eligible actors, PADOR, size of grants, etc...) (see Annex 3 presentations and background documents as well as below sections 3&4).

2.4 Objectives and methodology

Local and European NGOs participating in the Cairo Seminar were asked to complete a questionnaire before the conference in order to express their opinions of the budget line’s implementation.

Participants were asked to focus on aspects related to:

- the use of co-financing instruments
- their organisation’s reason for intervention
- the quality of their partnerships
- their experience of the devolution process
- systems utilised for monitoring, evaluation or impact measurement
- the appropriateness of the budget line’s targeting and focus
- the eligibility of new contractor/partner actors (local authorities, local NGOs...)

A total of 24 completed questionnaires were received. Data obtained in the 35 questions was processed and used for reference material in the preparation of the Seminar (See annex 4).

The seminar had two main objectives:

⁴ (JOL 213, 30/07/1998)

⁵ In future, these instruments will form the legal basis for Community expenditure on external cooperation programmes including appropriate thematic programmes and will replace the existing thematic regulations. Under these proposals, thematic programmes provide a distinctive value-added and complement geographical programmes, which remain the primary framework for Community cooperation with third countries. Cf. Communication from the Commission to the Council and the European Parliament on "External Actions through Thematic Programmes under the Future Financial Perspectives 2007-2013" - COM(2005) 324, 3.8.2005.

1. To discuss the management aspects related to the administrative, financial and logistical implementation of projects, in particular in the context of the changes occurring in the budget line 21 02 03 (ex B7-6000) and in particular those related to the implementation of the devolution process;
2. To reflect and exchange experiences and contributions regarding more strategic aspects for instance as regards the co-financing budget line, reinforcing the partnerships between European NGOs and the civil society in the beneficiary countries and better perceiving the results achieved and difficulties encountered in the countries of the region.

On the first day of the two days seminar the agenda⁶ consisted in an examination of very practical administrative, contractual, logistical and financial issues while on the second day a closer attention was paid to qualitative and strategic issues such as priorities innovation, added value and impact.

The second questionnaire, which was distributed after the last session of the seminar asked Cairo seminar participants to rate the quality of the meeting at the end of the seminar and to suggest ways to improve future events like this. The results of this anonymous survey will also be presented in this report.

The content of the report has been structured according to the conference agenda and its objectives.

The first part intends to analyse and clarify matters related to the administrative, contractual, financial and logistical management aspects pertaining to the budget line 21 02 03 as well as the new Financial Regulation examined on Day 1.

The second part relates to the agenda items and recommendations discussed during Day 2 of the conference which was dedicated to strategic issues, innovative aspects, added value, monitoring and evaluation and relevant recommendations (section 4).

The conclusion of the report attempts to synthesise the main recommendations emanating from the working groups and the results of the two questionnaires with a special focus on recommendations related to the strengthening of actors involved.

2.5 Seminar Participation

Despite the relatively short notice, 70 participants attended the Cairo seminar and constituted a representative professional and geographical combination⁷ including:

- Representatives from NGO platforms or networks co-financed under this budget line coming from 12 of the 18 Northern and Southern new EU neighbourhood countries: Armenia, Belarus, Egypt, Georgia, Jordan, Lebanon, Morocco, Palestinian controlled Territories, Syria, Tunisia, Ukraine and Yemen;
- Project managers from European NGOs with ongoing projects financed in the region;
- A local CONCORD's representative (an umbrella organisation of European NGOs active in the field of development and rehabilitation);

⁶ Cf. Programme Annex1

⁷ cf. Annex2 for list and contact of participants.

- EC officials from the European Commission headquarters in Brussels: EuropeAid units 01, 04, F5 and F6;
- EC representatives from delegations in 13 countries: Armenia, Egypt, Jordan, Moldova, Morocco, Israel, West-Bank and Gaza Georgia, Ukraine, Lebanon, Jordan, Syria and Yemen.

Throughout the seminar, the participants were grouped into eight working groups. Each one of these eight groups was formed by representatives from the European Commission together with representatives from both the European and the local NGOs. Attention was also paid to the geographical representation of the participating countries. One group (WG n° 8) gathered French speakers.

The mixed geographical and professional diversity of the participants in each working group required co-operation and a common consensus for the formulation of the recommendations.

3. Day 1: Lessons learnt on administrative, contractual, financial and logistical aspects related to the management of budget line 21 02 03

3.1 Opening Session

The Seminar was opened on behalf of the European Commission by the Head of Unit of EuropeAid F5 and the First Counsellor of the EC Delegation in Cairo. The Cairo meeting was described as a good opportunity to better present and discuss the new financial perspectives for the coming period 2007- 2013.

