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

MAPUTO - MOZAMBIQUE
16 & 17 MAY 2006

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1. EXECUTIVE SUMMARY

The seminar "Lessons Learnt From Actions Co-Financed With NGOs And Perspectives For The Future" was organised by the European Commission (EuropeAid, Units 04 and F5), in the context of the management 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 offer an opportunity to exchange experiences on the management and impact of the programme in the Southern Africa and Indian Ocean regions¹.

The seminar in Maputo 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 management issues while the second day took a closer look at more strategic issues such as innovation, added value and impact, as well as the perspectives for the future.

Around 90 people attended the seminar, namely:

- ✓ Representatives from some 50 local NGOs, platforms or networks co-financed under this budget line² coming from 12 Southern Africa & Indian Ocean Regions countries: Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe.
- ✓ Project managers from European NGOs with ongoing projects financed by the EC in the region.
- ✓ Two representatives from CONCORD umbrella organisation, which represents European NGOs active in the field of development and rehabilitation.
- ✓ Officials from 8 EC Delegations in the Southern Africa & Indian Ocean Regions: Angola, Malawi, Mauritius, Mozambique, South Africa, Swaziland, Zambia and Zimbabwe.
- ✓ EC officials from the European Commission headquarters in Brussels: EuropeAid units 01, 04, F5 and F6.

As regards management aspects, the message conveyed by most of the participants was the following:

Call for proposals (CfP) & selection process

The entire CfP and application process to access grants is still too long. Feedback on the selection/rejection reasons of the proposals in CfPs is still rather weak. The timetable for calls needs rethinking: only 3 months to prepare an application after the publication of a call is not enough.

Procedures

There is a need in general for further simplification of procedures. The conception and development of procedures reflect Brussels' reality and do not take into account the local context. Required documentation and formats should be more user friendly and be more standardised among different donors.

Capacity Building

Most local NGOs lack capacity to access directly EC grants. Contracts with European NGOs (ENGOs) should systematically foresee a budget for training of local capacity.

¹ Angola, Botswana, Comoros, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Local/national/regional networks should be supported.

Monitoring & evaluation feedback

Sufficient feedback should be provided to allow for sharing of experience and progress in the civil society or EC programming: lessons are not learnt satisfactorily yet. NGOs acknowledged that individual feedback to each applicant would be too much of a workload. They recommended, however, that each CfP could include a brief reporting on the selection process with an indication of best practice, repeated errors, eligibility factors or criteria considered for the final selection.

EC Delegations and devolution

Devolution has a global positive effect which should be pursued in further empowering delegations with regard to the decision making process and further improving communications with the civil society. Each EC Delegation should establish a project monitoring strategy with time and budget allocations for field visits. However, according to many participants, devolution also resulted in some lack of consistency in the interpretation of rules and contracts by EC Delegations. Some Delegations also imposed additional rules and requirements, which were not requested by EuropeAid HQs.

PADOR

A majority of participants commented favourably on PADOR (Potential Applicant Data On-line Registration) and welcomed the establishment of such a data system. It might become a very useful tool and system if it does not have a too rigid and exclusive evolution. PADOR should be as simple and user-friendly as possible so that it may be used by local NGOs.

As regards more strategic issues, the seminar participants recommended:

Access to the programme

Direct accessibility for local NGOs is an urgent requirement. Many local NGOs have no access to information, technology or support and have difficulties finding cooperative ENGOs. Smaller projects should be made possible with southern NGOs such as the micro projects, which are better adapted to local initiatives. NGO bodies representing local networks should be established and supported locally, nationally and regionally.

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.

Donor coordination

Each Delegation is invited to push for local donor coordination.

Sustainability

Like in previous regional seminars, participants recalled in Maputo that sustainability considerations should be taken more seriously by all non-state actors (NSAs) involved and that only participative mechanisms in all stages of projects allow for sustainability potential.

2. Introduction

2.1 Purpose

The Maputo seminar was organised by the European Commission (EuropeAid, Units 04 and F5), in the context of the management of the programme 'Co-financing operations with NGOs in fields of interest to the developing countries' (Budget Line 21 02 03, ex B7-6000). It aimed at offering an opportunity to exchange experiences on the management and the impact of the programme in the Southern Africa and Indian Ocean regions³.

