

Abstract

From the donors' perspective, NGOs have traditionally been seen as a nimble and flexible means for reaching beneficiary populations located in remote or difficult-to-access areas. An additional argument is their importance in bolstering civil society in recipient countries. However, the current trend in European cooperation, both with respect to the Commission and the Member States is to increase the share of aid going to sector programmes by means of budgetary support. In this context, it becomes even more urgent to consider the effectiveness of NGO projects as a cooperation tool, stressing the strategic strengths of channelling aid through them, but also identifying their main limitations and weaknesses. If it is agreed that development is a process that alters power structures within a society by providing less-favoured sectors with greater access to resources and opportunities for improving their quality of life, then NGO projects can act as a force for change.

The purpose of this report is to explore the technical and political aspects of cooperation via NGOs in Latin America. It is based on a sample of 85 projects analysed by the External Monitoring Service in 2005. The report begins with an analysis of the geographic and sector distribution of the sample, comparing it with other NGO studies in the region. In addition, it carries out a full assessment of the scope of the projects on the basis of the five standard monitoring parameters: quality of design, efficiency, effectiveness, potential impact and prospects for sustainability. The current context of deconcentration of the European aid system, on the other hand, offers opportunities for greater advantage to be derived from cooperation via NGOs. In this respect, the report is rounded off with a list of recommendations aimed at the EC and the External Monitoring service, European NGOs and their local counterparts.

This report, produced for the European Commission by the External Monitoring Service of EC Development Programmes in Latin America does not necessarily reflect the opinions of the European Commission and is the sole responsibility of its authors.

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1. Introduction

1.1 Objectives



This document has been produced by the External Monitoring Service in Latin America with the following objectives:

- To describe the legal and financial framework for European cooperation via NGOs in Latin America, in the current context of external aid reform;
- To take a look at the quality of the NGO projects monitored during 2005;
- To assess the strengths and weaknesses of projects implemented via NGOs, focusing the debate on the five monitoring parameters (quality of design, efficiency, effectiveness, potential impact and prospects for sustainability);
- To highlight the lessons learned and make recommendations as input for future programmes, and to improve the management and monitoring of the initiatives.

1.2 Methodology

The methodology used for this report included the following activities:

- Analysis of the sample of NGO projects monitored in 2005 (85 in all), covering the different budget lines: NGOs co-financing, Food Security, the Environment, Decentralised Cooperation, Human Rights, Reproductive Health and Displaced Populations (see appended list);
- Statistical analysis based on information in the Common Relex Information System (CRIS) database;
- Review of the primary sources, including the project summaries and the monitoring reports;
- Analysis of documents and studies on trends in European NGO cooperation in the region;
- Discussion of the conclusions by a team composed of four monitors in order to identify lessons learned, conclusions and recommendations.

2. Framework for European Cooperation via NGOs in Latin America



Regional context

The period 2000-2005 witnessed an acceleration of social and political changes in Latin America. The impact of globalisation, the neoliberal orthodoxy crisis, the increase in inequality and people's response to the privatisation of public services led to the emergence of new social movements and the coming to power of leftist, reform-minded governments in a large number of countries in the region. This process also gave rise to a new **regional agenda**. Immigration, decentralisation, recovery of natural resources and regional integration altered the previous context in which democracy, human rights and social cohesion had been prominent.

Social development on the continent gradually affected the aid policies and priorities of the international community which gradually abandoned strategies for combating poverty in favour of development strategies for medium-income countries (MIC). In Latin America, this change has been reflected in greater investment in the areas of good governance, the strengthening of civil society and the promotion of socio-economic rights, to the detriment of the traditional area of basic social services provision.

Legal framework for the Community policy for co-financing NGOs

The Community policy for co-financing NGOs is pursued under the commitments undertaken by the European Union to **combat poverty**, protect the rule of law and bolster respect for fundamental freedoms, in accordance with the provisions of Article 177 (formerly Article 130u) of the Treaty on European Union. Cooperation policies are implemented through the Directorate for External Relations (RELEX). The European Office for Cooperation (EUROPAID) was established in 2001 to dispense Community aid, and to set in motion the mechanisms required for its consistent and transparent management.

With the aim of harmonising and strengthening the management of budget lines, EUROPAID has initiated an aid rationalisation process, consisting of the **reform** of both the instruments and the procedures for aid management. Part of this process was the approval of the **New Financial Regulation** in January 2003, which entailed major changes in the financial management of cooperation projects, especially those of a bilateral nature.¹

¹ Cf. the Financial and Technical Cooperation projects as well as the Economic Cooperation projects.

TABLE 1: Distribution of roles following decentralisation

EC Headquarters in Brussels	EC Delegations in the Field	NGOs
<ul style="list-style-type: none"> • Management of the invitations to tender for projects • Final selection of projects • Monitoring of multi-regional project management (coverage of various regions) 	<ul style="list-style-type: none"> • Request for ex-ante assessment of new proposals (advisory, non-binding) • Project management (contract procedures, payments, audits, receipt of reports and evaluations) • Processing of applications to amend grant contracts (addendum) • Monitoring in the field 	<ul style="list-style-type: none"> • Dialogue with the delegations (dispatch of reports and requests for changes to the grant contract)

Aid decentralisation process

The reform process has also included an extensive decentralisation process which has entailed the **transfer of roles and responsibilities** from Commission headquarters in Brussels to the EC Delegations in the field (cf. table). In this way, the management of approved NGO projects has been transferred to the Delegations, although the selection and approval of proposals continues to fall under the purview of EuropAid in Brussels. At the time of drafting of this report, only multi-regional projects (e.i. those that cover countries in several regions) maintained a direct dialogue with Brussels. Regional projects that include countries only in the Latin America region have already been transferred to the Delegations of Managua (for Central America), Lima (for the Andean Community of Nations, known by the Spanish acronym CAN), and Montevideo (for the MERCOSUR region).

This change has been particularly intense in budget lines covering cooperation via NGOs.