After a brief presentation of the seminar's objectives and methodology, the seminar started with a presentation by the representative of EuropeAid, Unit 04, of the budget line, its evolution, the management of calls for proposals and contracts, the responsibility of the different Commission services after the devolution and the re-organisation of EuropeAid, as well as the perspectives for the future. This approach allowed participants to discuss practical and contractual issues.

EuropeAid started a reform process called decentralisation or devolution in January 2001. It is perceived as a central element of the ongoing reforms. The new Financial Regulation of the Commission implied changes in the practical guide which were also briefly presented during the seminar by the Head of EuropeAid unit 04.

The representative of EuropeAid/Unit F.5 presented the new system of Potential Applicant Data On-line Registration (PADOR) to the participants. The introduction of the PADOR Database was intended as a response to earlier recommendations and perceived needs. The new system should considerably improve the knowledge management on NGOs and the quality of management, allowing for greater transparency and limiting the time spent on the selection procedures of the Call for proposals.

In this new system – still in the preparatory phase - the non-state actors will have in principle to register themselves before participating in calls for proposals issued by

EuropeAid. The main objectives of this system are to enable a qualitative improvement of the management, a shortening of delays in the selection process and a greater visibility and transparency for EC applicants. The added values of this new approach lies on a unique identification for each organisation: this would simplify the administrative compliance and would allow the Commission to be better acquainted about its partners.

3.2 Plenary discussions

The following section summarizes the recommendations or queries made during day 1 on management issues in the CAIRO seminar by representatives of NGOs and EC delegations in the region.

Calls for proposals and selection processes

Information made on calls for proposals might be enhanced by organising local information meetings, the listing of FAQs on web sites and in print and the inclusion of a Contact person in the Calls for proposals guidelines with an e-mail address for Q&A.

Participants welcomed the introduction of the two stage applications (concept note & later proposal) as it might save time for NGOs and be a step towards more clarity in application forms.

Some NGOs expressed the opinion that it would be preferable to have 60 days, instead of the existing 45 days, to submit the concept notes. Most wished that delays between application and signing of contract should be further reduced and were interested to learn if future procedures would include a limit to the number of applications the same NGO might be allowed to submit.

EuropeAid officials explained that the high number of proposals which had to be rejected and the related workload was shocking for all stakeholders. In a way this was the result of the openness and lack of "targeting" of the programme.

Efficiency, transparency, equal access and rapidity, combined with accurate accountability will remain constant challenges.

There is, unfortunately, a reality and limit which will remain a fact: the budget of 200 or 210 M€ maximum per year, means that many good applications nevertheless have to be rejected and this causes frustration.

However, in 2005 the ratio of rejected projects diminished as compared to earlier years as 255 projects were selected among 1033 applications which shows that the budget has been able to finance almost a quarter of the projects.

As regards information on scheduled CfPs, the commission plans to publish in the first 3 months of each year the annual working programmes, which contain the planned CfPs. Unfortunately, in May 2006, the 2006 annual programme had not yet been approved by the European Commission and had not yet been published. It was then also not known if the next calls would be open or restricted. There will be no calls for block grants in 2006.

In this context, it was suggested that, at least for innovative projects, NGOs could prepare main project strategies in advance of CfPs and use the time after the call's publication to reformulate it in the required format.

Contracts and management of projects

NGOs would welcome an opportunity to have a dialogue between the selection of a project and the signature of the contract.

Delegations should intervene to explain local realities to HQs to avoid discrepancies between written rules and local realities. For instance, exchange rate rules can mean substantial losses for organisations and are not taken into consideration.

In general, difficulties in modifying a project once it has been approved were negatively commented. The time gaps in addressing the implementation could be less through an approval of amendments. The Logical Framework should not be seen as a rigid instrument.

Participants would like to see standards and precise guidelines being more systematically dispatched by Brussels HQs in a user friendly format and would like reporting formats to be more standardised among different donors.

EuropeAid and its Headquarters

Participants expressed the wish that the EC could set more precise and measurable criteria and indicators for systematically monitoring/evaluating a project's impact. The required project monitoring reporting should preferably focus on results and impact (and less on the activities and processes).

Participants also expressed a need for regular standard modules and updates of guidelines and charts indicating responsibilities and contact points for the financial and the operational sectors.