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), Cairo (Egypt) and now Maputo (Mozambique), during which both the strategic focus and the management of the budget line were extensively discussed.

The Maputo Seminar dealt with both, strategic issues concerning the targeting of civil society needs and management aspects mainly related to the devolution of the management of the budget line to the EC Delegations.

The seminar also provided an opportunity to discuss the new architecture of the external aid under the new financial perspectives.

With respect to the strategic issues, the discussion focused on themes like: the added value of the 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 involvement of NGOs in the development process, both through dialogue and financial support, is a well-established principle of EC development policy.

Set-up 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 programme has three main objectives:(1) to meet the basic needs of disadvantaged people in developing countries through 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.

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.

³ Angola, Botswana, Comoros, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Regulation (CE) n°1658/98 adopted by the Council in July 1998⁴ constitutes the legal basis of budget line 21.02.03 (ex B7-6000) "Actions co-financed with NGOs in the developing countries" This legal basis is complemented by the 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 2013⁵. These instruments will be complemented by a set of eight new thematic programmes, which will succeed the existing numerous thematic budget lines.

Besides, as regards its management tools, EuropeAid is also currently implementing recommendations made by the internal auditing system (IAS) for a more effective and efficient programme and budget management (calls, roster of eligible non-state actors - PADOR, size of grants, etc.) (see below sections 3 & 4).

2.4 Objectives and methodology

The seminar had two main objectives:

- ⇒ 1.- to discuss the management aspects related to the administrative, financial and logistical implementation of projects namely 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 targeting of the budget line, reinforcing the partnerships between European NGOs and 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 very practical administrative, contractual, logistical and financial issues while on the second day it took a closer look at qualitative and strategic issues such as priorities, targeting, innovation, added value and impact.

The report follows the conference's agenda and objectives, with section (3) analysing and clarifying aspects related to the agenda of the first day of the conference while section (4) examines agenda items and recommendations discussed during the second day.

Among the identified suggestions and proposals, particular attention was paid to: the co-financing instruments used, the strengthening of the partnership between European and Southern NGOs, the feasibility of the projects, the opportunity to also involve other non-state actors than NGOs, the opportunity for local NGOs to apply directly for grants contracts under the budget line, sustainability and impact concerns, or the present focus of the budget line.

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 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.

⁶ Cf. Programme Annex1

Section (5) attempts to summarise the main recommendations emanating from the working groups and during the plenary as well as the results of the questionnaires (one prior to and one after the seminar) with a focus on recommendations for the strengthening of non-state actors involved and suggestions for future actions in the Southern Africa and Indian Ocean regions.

The first questionnaire, preceding the Maputo Seminar, had been distributed to local and European NGOs participating in the conference in order to know their precise opinions with respect to the implementation of the budget line. Participants were questioned among others on the co-financing instruments used, their organisation's intervention rationale and the quality of partnerships. They were invited to comment as well on their positive and/or negative experiences of the devolution process and the preferred system used for monitoring, evaluation and impact measurement. Further questions concerned the appropriateness of the present and proposed targeting and focus of the budget line including the possibility of non-state actors, other than NGOs, being eligible.

Questionnaires were completed by 14 seminar participants. After processing, the data obtained from the 35 questions has been used as reference material for the preparation of the Seminar (See annex 4) and for the present report and its recommendations.

The second questionnaire, distributed after the last session of the seminar, asked the 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 are also presented in this report.

2.5 Seminar Participation

For the Maputo Seminar, invitations were sent to representatives from: NGO platforms/networks from the 13 countries covered⁷, experts/project managers from European NGOs with ongoing projects in the region, co-financed under this budget line, from the European Commission (Headquarters and Delegations) as well as European NGO umbrella organisations.