There are at least four **windows of opportunity** that need to be considered:

- Closer Monitoring by the EC Delegations;
- Greater cohesion between NGO projects and the Country Strategy Paper (CSP) and greater complementarity with other EC cooperation instruments;
- Promotion of sector learning areas linked to local needs, from the perspective of EC Delegations;
- Greater coordination of NGO projects with other donors.

Some EC Delegations have started to develop specific monitoring tools. A good example is the case of the Food Security budget line in Bolivia, which is using improved monitoring formats to help the project management units to concentrate on key issues.

Financial volume of European cooperation via NGOs in Latin America

In the last five years, European cooperation has endeavoured to provide strategic support for civil society in Latin America. The figures for the period 2001-2005 show that European cooperation channelled through NGOs during this period amounted to €569.08 M for the entire region, well below other bilateral cooperation instruments (such as financial and technical cooperation, economic cooperation and budgetary support). Since 2003, there has been a steady decline in resources in the region to €175.7 M and €85.57 M in 2004 and 2005 respectively (cf. Table 2). Although not a priority in strictly financial terms, support for civil society is important in terms of flexibility and capacity to respond to different sector problems.

NGO co-financing budget line

Cooperation via NGOs is channelled first of all through the NGO co-financing budget line (ex B7-6000), the thematic priority of which is the **fight against poverty**. The line operates on the basis of a demand stimulation system (**call for proposals**) with annual calls for tender, resulting in great diversity in the sector orientation of the projects approved and in the volume of resources committed (cf. table). A key characteristic of this budget line is the need to channel aid through a European NGO to guarantee quality management. In 2004, €190 M was channelled through this budget heading, of which €56.7 M was earmarked for Latin America (representing 29.8% of the world total). It should be pointed out that the average amount per approved project is less than €0.5 M, given the large number of micro-projects covered by this budget.

In consultation with the NGOs, European cooperation has established a number of **strategic guidelines** to promote the NGO co-financing budget line. In October 2003, the Commission organised a seminar, which has become known as the **Palermo Process**, in which a number of recommendations were made:

- Greater importance for partnerships between European NGOs and the South;
- Strengthening of civil society in the South;
- Search for synergies with other local players and regional governments;
- Promotion of integrated and innovative projects.

Table 2: Volume of EC contributions to NGO projects by budget line

BUDGET LINE	FINANCIAL VOLUME (in € M)						
	2001	2002	2003	2004	2005	TOTAL 2001-05	(%)
NGO co-financing	54.19	11.26	148.17	56.68	36.54	306.84	53.92
Democracy and Human Rights	31.77	3.80	14.41	90.28	12.05	152.31	26.76
Environment	7.00	-	9.72	4.84	27.32	48.88	8.59
Food Security	3.34	0.01	28.48	-	0.99	32.82	5.77
Reproductive health	1.27	-	-	-	8.06	9.33	1.64
LA – Displaced populations	2.06	-	0.24	5.90	-	8.20	1.44
Decentralised cooperation	1.96	-	1.66	-	1.90	5.52	0.97
Rehabilitation	-	-	2.70	-	-	2.70	0.47
Gender	-	-	-	-	1.71	1.71	0.30
Drugs	0.77	-	-	-	-	0.77	0.14
Total	102.36	15.07	205.38	157.7	88.57	569.08	100.00

Source: own compilation based on CRIS figures

LA = Latin America (including projects corresponding to the Displaced Populations line):

Note: The data relates to the total EC contributions for all NGO projects for each of the budgetary lines analysed. They include data corresponding to grant contracts but excluding block grants.

Thematic lines

An analysis of the amount per “thematic line” as instruments for channelling aid through NGOs provides an initial overview of the **sector priorities** in the region. First, there are three predominant lines in the region: Human Rights (26.76% of the resources invested), Environment (8.59%) and Food Security (5.77%) (cf. Table). Second, there are four budget lines whose impact is marginal, with percentages of less than one percentage point (Decentralised Cooperation, Rehabilitation, Gender and Drugs).

The time line highlights the enormous **irregularity** with which the thematic lines in the region operate, with major fluctuations in the resources invested from one year to the next, in large part due to the internal contractual procedures of the EC. In this context, some lines show clear symptoms of decline (Food Security and Displaced Populations). There are signs of a change in the pattern of project financing in 2005, with a significant increase in the Environment line and the reactivation of other lines that had lain dormant.

The thematic budget lines endow the EC’s cooperation system with the requisite **versatility** to adapt cooperation to the various political priorities in each developing country. In the case of Latin America, the **Democracy, Human Rights and Displaced Populations** lines are adapted to the problems faced by countries that find themselves in conflict or post-conflict situations, such as Colombia or Guatemala; whereas the **Food Security** line better meets the needs of Bolivia, Ecuador and Central America. In Brazil, on

the other hand, the **Environment and Tropical Forests** line takes priority. This capacity to adapt has proved to be important in the Latin American context. However, the priorities contained in the thematic lines are not fully attuned to the actual situation in the region which over the last decade has been characterised by the eruption of violent crises of political, economic and social nature. In this respect, the lines could also support processes such as citizen participation, the fight for socio-economic rights, integration into the labour market, etc. (cf. recommendations).