It was also suggested that HQs could develop standard methodologies to assess the quality of partnerships as well as better define the use of administrative costs or of contingencies and unforeseen expenditures.

EC Delegations and devolution

The devolution process was favourably commented by NGOs. It was described as a management progress with actual improvements on the ground such as : more direct contacts and communications between local actors and the EC Officers, handing over of decision taking from headquarters to the delegations being closer to local realities, better institutional memory building for EC delegation through project monitoring and administration. NGOs expect EC Delegations to be more knowledgeable about local constraints making it sometimes difficult to fully comply with rules made in Brussels.

NGOs suggested that the new procedures resulting from devolution should be more streamlined for instance through more training of Delegation personnel. In some cases NGOs had experienced contradictory or inconsistent interpretation of rules and standard contract by EC Delegations.

Delegations might need additional training, funds and manpower to be able to carry out continued follow-up and monitoring of all implemented projects.

For CfPs and PCM, NGOs propose that each EC Delegation should have help desks and assist local NGOs in the application process. Access to such assistance should be transparent to ensure impartiality.

NGOs would welcome further improvement of communications between EC Delegations and local NGOs while delegations are also expected to maintain relations with EUNGOs.

PADOR

PADOR was discussed in the working groups as well as in the plenary sessions. Participants were clearly interested in this initiative which they would have to use shortly, and they asked for more information on the background of the PADOR system: which unit launched it? Who was consulted for its creation? When will it start being used? Who will ultimately be responsible for it?

While recognising the advantage of the reduction of the administrative costs and therefore the reduction of time needed for the calls for proposals, the NGOs also wanted to clarify what the other objectives of the new system were (better knowledge of the EuropeAid partners, what the recommendations of the IAS report were etc..).

NGOs shared some concerns regarding the system with the representatives of the European Commission: participants wanted to learn more precisely what use the EC would make of their data and how the information would be harmonised for all countries (taking into account the fact that NGOs, depending on their State of origin, are subject to different legislation and statuses).

NGOs also expressed doubts about the practicability of such a system in the South where the internet is not always readily accessible.

In order to clarify all these concerns, the NGOs recommended that the EC organise further open and transparent consultations with EC Delegations and NGOs of the South to discuss the flexibility of such a system.

PADOR should preferably be as simple and user-friendly as possible so that it can be used by local NGOs. Participants finally welcomed the possibility PADOR might offer for the real-time follow-up of the selection process and would like it to possibly document and comment on rejected applications as well.

Access of local organisations

Participants stressed that the active participation of local NGOs in the formulation and implementation of development assistance should be a prerequisite. Their participation should be at all project stages: policy formulation, selection, implementation and evaluation.

Small NGOs should be eligible and encouraged to apply for EC grants under the NGO or NSA co-financing.

3.3 Recommendations on management issues made by the WGs on Day 1

Project implementation

Throughout the seminar, participants mentioned that despite the gains made or to be expected through the ongoing reforms, reaction and response time needed for contractual issues and communications was still too long to allow for the best effectiveness.

Difficulties in modifying projects once they have been approved should possibly be removed.

Country based partnerships for capacity building in project management

Community based local civil society actors lack project management experience as so far target groups of projects were rarely the beneficiaries. There is a strong need for local capacity building skills in project cycle management (PCM) within grassroots NGOs.

The co-financing budget line rules did not encourage the participation of local partners in the management of financial matters as ENGOs were responsible for this, so projects often failed to create relevant local capacity. For more sustainability, special priority should be given to include management capacity building activities for local organisations as relevance criteria for project approval.

Projects involving both local and international partners at the local level should be encouraged. Real synergy would be enhanced if project related documents/reports were signed jointly by ENGOs and local organisations for better ownership of project and reports. Such a strategic partnership should be reflected in equal contract accessibility.

In some cases, there is a lack of consultation and communication between local and European partners. More dialogue is needed between ENGOs and local organisations. Even national NGOs have difficulty understanding exact local needs of communities while local communities have difficulty understanding NGOs, whether they are from the EU or from the same country. Projects should therefore include participatory mechanisms for co-management of the action with the target groups in order to build and develop a vested interest and genuine ownership by the local communities. The use of PRA (participatory rapid appraisal) techniques should be encouraged

4. Day 2: Lessons learnt on strategic issues and future perspectives

The second day of the Cairo seminar was launched with two presentations by EC Heads of Units on the new architecture of external aid under the new financial perspectives 2007-2013 and the thematic programme "Non-State Actors and Local Authorities in development".

