

Rethinking the added value of European NGOs

European development NGOs are nervous. They are becoming increasingly concerned about their roles in what is a rapidly evolving European development cooperation system. Gone seems the time when European NGOs were Europe's privileged interlocutors and aid recipients. Opportunities for effective dialogue with the European Commission began to wane during the 1990s. Funding for the popular NGO co-financing budget line - which gives European NGOs the right of initiative to present their own projects - has been frozen for the past seven years. There have also been many complaints about the slow, bureaucratic way in which the European Commission manages NGO funding schemes. The tensions have been further heightened by a recent Commission proposal aimed at untying European aid, including NGO co-financing. In practice, this means that European NGOs would have to share the budget line with organisations from the South, among others.

None of these developments are welcomed by the European NGO movement. For them, the challenge is to revitalise the political partnership with the European Commission; to safeguard the 'European dimension' of the NGO co-financing budget line (as an instrument both for mobilising support in Europe for development cooperation and for connecting European civil society with Southern civil society organisations); and last but not least, to substantially increase funding to the co-financing budget line.

Broadening the debate

Predictably, this type of climate is not conducive to a productive dialogue between the Commission and the (widely diversified) community of European NGOs. Part of the problem lies in the relatively narrow scope of the policy debate. Discussions tend to be inward-looking and to focus on the relationship between European players (i.e. the European Commission and NGOs), money and managerial issues. There is much less emphasis on the dramatic changes in the external environment that require European NGOs to radically review their strategies and operating methods. Yet these 'externalities' can no longer be neglected. Most donor agencies are shifting towards a new aid paradigm, aimed at turning more responsibility over to partner countries through sector-wide approaches, budget support and decentralising of decision-making and the implementation of aid programmes. Furthermore, a wide variety of 'new' actors have appeared on the development stage, all claiming space in which to play their legitimate roles in the development process. In response, donor agencies are increasingly adopting a multi-actor approach to partnership and exploring ways to provide direct funding to southern actors.

This new aid paradigm calls for a redefinition of the specific role played by European NGOs in an increasingly complex, politicised, multi-actor and decentralised European cooperation system. It

raises fundamental questions about the autonomy, added value and future roles of European development NGOs. For instance, should European NGOs still play an operational role if sufficient local capacity is available? Should they operate in 'full autonomy' without taking account of initiatives taken by local governments? Is aid effectiveness not served by a better articulation of NGO programmes with PRSPs and sector-wide approaches? Can European NGOs still inject a clear 'added value' (compared with local actors) that justifies the preservation of a protected co-financing budget line? How can they increase the effectiveness of their advocacy and development education work?

Pro-active NGO approach required

It is in the interests of European NGOs to address these questions head-on. Defensive attitudes aimed at insulating the debate and safeguarding the status quo will not be of much help. Such an approach entails a risk that other actors will set the agenda and determine the future course of events. It would also be a missed opportunity, as there are important (new) roles to be played by European NGOs in international cooperation (e.g. building capacity of southern actors to participate in policy processes; networking and developing alliances for greater impact in advocacy). To a greater extent than in the past, though, European NGOs will have to 'earn' their place, by showing that they can deliver specific added value in the decentralised cooperation system that is emerging in the developing world.

ACP-EC cooperation in practice

Facts and stories

Hard facts and stories on four aspects of ACP-EC cooperation: money, politics, policies and the EU.

Where does ACP-EC money go?



The debate has only just started in the European Council on the Commission's proposal for untying access to Community external assistance. Thorny issues will need to

be addressed in relation to implementation modalities, especially with regard to NGO funding, experts and reciprocity. NGOs fear that competitive tendering for NGO lines means that either they or their Southern partners will lose out (see editorial).

The European Commission has reviewed the programming for the European Initiative for Democracy and Human Rights (EIHDR), as well as the annual work programme for 2004, to reflect an increase of EUR 26,625 million in the allocated budget. It has amended some of the previous programme's priorities, and has added a number of new ones.

http://europa.eu.int/prelex/detail_dossier_real.cfm?CL=en&DosId=191607

What policy debates are taking place?

The European Parliament's Development Committee report on the 2005 EU budget proposes holding a debate on budget support. This modality of aid delivery, also widely used in ACP-EC cooperation, continues to be a source of controversy at the European Parliament, where views on its effectiveness are polarised. Some MEPs argue that this is the right way forward for donor agencies, while others claim that budget support can only be successfully implemented in countries with adequate governance and capacities. There are also concerns that the impact of budget support cannot be measured. The European Commission is currently conducting two internal audits of budget support in order to review its own experiences.

In 2000, the Commission issued a Development Policy Statement for the first time, clarifying the main objectives of development cooperation and identifying six key areas in which the Commission has a perceived added value to offer. This policy document is now to be reviewed. The debate will start during an informal Development Council in October and will be pursued under Luxembourg's EU Presidency. The outcome of this process may affect the general orientation of future ACP-EC cooperation.