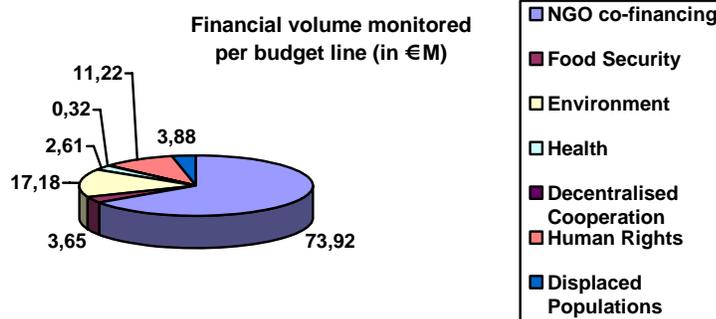
3. External Monitoring Results in 2005



3.1 Representativity of the external monitoring

In 2005, the external monitoring service undertook, inter alia, a review of 85 NGO projects, covering seven different **budgetary lines**: co-financing with NGOs (49), Food Security (5), Environment (15), Reproductive Health (2), Decentralised Cooperation (1), Human Rights (11) and Displaced Populations (cf. list appended). The **financial volume** monitored amounted to €112.78 M, accounting for 23.47% of the volume of NGO projects approved in the period 2001-2004 in the region (€480.51 M) (cf. Table 2). The representativity of each budget line in the sample is uneven, in any case: the sample covers about 27% of the volume of NGO co-financing projects approved in 2001-2004, 8% in respect of Human Rights, 80% of Environment, 47% of Displaced Populations, 11% of Food Security, 100% of Reproductive Health and 9% of Decentralised Cooperation. The under-representation of Human Rights, Food Security and Decentralised Cooperation is due to their fragmentation into a large number of micro-projects, which do not fall within the remit of the External Monitoring Service, which concentrates on projects with a budget of over €1 M.

The financial volume monitored amounted in 2005 to €112.78 million, accounting for 23.47% of the volume of NGO projects approved in the period 2001-2004 in the region.



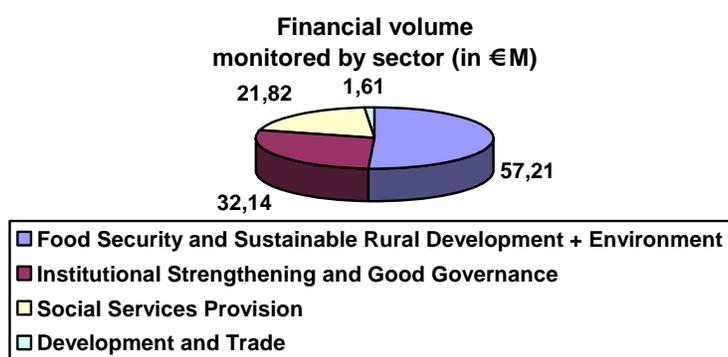
In terms of **geographic representativity**, NGO project monitoring was conducted in all countries of the region except for Panama. Peru and Guatemala were the countries with the largest number of NGO projects monitored (10 and 9, respectively) in 2005, followed by Bolivia, Brazil and Colombia (8 each). From a regional perspective, the largest number of NGO projects appears to be concentrated in Andean countries (37 projects), where the

greater part of budget lines is used. The Southern Cone is the region with the fewest NGO projects.

Projects monitored per region and country					
SOUTHERN CONE	18	ANDEAN COUNTRIES	37	CENTRAL AMERICA	30
Argentina	4	Bolivia	8	El Salvador	3
Brazil	8	Colombia	8	Guatemala	8
Chile	2	Ecuador	7	Honduras	4
Paraguay	1	Peru	10	Mexico	4
Uruguay	2	Venezuela	2	Nicaragua	7
Regional	1	Regional	2	Regional	4
Projects monitored per region and budget line					
NGO CO-FINANCING	12	NGO CO-FINANCING	20	NGO CO-FINANCING	18
Environment	5	Environment	7	Environment	3
Health	1	Human Rights	3	Human Rights	8
		Food Security	5	Decentralised Cooperation	1
		Displaced Populations	2		

From a **sector perspective**, most of the projects are multi-sector. Nevertheless, for the purposes of this analysis, they have been grouped into four categories that correspond to the EC's priority areas:

- *Food Security and Sustainable Rural Development*. This category also includes environmental projects;
- *Institutional Strengthening and Good Governance*: an umbrella that includes projects relating to human rights and the strengthening of civil society;
- *Social Services Provision*, including education, health and assistance for Displaced Populations;
- *Development and Trade*. This category includes projects relating to financial services, production chains and trade.



Examination of the sample analysed pinpoints a number of interesting **trends**:

- European cooperation appears to reveal a **strong rural orientation**, thanks to the primacy of projects relating to Food Security, Sustainable Rural Development and the Environment, which amount to €38.9 M and €18.31 M respectively, accounting for 50.73% of the total sample;
- A second characteristic is the **advancement of a political agenda**, owing to the considerable preponderance of Institutional Strengthening and Good Governance: €32.14 M (28.50% of the sample). In this context, projects relating to **Strengthening Civil Society** are characterised by a high average volume of financial contribution from the EC (€2.22 M);
- A third trend is the **lesser weight given to Social Services Provision**, a sector that has traditionally been the focus of NGO projects in the past. An interesting trait in the development of this sector is related to the specialisation into niche areas (Reproductive Health, Vocational Training, and Displaced Populations in particular);
- **Development and Trade** projects account for less than 2% of the entire sample and are geared to improved participation by the poor in financial and commercial markets.

The **sector pattern** of the sample differs from the conclusions of the study of European NGOs in Latin America by Biekart (2005), who identified the following sector priorities: political participation (a priority for 89% of the NGOs), socio-economic rights (72%), quality of rural life (67%), basic social services (50%), peace and reconciliation (44%) and humanitarian aid (22%). It should be pointed out that the sample of Biekart's study includes European NGOs working with more advanced approaches in Latin America. Overall, the comparison would tend to show that the sector pattern of European cooperation via

The sector pattern of European cooperation via NGOs in Latin America does not conform to the approaches of the most advanced NGOs in the region which have focused on the development of more political aid agendas.

NGOs in the region does not conform to the approaches of said NGOs, which have evolved towards the adoption of more political aid agendas, with a particular emphasis on the issues of citizen participation and socio-economic rights.²

3.2 General conclusions of the analysis

Analysis of the scores per criterion shows that project performance is essentially acceptable. The table below sets out the various **qualitative ratings** for the projects based on each of the monitoring parameters and ranging from a to d. Similarly, the averages per criterion have been estimated for the purposes of comparison. The ratings are consistently over 2.75, showing very even behaviour. A strong potential impact is clearly perceptible (3.00), while weaker ratings are observed for the criteria of efficiency (2.76) and sustainability (2.79). The absence of projects with serious deficiencies in the overall sample is striking.