4.1 Plenary discussions and presentations

Before splitting into working groups (WGs), the EC experts (EuropeAid F5 and F1 units) presented the different existing instruments available to NGOs and non-state actors (NSAs) for development assistance as well as lessons learnt in recent years and relevant perspectives in a near future⁸ while raising issues for discussion in the subsequent WGs. Evaluations of the programme by EuropeAid, recommendations received from NGO umbrella organisations such as Concord⁹ indicate a series of issues to be addressed¹⁰:

⁸ cf. Power point slides in Annex 3 and Commission Communications referred to in text.

⁹ <http://www.concordeurope.org>

¹⁰ Report 12/2000 – ref. 951568, (http://europa.eu.int/comm/europeaid/evaluation/reports/other/951568_en.pdf), (English version)(http://europa.eu.int/comm/europeaid/evaluation/reports/other/951568_fr.pdf), (French version), 13 Communication from the

Project cycle management is considered to be heavily dominated by the selection process (which has become increasingly complex, particularly with the introduction of calls for proposals) and has neglected project monitoring, which has been reduced to monitoring contract and budget issues.

The selection process has been primarily conceived to rationalise the workload created by the huge number of proposals received every year as well as to ensure equal treatment and transparency. Strategic policy considerations have not completely been integrated in this process.

Timeframes in the decision-making process, from the calls for proposals to the financial decisions, are considered to be too long, which jeopardises the relevance of the initiative and generates frustration amongst applicants. More generally, the timing, stability and predictability of the calls for proposals should be improved.

The formal requirements currently applied in calls for proposals represent a substantial administrative burden for the applicants and for Commission staff.

The different abilities, needs, constraints and sizes of various types of actor should ideally be reflected in the conception of strategies and the selection process.

Evaluation reports presented by grant beneficiaries should not only describe the activities carried out but also show clearly what effects the intervention has had on targeted populations and beneficiaries.

The role of the Delegations is considered to be too low-key. They should play an important part in the selection process and be in charge of raising the awareness of the local population by providing information.

Further modification of existing rules may be necessary to ensure better involvement of actors from new Member States. The Commission is currently engaged in exploring new approaches to selection procedures, with a view to both reducing the administrative burden and facilitating access to funding for small NGOs.

4.2 Recommendations on strategic issues made by the working groups on Day 2

Sustainability

Participants were particularly concerned by sustainability definitions and raised a series of relevant questions (i.e. How to address absence of sustainability- by additional expertise or additional funding or extended project duration? Could NGOs share good and worldwide examples in this regard through a web site of relevant success stories?)

Participants recommended that for each project, if relevant, government entities should be involved for ensuring longer term strategies. For improvement of the sustainability of

projects this aspect should be prioritised during project selection, reporting and assessments.

For sustainability, they would like methodologies to focus on integrated approaches including income generation as well as social, structural and environmental sustainability by creating win/win situations for all actors.

A better definition of "capacity building" would be needed: it often sounds as if it refers to financial and narrative reporting skills... Shouldn't it rather mean creating local funds, networks and a capacity that can continue financially supporting such development actions?

It should be possible for certain institutions and partnerships to receive longer term support.

Formats for applications should include an "exit strategy" for each project.

Projects should also include funds and time for proper monitoring and evaluation of sustainability concerns.

The EC should more systematically foresee ex-post impact evaluations one year after each project's completion (but more methodologically than done for some MEDA projects).

There is a need for sharing more broadly and systematically evaluation results in order to facilitate the learning process.

Sustainability concerns should be taken more seriously by all actors involved: only participative mechanisms allow for sustainability potential. A coherent action plan with clear results, timeframe, responsibilities and indicators (a strategy) should be developed for projects to monitor planned changes.

It would also be welcomed if PADOR could list best practices and recommendable partners and their speciality and experience.

Eligibility

Profit versus Non-profit organisations

Only non-profit organisations should be eligible. Profit oriented organisations should be able to play a role (i.e. subcontracts for training, auditing, etc.) but not be eligible as partners. Profit oriented businesses might be associated in a partnership with a non-profit making entity.

Profit making businesses for instance can be very efficient in the management of resources.

Private businesses should be associated only if they offer more sustainability to an action. Such partnerships should be investigated first in pilot projects before envisaging their broader contribution.

The way of involving such businesses would have to be cautious, clearly described in guidelines and should consider whether in the particular country/locality and situation, a transparent association, based on good governance would be possible.