Despite the relatively short notice (two weeks), some 90 participants were able to attend the seminar and constituted a representative professional and geographical combination⁸ including:

- ✓ Representatives from some 50 NGOs, platforms or networks co-financed under this budget line coming from 12 Southern Africa & Indian Ocean Regions countries: Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe.
- ✓ Project managers from European NGOs with ongoing projects financed in the region.
- ✓ Two representatives mandated by CONCORD, an umbrella organisation of European NGOs active in the field of development and rehabilitation.
- ✓ Officials from 8 EC Delegations in the Southern Africa & Indian Ocean Regions: Angola, Malawi, Mauritius, Mozambique, South Africa, Swaziland, Zambia and Zimbabwe.
- ✓ EC officials from the European Commission headquarters in Brussels: EuropeAid units 01, 04, F5 and F6.

Throughout the entire seminar, the participants were grouped in 9 working groups. Each one of these 9 groups was formed by representatives from the European Commission and/or of its Delegations, along with representatives from both European and the local NGOs in order to better explore complementary profiles and share experiences.

⁷ Angola, Botswana, Comoros, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe

⁸ cf. Annexe 2 for list and contact of participants.

Participants were also split between the different groups⁹ in order to achieve a balance as to the geographical representation of the Southern Africa & Indian Ocean regions.

Despite, or because of, their mixed geographical and professional diversity and cross-sector insights, participants in each working group (WG) managed consensus building for the formulation of concrete recommendations on a wide range of issues.

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

3.1 Presentations

The Seminar was opened on behalf of the EC Commission, by the Head of Unit of EuropeAid F5 and a representative from the EC Delegation in Mozambique.

The Delegation representative recalled that Mozambique is a perfect example of the existence of an increasing number of NGOs, being more and more efficient in addressing social needs. Local non-state actors (NSAs) in Mozambique had received some 300 million Euro EC funding during the period 1978-2005.

The EuropeAid representative stressed that the EC institutions are very well aware of the crucial role played by NGOs in development. EuropeAid is therefore fundamentally interested in cooperation with NGOs and NSAs in general. The Maputo Seminar reflects this by offering a space for genuine dialogue for these regions. Partnerships and dialogue might sometimes be difficult and such a meeting offers a real opportunity for:

- ✧ raising real issues,
- ✧ exchanging views on different approaches and
- ✧ sorting out differences.

The Head of EuropeAid Unit F5 appealed to the participants to share ideas for the future by asking the question, "where are we now as empowerment is still on the agenda after decades of relevant capacity building activities?" The Maputo Seminar was taking place at a very opportune time as EC institutions were discussing the new financial perspectives for the coming 2007-2013 period. Feedback obtained in the seminar and similar regional consultations could be conveyed in time for relevant discussions.

According to the Commission's representatives, despite being the first donor in the world¹⁰, the EU and its institutions are sometimes criticised for not spending enough or for not being able to deliver and to spend promised assistance. Despite channelling some 1 billion € per year (with all instruments including food security) through NGOs, it seems that the EC has not yet had the expected impact with its assistance programmes. Meetings like the Maputo Seminar should try to investigate ways to improve the impact and sustainability of projects implemented by NGOs with EC grants.

The EU should be seen as a soft power as EC grants are provided without any conditionality or hidden political agenda. The reason is not exclusively a philanthropic one. If there is such an untied EU solidarity, it may well be for the reason that there is not yet a common EU foreign policy. This disadvantage might also be an advantage as the EU is not asking for commercial, political or military cooperation but has as sole conditionality:

- ✧ respect for human rights,

⁹ HQ representatives did not actually participate in the WGs in order not to influence discussions.

¹⁰ Worldwide, EU and member states provide some 55% of Official Development Assistance (ODA).

- ◇ good governance and
- ◇ sound management.

On the first day, 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 history of the budget line, its evolution, the management of calls and contracts, the responsibility of the different Commission services after the devolution and the reorganisation of EuropeAid as well as the perspectives for the future, as well as some statistics on the EC assistance of relevance to the Southern Africa & Indian Ocean regions. This allowed for practical and contractual issues to be discussed afterwards with all participants in the WGs and in the plenary.

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, improve the delays in the selection process, create greater visibility and transparency for EC applicants and improve the knowledge of organisations funded by the Commission.