Analysis of the consolidated data leads to the following considerations. In the first place, **project design is of good quality**. Nevertheless, the criterion conceals a dichotomy. When the analysis is broken down, the sub-criterion “relevance” scores a rating of 3.06, compared with 2.74 for the sub-criterion “quality of the current design”³. This gap shows that NGO projects are more circumspect in identifying problems and selecting target populations than in planning their actions.

Secondly, the data do not seem to contradict the presumed **efficiency of NGOs as a cooperation tool**. Although this parameter obtains the worst average rating (2.76), the evaluation is positive. The criterion shows 54 good ratings (a and b), compared with 28 poor ratings (c and d). These figures are contrast in particular with bilateral cooperation projects, which tend to suffer from efficiency limitations, pointing to the suitability of NGOs as cooperation tools (the average value for the FTC line in this parameter is 2.22).

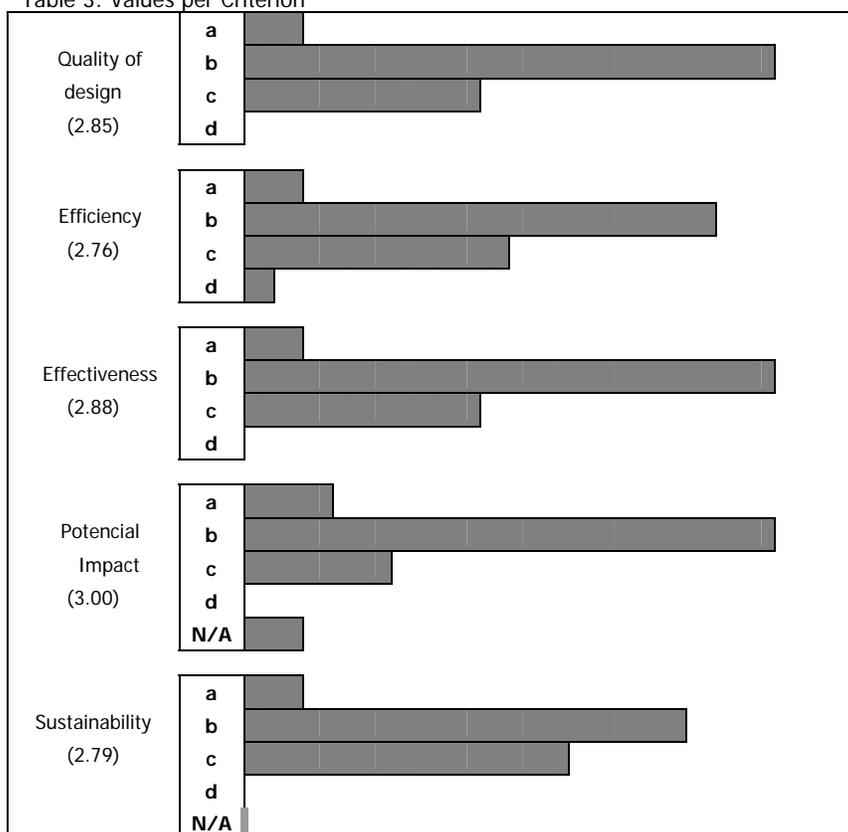
Thirdly, according to the sample data, the **effectiveness of projects exceeds their efficiency**. The breakdown of the analysis into sub-criteria yields the following results: Access by beneficiaries to the results/services provided by the project (2.94), real use of benefits/services (2.90) and probability of achieving the specific objective (2.79).⁴ These data show a better evaluation of the project from the point of view of the beneficiaries than from the point of view of achieving their specific objective.

² Political participation includes human rights, strengthening of civil society, local governability and participation of excluded (especially indigenous) groups. For their part, socio-economic rights refer to the promotion of social and economic rights, access to production chains, access to credit, fair trade and corporate social responsibility. Cf. Biekart (2005) p. 12.

³ The sub-criterion “relevance” has 17 a’s, 53 b’s, and 12 c’s; whereas the sub-criterion relating to the quality of the current design has 6 a’s, 49 b’s and 27 c’s (for a final sample of 82 projects).

⁴ The qualitative ratings per sub-criterion are as follows: access by the beneficiaries to project results/services (18 a’s, 42 b’s, 31 c’s, 1 d); real use of benefits / services (15 a’s, 45 b’s, 21 c’s, 1 d); and probability of achieving the specific objective (7 a’s, 52 b’s, 22 c’s, and 1 d).

Table 3: Values per Criterion



Source: Own compilation from the Background Conclusion Sheets (BCS) for the projects in the sample. The sample is reduced to 83 projects as 2 projects were the subject of a monitoring note and therefore not rated by criteria.

a = very good; b = good; c = problems; d = serious deficiencies; na = not applicable.

Fourthly, of all monitoring parameters, **potential impact gets the highest average rating** throughout the sample (3.00). In this respect, the probability of achieving the project's general objective (3.03) scarcely differs from the impact of the project throughout the sector and/or society (2.97), which is strange, given that projects are devoted more to creating an impact on the immediate aid environment, rather than on broader contexts.⁵

Finally, the **sustainability** criterion also shows major internal differences. A breakdown of the analysis reveals problems in two of the "hard" sustainability sub-criteria: economic viability (2.48) and interface with public policies (2.57), with institutional strengthening performing very satisfactorily (2.93). On the other hand, and with the exception of gender relations (2.60), the performance of the "softer" dimensions of sustainability could be

⁵ The qualitative marks per sub-criterion are as follows: achievement of the overall objective of the project (15 a's, 48 b's, 13 c's), and sectorial and social impact (15 a's, 43 b's, 17 c's).

qualified as exceptional: participatory and socio-cultural aspects (3.32), environmental sustainability (3.17), use of appropriate technologies (3.10) and local appropriation (2.86).⁶