Local authorities

Involvement of local authorities could be considered a benefit. Local authorities (LAs) have the local decision power and longer term potential. LAs can be more enduring and are one of the key stakeholders in the process of transformational development. Development needs to heighten the mutual trust between local civil society and local authorities. In most fields of activity there is by definition government involvement (health,

education, water management, etc.) which can facilitate the process of identifying needs and problems, avoid duplication of efforts and funds and ensure co-ordination. LAs can also provide facilities such as equipment, data, research centres.

It is therefore usually important to include local authorities but they should only be allowed as partners when appropriate and not as the lead contractor.

Caution is needed since local authorities should only participate in the case of difficult partnerships.

The EC may therefore require that local authorities only apply in partnership with local and/or EU NGOs.

Local and small NGOs

Local NGOs know the concrete expectations at the grassroots level and local communities are best suited to provide genuine support to solve their own problems.

Projects should principally be based on NGOs initiatives. Both local and EU NGOs have an added value in a partnership but it might be preferable that the local NGO become the lead organisation.

Small NGOs should therefore be eligible and encouraged to apply.

South/North NGOs

EU NGOs should be eligible to apply for geographical budget lines.

Southern NGOs should be actively involved and associated when EC projects concerning campaigning for more awareness on development issues are conducted in EU countries.

Targeting?

The Right of Initiative (RoI) offered so far and the global budget line should be safeguarded. Geographic instruments can be used for sharper targeting of EU/country defined priorities.

This is also a reason to favour eligibility of regional or sub-regional projects.

Thematic programmes with a geographical focus would be beneficial.

More targeting by the co-financing budget line would allow for prioritising more precisely the expected impact.

Regional targeting of Neighbourhood countries would be positive.

Selection

The transparency of the selection process has been clearly improved through the calls for proposals procedure but should be enhanced further as the details of results are not publicly available,

Transfer of good practices

The transfer of good practices implies both north and south directions.

In one way or another, best practices should be publicly accessible.

Programming

Projects should be relevant to national priority plans and local needs assessments. The involvement of both local and international partners at the local level should be encouraged. Budget line 21-02-03 might in future focus more on small and new NGOs, it should encourage ENGOs to take more risks in supporting small and community based projects.

A programme tool should be developed to include local & EU NGOs in the conception of a National Action Plan. Regional or country strategies and prioritisation should be clarified in

an open dialogue with continued feedback between ENGOs and concerned EC delegations based on need assessments done by local NGOs.

A coherent action plan with clear results, timeframe and indicators (a strategy) should be developed to monitor planned changes.

Communications

EC Delegations should get more involved and set up a dialogue with stakeholders of projects which have been implemented. The EC should make it possible for delegation staff to regularly visit the projects during their implementation.

The EC needs more clear communication on its aid objectives so that recipient NGOs are correctly perceived.

EC Delegations, implementing NGOs and other donors must meet for more synergy and to avoid wasting assistance funds by duplication.

New and relatively economic technologies such as video-conferencing should be used in future to organise in-country, regional or international exchanges or to communicate with EC HQs in Brussels.

Transfer of know-how should go north to south, south to north and south to south.

Partnerships & capacity building

More clarity is needed on the partnership principles: division of responsibilities and respective added value should be spelled out in more detail. The application forms and evaluation grids used for applications should therefore be more specific in this regard. Each project activity and expected output should mention in the project document, the local or EU NGO tasks, the respective added value and capacity building dimension.

Local NGOs should be able to edit/sign these documents to get progressively more involved, critical and capable.

Size of Grants

Smaller grants with fewer procedures would definitely be useful. Grants offered should therefore be revised to allow for smaller budgets and projects.

5. Possible conclusions after the Cairo Seminar

The following consensus seemed to emerge in WGs, panel discussions, questionnaires and the final wrapping-up session of the Cairo seminar.

Dialogue

A constructive exchange of information between the EC and NGOs takes place mainly through umbrella organisations such as Concord. Umbrella organisations are encouraged to continue informing the Commission through position papers, findings or suggestions.

The Cairo seminar has been seen as a great opportunity for creating a dialogue between CSOs and EC institutions. Participants were given an overview of the recent context and architecture of the external aid under the new financial perspectives and were thus able to exchange relevant comments and questions.

NGOs proposed making use of IT tools (web sites, e-mailing groups, video-conferences, data bases and the sharing of data on projects) for a better exchange on best practices and methodologies.