3.2. Recommendations on management issues made by the WGs on Day 1

This section summarises the recommendations or queries made during Day 1 on management issues at the Maputo seminar by the nine working groups composed of representatives of NGOs and EC delegations in the region, as well as relevant statements made by EuropeAid officials.

Most of the comments/recommendations made by the different working groups concern the following issues:

Call for proposals & selection process

Most participants commented that the entire CfP and application process to access grants was still too long. Delays between calls and contracts would often be especially difficult for local or smaller NGOs and NSAs. More information on schedules of planned CfPs would be welcome.

The number of rejected proposals is experienced as a terrible waste. As even good projects are rejected because of lack of funding more feedback on rejected projects' proposals should be communicated if CfPs are not to seem like a lottery. A system providing feedback on the selection/rejection reasons would be welcome.

According to some NGOs, the time table for calls might need rethinking as 3 months to prepare an application after the publication of a call is often experienced as not enough time.

The newly introduced Concept Notes might save time for the EC but if applicants have to prepare a concept note as well as a full proposal this still represents a lot of work, even if the eligibility is now to be verified at the end of the selection.

Participants repeatedly suggested the introduction of special funds for developing proposals.

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 volume was the result of the openness and lack of "targeting" of the programme. EuropeAid is aware that alternative solutions must be found and is consulting and reforming in this sense (cf. presentations).

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 million Euro 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 CfP, the Commission plans to publish in the first 3 months of each year the annual work programmes, which present the planned CfP. Unfortunately in May 2006, the 2006 annual programme had not yet been approved by the European Commission and therefore could not yet be published. It is not known yet if the next calls will 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 calls and use the time after the call's publication to reformulate them in the required format. In the case of the project being rejected, the proposal would probably not need very much modification before being submitted to another donor.

Procedures

In line with the previous item, participants emphasised that the procedures between an application and the first payments took much too long and would complicate the PCM. NGOs therefore requested a simplification of procedures to cut down related frustrations stating that the technical aspects of projects should be more important than the administrative ones. Required documentation and formats might be changed to become more user friendly. In some cases, fears of procedures might kill small local initiatives.

Projects have often experienced extensive delays.

Local NGOs feel that the conception and development of procedures reflect Brussels' reality and do not take into account the local context.

The Logical Framework should be seen more as a tool than as a rigid instrument.

Applicants would also welcome standardised reporting formats among different donors.

With regard to simplified procedures, the Head of EuropeAid Unit 01 referred to the new formats (cf. section on recent changes) and PADOR. Expecting donor harmonisation might be more of a dream, while donor coordination might be more realistic. Donor consultations already take place in international forums, Memorandums of Understanding as well as local donor meetings.

Capacity Building

Participants stressed that most of the local NGOs have never had the chance to participate in such EC grants, hence they lack any relevant experience. There is therefore a continued need for systematic training of local partners and staff before and during a contract. Each project should consequently earmark a budget for capacity building of local organisations, which could be proportional to the overall project budget. Contracts with ENGOs should in any case systematically foresee a consequent budget for training of local capacity.

NGO platforms should take action to help affiliates with regard to their education needs.

Capacity building training for NGOs should include empowerment and mechanisms to enhance proposal-writing skills, training help desks, training for trainers and training on negotiation skills. It would be recommended to provide also some training on log frame and indicator management for southern NGOs.

EuropeAid officials commented that there have already been many projects supporting local NGOs and networks or financing ENGOs to provide such capacity transfers. Such needs are clearly perceived and further relevant projects will take place. The matter of concern is to ensure that future projects will be more sustainable in this sense (cf. agenda Day 2).

Umbrella organisations

Participants agreed that southern umbrella organisations must develop. Local/national/regional networks should be supported by local and European NGOs as well as EuropeAid. There is a need for general awareness raising and further networking in southern countries, with the EU and within it, especially in the new Member States.

In some cases caution might be advisable regarding the non-intended assistance to umbrella organisations or networks having political or even partisan objectives as such support could well challenge an existing status quo.

Monitoring & evaluation feedback

Participants questioned the practical use made of evaluations and assessments carried out under the EC programmes. It was seen as a serious gap that there is not sufficient feedback provided to allow for sharing of experience and progress in the civil society or EC programming: therefore lessons are not learnt satisfactorily yet.