The data reveal a **contradiction between the highly positive evaluation of impact and the weaknesses identified with regard to sustainability**, especially economic/financial sustainability (2.48) and consistency/interface with public policies (2.57). Income generation and impact on public policy, key issues for guaranteeing the impact of projects both on the immediate aid environment and the rest of society, depend on these two “hard” dimensions of sustainability. However, this contradiction could be due to a bias in the methodology itself. Given the difficulty of assessing the actual impact of an initiative, the questions contained in the Background Conclusion Sheet (BCS) focus on an analysis of the prospects of validating the initial hypothesis, the existence of sector and/or donor coordination, as well as compliance with past recommendations. However, the BCS does not help to identify potential impact on the different spheres of influence of the initiative. The range of qualitative ratings (very good, good, problems, serious deficiencies) is likewise inadequate for measuring potential impact. Ultimately, the BCS may encourage monitors to place excessive confidence in the actual possibilities of overcoming the weaknesses detected and to gear their efforts towards recovering and capitalising on the project’s achievements. In any event, it should be borne in mind that impact evaluation is a subjective exercise which in many ways depends on the geographic and sector knowledge of the monitor.

⁶ The qualitative ratings per sub-criterion are as follows: economic sustainability (5 a’s, 33 b’s, 39 c’s, 4 d’s); level of local appropriation (14 a’s, 43 b’s, 23 c’s, 1d); interface with public policies (5 a’s, 40 b’s, 29 c’s, 5 d’s); institutional strengthening (15 a’s, 46 b’s, 19 c’s, 1 d), sociocultural approaches (29 a’s, 46 b’s, 4 c’s), use of appropriate technologies (18 a’s, 52 b’s, 6 c’s, 2 d’s) and environment (25 a’s, 34 b’s, 11 c’s, 1d).

4. Conclusions by criterion



4.1 Relevance and Quality of Design

Origin of the project

NGO projects are in general **highly relevant** to the targeted beneficiary population, thanks to the precise identification of needs and the proximity of technicians to the actual situation. Vulnerable populations (remote, indigenous areas, women and migrant or displaced populations, in particular) are often selected as the beneficiary populations. Furthermore, most of the projects declare that they are in line with the development processes under way and work in partnership with local NGOs using tried and tested methods and approaches. Both factors have a positive effect on initiatives implemented by European NGOs in the region.⁷

However, there is **insufficient local participation** in the definition of projects, which are frequently drawn up in offices. It boils down to a structural issue, as many NGOs do not share the definition phase with local players, being apprehensive lest they generate expectations when funding for the project has not yet been confirmed.

Identification, calls for tender and final approval of projects takes no less than one year. During the **approval process**, the actual context usually undergoes major changes. However, not all NGOs adapt their strategy during the start-up phase.

The formation of **NGO consortia** is a positive factor in theory, but this is not always the case operationally when aid is implemented. The policy of promoting consortia as practiced by the EC seems to be geared more to distributing funds and reducing costs than to a genuine drive to promote alliances and complementarities. Consequently, many consortia, on the surface are operating in a coordinated manner, but in effect agree to distribute the funding and to work on the basis of separate initiatives and budgets.

Design of the intervention strategy

Deliberate strategic discussion has been shown to be a necessary prerequisite if development initiatives are to have an impact and be sustainable over time. Strategic clarity is the very factor that makes it possible to hone the management, coordination, evaluation and learning efforts. However, many of the approved NGO projects suffer from a range of serious **strategic weaknesses**:

- The lack of **contextual analysis** that includes a mapping of the players and consideration of local power structures, identifying potential allies, players that are disadvantaged, resistance to change, and windows of opportunity;
- The lack of any consideration of the outcome of **past initiatives** in the area, with errors being repeated as a result;

⁷ The study of European NGOs in Latin America by Biekart (2005:21) has identified a tendency towards long term strategic counterparts which has facilitated institutional strengthening processes, this is particularly visible in administrative and accounting skills and the implementation of impact campaigns.

A well thought out intervention strategy has been shown to be a necessary prerequisite for the success of initiatives. However, many of the approved NGO projects suffer from serious strategic weaknesses.

- **Inconsistencies** between the problems to be solved and the lines of intervention;
- A **partnership** between the European NGO and the local NGO that is not always based on transparency and complementary roles.

In certain cases, the declared intervention strategies appear to be designed with a view to obtaining financing with greater ease. In other cases, they tend to be more of a reflection of the aspirations of the NGOs rather than those of the beneficiary population.

In addition, a phenomenon frequently occurs whereby the intervention strategy **becomes invisible**. First, it is not given priority attention on the project application forms. Inside the organisation, there is a risk that the strategic aspects will be kept deliberately in the background. When the technical team and the local population are not involved, strategic management falls to the institutional coordinators. It ultimately boils down to a **restricted power zone** which is not exposed to the monitoring system or, at times, the scrutiny of evaluations either.

It should be pointed out that **many European NGOs are incapable** of making contributions to the strategic orientation of the projects. In certain cases, the vertical financing structure can lead the organisations to assert their political priorities and visions, without leaving scope for their local counterparts to define their own strategies without strings. Such situations can take place in complex intervention situations, such as areas of conflict in Colombia affected by demobilisation processes or where there are difficult issues, such as gender relations in the Andean world.

Some initiatives **replicate the institutional strategy of the local NGO** responsible for the execution of the project. These are projects that form part of long-term strategic processes which are planned as the continuation of previous initiatives. In such cases, the projects have a strong base, but one that is not without risk. The project may become confused with the institution itself which entails the risk of the grant contract being considered as budget support, administrative management being neglected and thus the requirement for accountability undermined. Furthermore, the project monitoring system may wind up being subjected to the institutional monitoring system itself.