Where is Europe going?

After months of intensive debate and deadlocks over critical issues, EU Heads of State have now approved the EU Constitution, which is scheduled to be formally signed as the Treaty of Rome II in October 2004. The Constitution will not come into force until at least 2006 following a series of referendums in a number of EU Member States, some of which are likely to result in defeats. The Constitution incorporates a Charter of Fundamental Rights into EU law for the first time; commits the EU to the progressive framing of a common defence policy; extends majority voting to many new areas; creates a President of the European Council and a foreign minister for the Union; limits the size of the Commission (from 2014 onwards); and gives new powers to the European Parliament.

The EU Constitution has been posted at:
http://ue.eu.int/cms3_fo/showPage.asp?id=251&lang=en&mode=g



What's new in the political arena?

The European Council is keen to move forward with the implementation of a European Security and Development Policy (ESDP) as a means of promoting peace and security in Africa. In addition to and consistent with initiatives under the Peace Facility for Africa, the Council is examining proposals aimed at enabling the EU, through the ESDP, to assist African organisations with disarmament, demobilisation, reintegration and security sector reforms, all of which are central to post-conflict stabilisation efforts. The EU is also looking at ways in which an ESDP could, whilst taking account of the role played by the UN, provide practical support to the African Union and subregional organisations as they develop conflict prevention tools and peace-keeping capacities.

Taking culture seriously: some promising developments

It has long been claimed that there can be no development without respect for cultural roots and values. This belief has major implications for development cooperation partnerships. It implies that key trends such as social change, democratisation and gender equality cannot be imposed from the outside, but require an endogenous process of cultural change. It means that external partners need to fully understand the cultural dimensions of development, embracing both traditions and ongoing changes (as a result of evolving societal norms and external influences). It also puts a premium on the development of coherent cultural cooperation strategies that help to consolidate cultural actors in all their diversity and to unleash the potential of culture as a development tool.

While the importance of culture in the development process is widely acknowledged, it has played only a fairly limited role in the practice of most development partnerships. Cultural cooperation tends to be narrowly defined and perceived as a 'soft issue', in contrast with programmes focusing on economic growth and poverty alleviation, for example. Thus, it has been hard to find funding for a wide variety of promising cultural cooperation activities. The management of cultural cooperation is generally entrusted to small project units, detached from mainstream cooperation processes (both in terms of content and institutionally).

This is also largely the situation with regard to ACP-EC cooperation. Successive Lomé Conventions recognised the need to respect and promote culture, as well as to invest in cultural cooperation. Some EDF funding has been available for cultural cooperation. This is mainly true of West Africa, where different national indicative programmes supported cultural initiatives (through programmes called PSICs). While this helped to put cultural cooperation on the map, these schemes had major limitations, including the absence of a solid strategic framework, a



Dancers from Papua New Guinea performing a traditional sing sing. Photo: Volker Hauck - ECDPM

narrowly conceived project approach and a preference for investing in large-scale, high-profile 'cultural events'.

The Cotonou Partnership Agreement has not upgraded the status of cultural cooperation. Rather, the section entitled 'Social and human development' simply mentions the issue as one of the possible areas of support. If anything, there is a danger that aid for cultural development will decrease, as the European Commission seeks to concentrate its assistance on a limited set of sectors and reduce its overall management burden by discontinuing the flow of resources to labour-intensive programmes that mobilise limited funding (such as cultural cooperation).

Yet there are also signs that cultural development is gradually being taken more seriously. A key driver is the growing demand from ACP institutions and actors for a more ambitious strategy. In June 2003, for instance, the ACP Secretariat organised a ministerial conference on the topic for the first time. The resulting declaration and plan of action, which were adopted by the ACP Ministers of Culture, envisage a battery of possible activities for promoting cultural development. The African Union's recently published Strategic Plan for 2004-2007 ranks the promotion of African culture as one of its six priorities. Culture also features prominently in the EU-Africa dialogue, in particular the sensitive issue of returning valuable cultural goods to their countries of origin. In addition, more and more funding for cultural cooperation is

being programmed in a strategic manner. Thus, part of the resources drawn from the 'All-ACP funds' in the 9th EDF will be concentrated on two framework programmes relating to the film industry and cultural events in Europe involving ACP artists.

Another promising development is to be found in the Strategy Paper and Regional Indicative Programme (RIP) for West Africa for 2002-2007 (under the 9th EDF). The document explicitly recognises the strategic importance of culture in consolidating the regional integration process, as well as the need to promote regional cultural exchanges and initiatives. A sum of between EUR 3 and 4 million has been set aside for this purpose. In March 2004, an identification study was launched to determine, along participatory lines, a limited set of key priority areas for the programme. As in other areas, the primary responsibility for preparing and implementing the programme lies with regional organisations, in this case the CEDEAO. Besides facilitating the integration of regional cultural actors, the programme could also help to defuse potential tensions and conflicts between states and local people. By insisting on common values, cultural cooperation and exchange may help to reduce ethnic polarisation and radicalism.