NGOs acknowledged that individual feedback to each applicant would be too much of a workload. They recommended, however, that each CfP could include a brief reporting on the selection process with indication of best practice, repeated errors, eligibility factors or criteria considered for the final selection

Programme evaluations as well as evaluations of a series of geographically or thematically similar actions should systematically foresee the dissemination and web publication of reports.

EC Delegations and devolution

Devolution was generally commented on as having a positive effect on the management of projects which should be pursued in further empowering delegations with regard to the decision taking process and further improving communications with the civil society.

In some EC delegations, NGOs would prefer to have counterparts with more sensitivity or knowledge about local circumstances. The establishment of delegations will not automatically lead by itself to more cooperation with local people for the identification of projects. Each EC Delegation should establish a project monitoring strategy with time and budget allocations for field visits. Some projects are in remote areas with no electricity and poor transport but this should not prevent monitoring visits.

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.

Regarding the regional outreach of EC Delegations and the fact that each country cannot have its own EC delegation, some delegations have to cover several countries, so it should be ensured that at least there is staff, budget and approval so that the existing delegation personnel can really travel to other areas.

Many participants reported difficulties encountered in obtaining a consistent interpretation of rules and contracts by EC Delegations. Some NGOs had even experienced delegations coming up with additional rules and requirements, which were not requested by EuropeAid HQs. (see February 2006 CONCORD monitoring report of the devolution process¹¹)

EuropeAid officials commented that the Commission would address inconsistency issues with the Delegations.

Access of local organisations

In a majority of working groups, NGO persisted in requesting more direct accessibility for local NGOs as a priority. Many local NGOs have no access to information, technology or support and have difficulties in finding cooperative ENGOS.

Some participants expressed concerns that regarding the future eligibility of southern NGOs and NSAs and in the case that small NGOs are to provide 25% of budgets, they might be disadvantaged in the access of budget line grants as compared to the major organisations. High

¹¹ Concord FDR Deconcentration Monitoring Report dated 10 February 2006.

costs of preparing a proposal and concept note might also be indirectly excluding smaller or local organisations.

Therefore smaller projects should be possible with southern NGOs such as the micro projects, which are better adapted to local initiatives.

A system like PADOR for example, might be quite a challenge for small and remote organisations which cannot count on any help yet in this regard.

The Commission representatives commented that as of 2007, local NGOs will in principle be eligible to apply. Conditions for future actions co-financed with Southern NGOs are, however, not yet issued.

PADOR

A majority of participants commented favourably on PADOR and welcomed the establishment of such a data system. It was seen as a possible useful tool and system provided it does not have too rigid and exclusive an evolution.

Participants asked whether PADOR would list the proposals received and rejected and whether it would be able to show how a rejected proposal could become eligible.

The clustering of actors by types was commented on as being of interest. A risk of this compartmentalisation was noted however, and PADOR should therefore be sure to allow NGO registration in multiple clusters. Caution is required so that the freedom of NGOs to initiate new activities is not limited and they remain free to do different types of projects.

PADOR should preferably be as simple and user-friendly as possible so that it can be used by local NGOs.

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

The second day of the Maputo seminar was launched with two presentations by EuropeAid 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 WGs, the EC representatives presented the different existing instruments available to NGOs or non-state actors (NSAs) for development assistance as well as lessons learnt in recent years and relevant perspectives in a near future¹² while raising issues for discussion in the subsequent WGs.

New set of six instruments

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.

Three instruments (for humanitarian aid, stability and macro-financial assistance) are horizontal in order to respond to particular needs and circumstances.

Three instruments (pre-accession assistance; support for the European neighbourhood and partnership policy (ENPI) and development/economic cooperation (DCECI) are designed to implement particular policies and cover specific geographical areas.

In future, 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.

¹² cf. Power point slides in Annexes and Commission Communications referred to in text.

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

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 of the two presently existing budget lines “NGO Co-financing” and “Decentralised Co-operation”. The proposed programme would also be “actor-oriented” instead of “sector-oriented”. It proposes to support stakeholders’ “right of initiative”, by providing financial resources for their “own initiatives”, when geographical programmes are not the appropriate instrument¹⁴.