Most projects conduct a **risk analysis** involving the identification of risks and hypotheses within a logical framework. Elements such as the positive attitude of the local players, the absence of natural disasters or the stability of the local government are frequently identified as necessary prerequisites for execution of the project. However, NGOs are not generally wont to plan, with the same degree of care, a risk management strategy that includes, for example, alternative strategies in the event of probable or recurrent risks, such as the occurrence of droughts, the *El Niño* phenomenon or changes in local government. In this respect, the identification of risks and hypotheses in the logical framework becomes an exercise in futility.

Every development initiative is conditioned by the dynamics of the political, economic and social context, and must adapt its strategies accordingly. This need has been particularly relevant in Latin America as a result of deep **political and economic crises** (e.g. in Argentina, Peru, Ecuador and Bolivia among other countries). The NGOs executing the

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projects have shown a willingness to adapt their strategies in dynamic environments, albeit not always with sufficient professionalism.

Orientation of the intervention strategies

The study of European NGOs in Latin America by Biekart (2005) has identified a process of **“renewed politicisation” of European NGO projects in the region**: the approach to aid is no longer that which dominated cooperation with NGOs in the region in the 1980s, consisting of aid to national liberation processes, but an approach based more on rights. As Biekart (2005:35) points out, “attention is increasingly being paid to political and socio-economic rights, extending beyond the promotion of basic human rights in oppressive contexts.” The relevance of this approach lies in connecting civil rights with tangible indicators of poverty, which has extended the pursuit of such rights to the productive and political sphere.

A second trait relates to the growing incorporation of components such as lobbying and **impact on public policies** into development projects. The difference as compared with the past decade is that the impetus for such activities no longer comes exclusively from the more radical organisations, but is part and parcel of the actions of most development organisations. The issues most frequently the subject of this lobbying have to do with access to natural resources, land ownership, the indigenous population, town and country planning, sustainable development, local governance, citizen participation, the fight against corruption, construction of peace and access to the markets, etc. In spite of these unquestionable advances, lobbying activities are not always allocated the same resources as the other, more traditional components of intervention (for example, the promotion of agriculture and stockbreeding or empowerment). There are insufficient human resources with the professional skills required for political impact work.

Another trend relates to the **incipient adoption of facilitation approaches** to aid focused on building social capital. Although this approach has been more suitable for bilateral cooperation in the governmental sphere, in recent years, NGOs have assumed a role of articulating the social fabric in a local and regional environment. These are processes geared to bolstering production chains, municipal development councils, regional forums for the discussion of policies or management committees for protected areas, etc. The building of strategic alliances with regional universities occupies a prominent place in connecting applied research with expansion and technical assistance. The real capacity of the NGOs to assume this new role depends on their prestige, legitimacy, record and relations with the local players.

Consideration of the extent to which so called **transversal perspectives** have been adopted shows that NGO projects have not moved ahead at an equal pace. Although clear progress has been achieved in Latin America with environmental sustainability and social participation, there continues to be a generalised gender deficit (cf. the sustainability section).

One comparative advantage that NGOs have is that they **integrate new themes** into the traditional social and productive intervention approaches. A case in point is the promotion of the community-based economy and the improved access to markets for goods and to

Aware of the limitations of conventional cooperation tools, NGOs have in recent years turned to more political approaches, including components for strengthening civil society or impact on public policies. Such approaches require constant strategic review.

marketing services. NGOs have been the prime movers behind ethical and organic markets, which have now conquered valuable niches in large distribution chains. Once these concerns are introduced in the development agenda, the main problem facing NGOs is the dearth of suitable methodologies.

Nevertheless, given the current situation in Latin America, certain **themes deserve more attention** from NGOs, namely: i) the resolution of conflict; ii) the promotion of employment (informal job centres); and iii) support for migrant populations.

Still, NGO projects include pilot projects that do not turn into operational **learning strategies**. On a greater or lesser scale, NGOs incorporate a wide range of innovations relating to the replication of methodologies of action taken in other contexts, new organisational forms and management models, productive exploitation in vulnerable ecosystems or intercultural health models, among many others. (Table 4 contains a few examples of these innovations from a sector perspective). However, the innovative potential is not reflected in a strategy of systematisation and feedback of the lessons learned. The regional seminar of European NGOs financed by the EC in Latin America, held in March 2004, drew attention to this point, concluding that there was a need to “prioritise collective learning processes between the EC and the NGOs so as to capitalise on political options, priorities and intervention strategies in the region” (EC, 2004:24). Finally, the project timeframe imposes limitations on the ability to obtain consistent results and to foster a phase of dissemination.

Most of the NGO projects include innovations and pilot projects that do not, however, lead to active learning strategies (capitalisation of experiences).

The evolution of intervention strategies towards more political approaches has only increased the **need for constant strategic review**. The dynamics of the social and economic contexts in Latin America, the impact of deep political crises in certain countries (such as Ecuador and Bolivia) and the advance of administrative decentralisation processes throughout the continent are factors that point to the need to frequently update intervention strategies.

Finally, the **rigidity of the EC bureaucratic procedures** for approving addenda to grant contracts has inhibited efforts to adapt project strategy. Nonetheless, NGOs have increasing recourse to this administrative process. Three main objectives stand out: extension of the timeframe, reassignment of budgets and changes to the intervention zone. It should be pointed out, however, that most of the changes to the logical framework require no addenda (barring objectives, intervention zones and budget changes of less than 10 – 15%). Because of apprehensions about the lengthy procedures for authorising changes, many changes are carried out in an **informal way** and are not reflected in the official project documents.