Meeting participants were in favour of holding further and continued consultations and suggested inviting more local NGOs from the region as well as sending invitations with adequate warning.

In view of the complexity of the issues and time constraints felt during the seminar, participants recommended the duration of such meetings be three days instead of two.

As some participants are not very conversant with EC-HQs programmes, acronyms or jargon, presentations could be made in a more didactic and digestible style. Sending out presentations to the participants in advance would also improve the level of understanding during the meeting.

Holding such regional meetings once every two years is seen as optimal.

Participants welcomed the simultaneous interpretation offered as well as the use of local languages.

Recent Reforms

To rationalise and simplify the current legislative framework governing external actions of the Community, the European Commission has proposed a new set of six instruments under the Financial Perspectives 2007 to 2013.

These instruments will form the legal basis for Community expenditure on development cooperation programmes including appropriate thematic programmes and will replace the existing thematic regulations.

Under these proposals, thematic programmes should provide more distinctive value-added and complement geographical programmes, which would remain the primary framework for Community cooperation with third countries¹¹.

The establishment of a NSA database like "PADOR" and the introduction of the two stage applications were commented on as corresponding to needs expressed earlier.

The strategy of the Budget line

The added value of the co-financing budget line has been emphasised by all actors.

Reforms are considered necessary by the stakeholders who see the proposed new instruments within the new financial perspectives generally as responses to recommendations or evaluations made earlier by various partners.

New targeting by the budget line¹², as described above - while leaving room for the Right of Initiative - would enable more precise prioritising of the expected impact.

Non-state Actors and Local Authorities in Development

As presently proposed by the Commission¹³, a thematic programme called "*Non-state Actors and Local Authorities in Development*" should become the common successor to the two presently existing budget lines "*NGO Co-financing*" and "*Decentralised Co-operation*". The proposed programme would be "actor-oriented" instead of "sector-oriented". It is designed to support stakeholders' "right of initiative", by providing financial

¹¹ Cf. The Thematic Programme "Non-state Actors and Local Authorities in Development", Brussels, 25.1.2006, COM(2006) 19 final, COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS.

¹² In the questionnaire 55% were in favour of refocusing it.

¹³ Cf. The Thematic Programme "Non-state Actors and Local Authorities in Development", Brussels, 25.1.2006, COM(2006) 19 final, COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS.

resources for their "own initiatives", when geographical programmes are not the appropriate instrument¹⁴.

All civil society organisations and local authorities, from the EU and partner countries, are, in principle, eligible for funding under this thematic programme

Eligible Partners

As regards the eligibility of other actors, NGOs expressed in principle their openness to – Local Authorities as long as they would bring some added value to a project and be in partnership with NGOs.

Participants agreed that the project purpose and strategy should determine the appropriateness of partners and the synergy of their added value.

Participants suggested that ENGOs should be eligible to apply for geographical budget lines.

Southern NGOs should be eligible to implement regional projects and also be involved and associated when EC projects on campaigning for more awareness on development issues are conducted in EU countries.

Overall EC assistance to local and international NGOs

Regarding the overall budget allocated, local and international NGOs fear that the sum might be insufficient to address already identified needs in the region and estimate that the new thematic budget line should have a minimum of 500M€ annually to be responsive, especially as the number of eligible beneficiaries is growing steadily.

EuropeAid will try to remain committed to continued efforts with emphasis on :

- Capacity training for local NGOs and
- Communications.

Sustainability and ownerships

Sustainability and impact related concerns need to be further reflected by appropriate guidelines, relevant good practice examples available for consultation and appropriate questioning in programming, application, appraisal grid, monitoring and evaluation formats.

Participants recalled in Cairo that sustainability considerations should be taken more seriously by all actors involved and that only participative mechanisms in all stages of projects as well as integrated-inclusive approaches allow for sustainability potential.

Platforms

All participants and EC officials agreed that NGO bodies representing local networks which aggregate needs and recommendations of local civil society actors are of great assistance to all and allow for a better synergy. Such platforms should therefore be established and supported locally, nationally and regionally.



¹⁴ The multi annual Thematic Strategy Paper will define more detailed priorities for action in these different areas taking into account geographic programmes but without providing a very rigid framework, in order to respect actors' right of initiative by supporting their own initiatives.

ANNEXES

- Annex 1: Programme
- Annex 2: Participants list
- Annex 3: Background documents
- Annex 4: Questionnaire preceding the seminar / Summary Report on answers received
- Annex 5: Results of the Seminar evaluation