It will complement the support that other “sectoral” thematic programmes can provide to the same actors (i.e. programme on democracy and human rights).

All civil society organisations and local authorities, from the EU and partner countries, would be, in principle, eligible for funding under this thematic programme¹⁵. The bulk of the financial allocations will be allocated to supporting interventions in the field carried out in developing countries. However, the programme will also pay appropriate attention to interventions which promote awareness raising and education for development. Activities, which facilitate coordination between stakeholders’ networks, will also be eligible for funding.

These proposals are under discussion with the European Parliament and the Council on the basis of formal communications to both institutions. The result of this process will provide the political orientations for subsequent programming, notably the thematic strategy papers to be drawn up in accordance with the above instruments.

The Commission held in-depth public consultation in order to ensure the involvement of a wide range of stakeholders (including NGO umbrella organisations) in defining the main features of the programmes. The programmes are also based on the outcome of this consultation¹⁶.

Past experience and lessons learned

Co-financing of NGOs from the EU and Decentralised Cooperation programmes have progressively consolidated development policy instruments which are actor oriented and support the actors’ right of initiative. Past experience, evaluations and discussions with the different parties involved reveal that the potential of the strategic partnership between the EC and stakeholders other than central governments appears to be under-utilised.

This does not seem to be linked exclusively to the policy framework, but is also due to requirements of the Financial Regulations or frequent changes in the implementing of rules and conditions.

At the same time, the number of proposals presented for financing has grown significantly without being matched by similar growth in the Commission human resources to deal with these issues.

The Commission is therefore currently engaged in exploring new approaches to selection procedures, with a view to reducing the administrative burden, better focussing the calls for proposals and facilitating access to funding for small NGOs.

The establishment of a segmented and actor-oriented approach shall contribute to an innovative and simpler approach to the co-financing of these actors.

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.

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.

¹⁵ This very broad actor-oriented approach will be refined in the multi-annual Thematic Strategy Paper. More precise eligibility criteria for the different actors may be defined according to their respective added value, capacities and specific needs and constraints (including at financial level) to implement the priorities established in the thematic strategy paper. According to the priorities for intervention, either the thematic strategy paper or its implementing documents may specify the modalities for access to funding by the different actors (percentage of co-financing, type of actions, etc). It will be taken into account that actors may also be eligible for funding under other EC-financed programmes.

¹⁶ (see DG Dev Europa website for a full report on the public consultation).

4.2 Recommendations on strategic issues made by the WGs on Day 2

Eligibility

NGO participants expressed the view that in principle they would certainly prefer a standing alone budget line dedicated only to NGOs as they fear competition from other NSAs.

Participants acknowledged, however, that eligibility should be based on capacity rather than on nationality for more impact and that NSA partners should be associated as appropriate with regard to their added value (i.e. NGO umbrella organisations or networks, farmers unions, trade unions...), without necessarily being allowed to be the main contractor.

Faith organisations

Participants expressed the view that churches should not be eligible as main applicant.

Private sector

NGOs might consider involvement of profit making entities but would like to see the implications better defined. The private sector can bring added value and sustainability and a link to it should be encouraged. The budget line should not, however, be financing private sector enterprises and profit making entities. Such entities should not be eligible as main applicant but accepted only as associated organisations or sub-contractors.

Local authorities

The Maputo working groups conveyed that local authorities (LAs) should not be in competition with NSAs. NGOs would prefer that local authorities could not be eligible but should be associated as much as possible because their involvement brings added value and contributes to continuity and more replication potential¹⁷.

Direct support to local authorities should only be exceptional and on a pilot basis for particular projects in particular circumstances (i.e. where there is no established space for political dialogue). Although the working groups expressed that LAs should not qualify as main applicant, they encourage partnerships or associations with LAs as the involvement of public structures provides them with training, ownership and awareness alignment. Whenever possible, ministries should be part of projects as this has shown good results in general (good practice).