Table 4: Examples of innovations promoted by NGOs in Latin America by intervention sector

SECTORS	INNOVATIONS	EXAMPLES (projects from the sample)
SOCIAL SERVICES	<ul style="list-style-type: none"> • Vocational training experiments (curricular innovation, integration into the labour market, inter-culturalism) • Inter-cultural experiments in reproductive health • Displaced populations integration models (economic support approach, interface with public agencies) 	<ul style="list-style-type: none"> • Multi-service rural cooperative with a high rate of social re-investment (Guatemala, 2001/011-782) • Humanities-technical baccalaureate from the Don Bosco People's Schools (Bolivia, JTM, 2003/020-435) • Impact of Inter-cultural policy on improvement of policies for displaced populations (Colombia, Oxfam UK, 2004/087-054)
ENVIRONMENT	<ul style="list-style-type: none"> • Identification of new uses and productive exploitations of vulnerable ecosystems • New models for the sustainable exploitation of natural resources • Innovative experiments to resolve conflict surrounding access to natural resources • Experiments with participatory structures for managing protected areas 	<ul style="list-style-type: none"> • Regeneration of the dry forest in Zapotillo and Macará – Loja Province (Ecuador, COSV, 2001/059-124) • Bamboo exploitation model (Ecuador, INBAR, 2003/059-324)
STRENGTHENING CIVIL SOCIETY	<ul style="list-style-type: none"> • Experiments with impact on public policies of national scope (drawing up proposals, social control of budgets, search for alliances, creation of parliamentary fronts, shared vision) • Use of new technologies to disseminate information and engage in lobbying • Experiments in the South – South cooperation 	<ul style="list-style-type: none"> • Brazilian Budget Forum (partial amendments to the annual budget of the Brazilian government by INESC (Brazil, Christian Aid, 2000/011-625) • Porantim, a periodical on indigenous peoples available on the Internet (Brazil, Horizont 300, 2001/011-673) • Exchange with Angola (Brazil, Christian Aid, 2000/011-625)
HUMAN RIGHTS	<ul style="list-style-type: none"> • Land and territory (ownership strategies, indigenous peoples, peasants and colonists, multiplier effects for development) • Use of means of communication 	<ul style="list-style-type: none"> • Education and political participation approach with gender perspective (Guatemala, IBIS, 2003/069-456) • Legal support for the territorial rights of the indigenous peoples of low lands (Bolivia, HIVOS/CEJIS, 2002/011-734)

Use of the logical framework

Although it is true that its dissemination has taken some time, most NGO projects have incorporated this planning tool since 2000. Adoption across the board does not, however, detract from the fact that numerous **technical weaknesses** continue to exist, undermining its functionality as a management tool:

- Inadequate ranking of objectives;

- Planning of highly ambitious and not very realistic specific objectives (“overcoming poverty” or “increasing income by 20%”);
- Determining an excessive number of specific objectives and components;
- Confusion between specific objectives and anticipated results;
- Need to reconcile activities and anticipated results;
- Need for a direct link between activities and the provision of resources.

In reality, it could be said that there is no application of methodology as such, but rather a form-filling exercise. Often, the drawing up of a logical framework ends up being merely an administrative requirement in the fund-raising process, without any subsequent consequences as a project management tool. This results in **under-use of the logical framework**. It has already been mentioned that the definition of risks and hypothesis frequently becomes a formal exercise with no strategic consequences. Another common practice consists of establishing not very ambitious indicators during the design phase – indicators geared to performance of the activities and not to the achievement of results – making actions easier to justifying during implementation.

Because of the rigidity of EC procedures, as already mentioned, NGOs also experience **problems with making improvements** to the logical framework that do not necessarily require authorisation. The time lag between identification and approval of projects suggests that a workshop should be held to readjust the logical framework when a project commences. Few NGOs undertake such initiatives however. The common practice is to use the original logical framework and to avoid change as much as possible, even when there are serious shortcomings. The dynamics of the local context can also contribute to the logical framework becoming outdated. At times, the need to readjust the logical framework arises in the second phase of implementation, when efficiency considerations militate against such measures. The gap between the technical and administrative management of the project is another factor that stands in the way of an appropriate adjustment of the logical framework.

Other planning tools

The **budget** is organised as a template divided into pre-established sections. It has become common practice to include investments in equipment and supplies under the heading “Other costs and services” (section 5), which distorts the true accounting situation of the project. Other official cooperation agencies have pointed to the merits of more operative budget formats.

The **Global Operating Plan** and the **Annual Operating Plan** are just bureaucratic documents that few NGOs implement and even fewer update as management tools. In practice, the presentation of the Annual Operating Plan in the first year has become an administrative requirement for project approval, undermining its intended use as a planning tool. Furthermore, it does not appear to be a tool that is commensurate with the scale of NGO projects. In such cases, these documents should be less complex and should use graphs and visual tools. Similarly, the **timetable of activities** has been turned into a formal tool to be completed in the first year, as part of the presentation of the project, but is not followed up or updated thereafter.

The rigidity of the EC's bureaucratic procedures has impeded efforts to adapt project strategies. Moreover, NGOs experience problems in introducing improvements to the logical framework that do not require approval of an addendum by the EC.

Neither the Logical Framework nor the Annual Operating Plan is a suitable instrument for defining intervention strategies. The absence of standardised methodologies means that strategic aspects do not form part of the monitoring system of EC Delegations.

NGOs do not have **strategic planning tools**. Few organisations have institutional strategic plans. Neither the logical framework nor the Annual Operating Plan is a suitable instrument for defining intervention strategies. Because standardised methodologies are lacking, strategic aspects are not part of the monitoring agenda of the EC Delegations.

4.2 Efficiency

Pace of budgetary implementation

In general, NGO projects have problems using their budget within the given timeframe. A common practice is to concentrate expenditure just before the accounts are presented.

Delays in performing activities arise from the absence of an accurate timetable for performance. At times, hitches in receiving financial transfers from the EC (which often have to do with the approval of progress reports) paralyse activities. At a technical level, the most common sources of delays are the formalities for obtaining permits for infrastructure works and the subcontracting of services (institutional diagnostics, market studies).

Unlike Financial and Technical Cooperation Projects, NGOs tend to have a **greater capacity** for making up lost time and, ultimately, in acquiring funds from alternative sources. Finally, a small number of projects require an extension in order to meet their objectives.