There are good reasons for trying to replicate the example of West Africa in other ACP regions, where there are plenty of interested cultural actors and initiatives that would merit support.

EVENTS

Meeting of ACP Heads of State, Maputo, Mozambique. The main theme of the Summit was 'Shaping our future together'. The Heads of State formulated guidelines for general ACP policy. The Summit Declaration may be found at:

www.acpsec.org/InternalSheet.aspx?ArticleFileName=2004/declarationmaputo_en.html&sessLang=1

ACP civil-society organisations also adopted a declaration:

www.epawatch.net/general/text.php?itemID=218&menuID=28

27-28 September: SID-EADI Conference on 'Europe and the South: A new era'

A forum for parliamentarians and civil-society actors aimed at promoting the EU's global role and responsibility.

www.euforic.org/sid-europe

29 November-3 December: ACP Council of Ministers, which is likely to focus on EPA (Economic Partnership Agreements) - WTO negotiations and the review of the Cotonou Partnership Agreement. A new Secretary-General for the ACP Group will be elected.

READINGS

The *latest European Commission report on deconcentration and devolution* has been posted at:

<http://europa.eu.int/comm/europeaid/decentr/pdf/decon-notedinfo.pdf>

The Dutch Presidency of the Council of the European Union: Priorities

http://www.eu2004.nl/default.asp?CMS_TCP=tcpAsset&id=AB2CCD9E8D1A455FB3970D9512B88791

Economic Report on Africa 2004: Unlocking Africa's Potential in the Global Economy: www.uneca.org/cfm/2004/overview.htm

The *events page on acp-eu-trade.org* has been updated:

www.bellanet.org/calendar/index.cfm?op=ShowCalendar&calendar_id=23

Human Development Report 2004 on 'Cultural Liberty in Today's Diverse World': <http://hdr.undp.org/reports/global/2004>

A new *NGO Report*, entitled '*2015 Watch: the EU's Contribution to the Millennium Goals*', argues that the EU's external aid programmes 'perform poorly' in terms of supporting or attaining global development targets. www.welthungerhilfe.de

Third World Network publication entitled '*Regional Cooperation - Whose Interest?*'. Contains articles on FTAs, new regionalism, the role played by the World Bank and the IMF in reducing poverty, the impact of the environment on small island states, EPAs and gender. communications@twnafrica.org

An *ODI Briefing* looks at *EU aid disbursements and effectiveness*:

www.odi.org.uk/publications/briefing/edc/edc_bp_aid_disbursement_effectiveness.pdf

Comments, suggestions and requests should be addressed to Jean Bossuyt, European Centre for Development Policy Management (ECDPM).

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Reader's viewpoint

Who does what in development cooperation?

Your editorial in InfoCotonou No. 4 of March 2004 contained some useful suggestions for a multi-actor partnership approach to ACP-EU cooperation. Unfortunately, though, it underrates the importance of competition for donor funding. Putting policies in place to enhance competition is the best way of defining actors' roles and raising the efficiency of foreign aid usage.

The 'single-actor approach' taken by the old Lomé Conventions, in which central government was the main recipient of foreign aid, caused funds to be used as 'fungibles', engendered corruption, led to moral dilemmas in the application of donor funds and threatened to cause donor fatigue.

EU aid has not been effective enough during the past 40 years. In order to ensure that effective use is made of grant aid and concessional loans, opportunities must be created for a large number of actors to compete for funding. The actors generally include central government, lower-level governments, donor agencies, microfinance institutions, private-sector businesses and non-government organisations. If the European Commission succeeds in adopting strategies and policies that are aimed at funding vital developmental needs, these will undoubtedly generate

requests for funding well-conceived physical infrastructure projects, social programmes, and direct income generation projects.

Within this context, there is no reason why competition among the actors involved in the partnership should be ruinous, nor why chaos should abound as the actors try and work out what roles they should play, just like Pirandello's *Six Characters in Search of an Author*.

Neither central government domination nor officially sponsored dialogue or managed collaboration can be an adequate substitute for competition among actors and good funding strategies and policies in ensuring the efficient allocation and application of donor funds and defining the roles played by the various actors.

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Mr Mawuli has consistently advocated the inclusion of non-state actors in the ACP-EU development partnership (see ECDPM 1986-96, 'ECDPM Conference: The Future of EU-ACP Relations Beyond the Lomé Convention', Maastricht, 12-14 June 1996, p. 6).

'InfoCotonou' highlights key debates, activities and events related to the implementation of the Cotonou Partnership Agreement, an agreement between the African, Caribbean and Pacific (ACP) countries on the one hand, and the European Union (EU) on the other. ACP-EC actors are encouraged to share their opinions, reports and other resources on ACP-EC cooperation. The ECDPM is a non-partisan organisation that seeks to facilitate international cooperation between the ACP and the EC. Information may be reproduced as long as the source is quoted.

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