Participants stated that local authorities have a development mandate and are ultimately responsible for social services. Public services might assist by integrating a project with other plans and guarantee that it is more in line with strategic development plans of the State and Poverty Reduction Strategies. Authorities might grant more legitimacy to interventions in the public sphere and are to coordinate interventions so that the duplication of efforts or structures is minimised. Involving LAs is seen as providing more sustainability as they may perceive the needs of the beneficiaries more clearly and eventually address these needs with greater means. Involving local authorities is therefore more likely to enable a project to significantly influence policy (cf. annexed report on questionnaires).

Partnerships

Participants see as a priority the strengthening of existing local CSO networks. In view of the proposed reforms, the nature of the relationship between the southern and northern NGOs might evolve.

Different types of partnerships should be encouraged depending on the objectives and added value of each entity. The focus criteria should be the quality of the partnership with regard to the quality of the action.

Different possibilities for NGO or NSA consortiums exist and should be encouraged: south/south, north/south, north/north whereby ENGOs and southern NGOs should seek complementary roles.

¹⁷ Several participants questioned whether it would be sufficiently justified to consider local authorities as "Non State" Actors? The terminology is confusing if to include LAs?

Participants stressed that delegations will have more and more work to accomplish with the partnerships and should be prepared for it. EC delegations should be able to play a better role in the coordination of southern and northern NGOs.

Sustainability

Participants commented that the sustainability concept was often used but questioned whether it was a real concern of all project stakeholders.

Sustainability considerations should address a social development process and not a single project itself. Social or financial sustainability, these might not be the same priority. Some participants stated that building sustainable capacity in only a few years might be an almost impossible challenge or that it might be a paradox to expect sustainability through "imported" projects, which should rather be pilot experiments.

The working groups recommended that through local NGO access to grants, working towards MDGs attainment, more long-term actions, more focus on actual target groups and beneficiaries, lessons learnt and transfer of good practices, more embedded and sustainable actions might be feasible.

EuropeAid should therefore develop a stronger relevant monitoring system and assess sustainability during a project's early implementation. Impact: relevant studies and assessments should be more systematically supported.

EuropeAid officials recognised that sustainability is undoubtedly a complex issue to be discussed at different levels. However, they noted that in practical terms the EC requirement for projects to be sustainable aims to deal with very concrete and short terms issues, to ensure the project's continuity once EC support ends. A clear indication of what EC means as sustainability in this context may be found in the evaluation grid used by the EC for the evaluation of the proposals (tangible impact, multiplier effects, institutional and financial continuation after project ends, local ownership and structural/legal/administrative impact).

Overall size of budget line

Considering the eligibility of an increasing number of actors, this should logically go hand in hand with an increase of the overall budget size.

The budget envelope to be accessed by all NSAs is too small as compared to the development priorities in the southern countries.

Targeting & segmentation

Participants commented that the two notions should not be separated and must go hand in hand.

There is a need to strike a balance between the need of targeted interventions and the need to maintain a freedom for innovation. Targeting and segmentation bears the risk of reducing the right of initiative, especially for small NGOs with more limited range of action. Objectives must be formulated so that they remain wide enough while segmentation should be made very clear.

Segmentation should seek to establish different envelopes for cooperation which should be specific to the targeted region, the type of actors expected or the thematic for the action.

Calls for proposals might be more targeted (i.e. geographical coverage, thematic priorities, partners targeted).

Thematically, targeting should be within the Poverty reduction framework (e.g. GDS; PRSP).

Geographically, CfPs should target agreed programme areas (e.g. conflict countries).

A working group would like to see three types of projects to be favoured: macro projects, micro projects and targeted projects.

NGO umbrella organisations

As there is an organisation like CONCORD acting as umbrella for northern NGOs, a similar cooperation mechanism should exist for southern NGOs. A southern Africa platform would need to be established to handle issues with CONCORD and donors.

EU and ENGOs should also support the establishment of a regional confederation of trade unions.

On this point EuropeAid officials noted that it is not the Commission's business to rule on or influence the relations between southern and northern NGOs. EuropeAid would certainly be more

than delighted to support local/regional platforms in these regions as well as elsewhere and to encourage joint actions or linking of southern and northern platforms.

The rationale is simply that it is impossible for EuropeAid to dialogue with all NGOs in one country or region. In the case that there is an existing NGO body representing local networks which could be aggregating needs and recommendations of local civil society actors, this would be of great assistance to all and allow a better synergy. CONCORD is for instance a pan-European network of national networks and platforms and represents some 1500 NGOs.

For obvious reasons of independence, EuropeAid cannot simply push for such structures but would certainly co-finance actions of such platforms and favour their linking-up with EU networks. It has supported such initiatives in the past and will surely continue to do so in the future.

Best practices

Participants agreed that there is a real need to better share good practices. It might be a challenge to put such a communication in place but such efforts are crucial. Dialogue and sharing should first be ascertained among local organisations. Existing websites for instance could be made available for such exchanges.

A working group requested that the EuropeAid officials provide some examples of innovative actions.



5. Possible conclusions after the Maputo Seminar

The following consensus emerged in WGs, panel discussions, questionnaires and the concluding session of the Maputo Seminar.

Eligibility

Most of the participants in Maputo were much more reluctant to accept the inclusion of local authorities than in similar consultations conducted in other regions.

A majority of WGs recognised that all NSAs could possibly make positive contributions but were rather seriously opposed to the inclusion of local authorities or private businesses as eligible.

Local NGOs argued that the EDF has more additional funds than the NGO co-financing, thus local authorities would receive more than previously in any case and NGOs should keep the funds earmarked for civil society. The Commission Communication dated January 2006 on the future thematic programme "NSA and Local Authorities in development", which will replace the existing NGO co-financing programme¹⁸, states that "*All civil society organisations and local authorities, from the EU and partner countries, are, in principle, eligible for funding under this thematic programme*". Local authorities are therefore recognised as state actors being eligible for funding under that programme.

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.

¹⁸ 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 The Thematic Programme "Non-state Actors and Local Authorities in Development"

Devolution

The new practical guide issued in February 2006 should contribute to the necessary homogenisation and to more simplified procedures.

The attention of the participants has been drawn to the recently introduced standardised models for financial and narrative reports aiming at harmonising approaches. The unique format can also be applied to ongoing contracts if the NGO opt for it.

Special care has been taken to make the information on applicable rules and procedures more accessible, clear and consistent; an effort which is backed by a help desk for the finance & contract units at HQs and offices in the EC Delegations.

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.

In the review at the end of the Maputo Seminar, participants suggested organising this kind of seminar in countries where there are many NGOs whose projects/proposals have never been retained or approved. They would like to see regular dialogue opportunities being established, not just on this subject, but on broad development issues in general. Participants suggested organising more contacts on country and regional levels with EC delegations and NSAs. Regarding the selection of participants, they would like to see more small NGOs and more involvement of the EC Delegations.

Sustainability

Like in previous regional seminars, participants in Maputo recalled 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.

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

One of the main requests made by southern NGOs will be achieved very soon as the newly proposed architecture will allow local NSAs to apply directly. The possibility is also envisaged of making local CfPs where local NGOs will be eligible. Even so, local NGOs might still need ENGOs in partnerships for action for a while.

The EuropeAid representative at the Maputo seminar concluded the meeting by referring to the Paris strategy which lays down a practical, action-orientated roadmap to improve the quality of aid and its impact on development. At present accountability requirements are often harder on developing countries than donors, yet aid is more effective when partner countries exercise strong and effective leadership over their development policies and strategies.

This is why ownership - developing countries exercising strong and effective leadership over their development policies and strategies - is the fundamental tenet underpinning the Paris Declaration¹⁹.

¹⁹ The Paris Declaration, endorsed on 2 March 2005, is an international agreement (OECD) to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue and increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. Cf. http://www.oecd.org/document/18/0,2340,fr_2649_3236398_35401554_1_1_1_1,00.html

The NGO representative co-chairing the last session of the meeting concluded that the Maputo seminar had been a great opportunity for the NGOs in the Southern Africa and Indian Ocean regions for sharing experiences with EC Delegation and HQs representatives. The concrete results of the Maputo meeting will be shown afterwards if and when the EU countries, NGOs and the EC start listening to the local communities and take on board the recommendations made by the local NGOs.



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