Administrative and financial management

Most projects have no serious administrative management problems. It should be pointed out, however, that some of the administrative weaknesses can be explained by the difficulty that local counterparts have in **adopting EC procedures**. In the context of decentralisation, problems have arisen with interpreting the legislation that applies to exchange rates and the procedures for implementing changes to the budget. The sharp rise in the Euro against the dollar has generated project surpluses, but it is not always clear how to proceed in such cases. In some instances, deficiencies in the reports have made it difficult to get approval from Brussels, resulting in delays in disbursements, ultimately at the expense of the efficiency of the project.

The **execution procedure** for projects tends to be indirect, i.e. through the local counterpart. In certain cases, projects can adopt a co-execution procedure involving a division of roles and tasks. In these cases, local counterparts are normally required by institutional agreements to draw up disbursement plans and to present accounts at specific intervals (which vary from monthly to quarterly).

The EC **decentralisation process** has presupposed the strengthening of the administrative and accounting departments of the local counterparts, since the Delegations now receive the reports directly, without having to go through the headquarters of the European NGOs. Certain gaps have emerged between the European NGOs and the local counterparts: since they are responsible for calculating the administrative costs and expenditure on expatriate personnel, the European NGOs are in favour of consolidating the financial information on the project. This information does not always emerge on a regular basis, which leads to differences in perception, by local NGOs, of the real status of a project.

A common weakness with monitoring consists of measuring the results of a project using indicators related to the realization of activities.

On the other hand, the External Monitoring Service is under-used by the EC Delegations. Decentralisation is opening up new opportunities for making better use of external monitoring missions.

Scope and quality of the results

The quality of the results of the projects analysed is **deemed satisfactory**, as can be gauged from the 2.68 mark for that sub-criterion in the sample (see Point 3.2). Limitations mainly relate to three aspects: i) insufficiently rigorous planning of performance; ii) inadequate internal monitoring system geared to strategic goals; and iii) insufficient methodological preparation of the technical team with regard to transversal issues. It should also be pointed out that NGO projects have a high **cost-benefit ratio** in comparison with bilateral cooperation tools.

Monitoring system

The **internal monitoring systems** differ widely from one project to the next and, in many cases it is not possible to speak of genuine systems geared to quality, but rather of an administrative exercise for reporting accounts.

- A generalised weakness, for instance, is the measuring of the results using indicators based on the realisation of activities (based, for instance, on the acquisition of inputs, the holding of workshops, the construction of works and contracting of consulting services). Such quantitative indicators give rise to estimates (in percentage) of the progress of each component.
- The lack of baseline studies hinders the measurement of real progress with respect to the results anticipated. Another difficulty relates to the evaluation of intangible results (e.g. institutional strengthening and local empowerment).
- The technical and financial reports submitted to the EC are too descriptive, describing the activities carried out in exhaustive detail. Nevertheless, there is insufficient monitoring of processes and no consideration of the strategic aspects.

The **External Monitoring Service** is a tool that is under-used by the EC Delegations. Decentralisation is opening up new opportunities for making better use of external monitoring missions.

Added value of the European NGO

European NGOs have various potential roles for contributing added value to the projects: i) value added technical assistance; ii) institutional strengthening; iii) guarantee of the quality of the project's intervention strategy; and, iv) interface with civil society of the North. In the current context of decentralisation of European cooperation, the **financial intermediation role** of European NGOs is losing value in relation to the cost it represents (about 7% of the indirect administrative costs). They retain the task of supervising the final reports, but it is the local offices that are responsible for discussing the reports with the EC Delegations. Local NGOs receive no administrative expenses.

The added value of the European NGOs depends, in large measure, on the **suitability of the expatriate coordinator** of the project. This individual plays an important, multi-task role, ranging from the supervision of fund management, to technical quality control of the project and institutional advice and support. In the event of conflict, he can also assume an independent role in the face of political-partisan interference. However, the contracting of expatriate coordinators is not always in line with the required profile nor with the needs of the counterpart. In certain cases, the coordinators are young European technocrats with limited professional experience, who amount to supervisors without useful monitoring tools.

There are question marks regarding the added value of European NGOs: financial intermediation (7% of indirect costs) is becoming unjustifiable in the current context of decentralisation; the contracting of expatriate personnel is too expensive, and the profile of the coordinator does not always meet the needs of the local

Neither do they have an in-depth knowledge of the socio-cultural and institutional strengthening aspects which are crucial for the sustainability of the project. Furthermore, their contract takes up a high percentage of the budget for human resources, as it is more than four to five times the cost of a local technocrat.

Also, there have been cases where European NGOs with no **physical presence in the field** experience enormous difficulties in fulfilling the role assigned to them in the grant contract. This circumstance usually results in inefficiency, given the difficulties of taking decisions by remote control without sufficient information.

4.3 Effectiveness

Reaching the beneficiaries

According to the monitoring reports of the projects, the NGOs succeed in **assisting beneficiary populations**, which demonstrates a positive performance. An additional finding points to the limited capacity of NGOs to extend their coverage. The success of the projects generates a greater demand on the part of the local population. However, geographical distances limit the capacity of the technical teams – normally overstretched – to meet such demands.

However, it is common practice among NGOs to overestimate the figure for **direct beneficiaries** in the application submitted in order to achieve good ratios and to favour approval of the project. Such practices place remote, difficult-to-access areas at a disadvantage due to the higher cost per beneficiary. The counting of direct beneficiaries creates statistical problems. The current registration per activity means that persons receiving various benefits from the project are entered several times. Furthermore, NGOs do not always take the family into account as a unit of analysis. Consequently, certain projects have difficulties in reaching the number of direct beneficiaries estimated in their project applications. This situation may be due to concentration strategies. With a view to promoting synergies and economies of scale, NGOs tend, ultimately, to concentrate their work budgets on a limited group of communities. In this way, all the members of a community can be viewed as the beneficiaries of the range of services offered by the project. This intervention strategy optimises the initial socialisation efforts and the logistical costs, whilst at the same time maximising acceptance and local appropriation of the project.

The increasing use of facilitation approaches and components that have an impact on public policies means that the relative weight of **indirect beneficiaries** is growing at the expense of direct beneficiaries. However, the effectiveness of the projects continues to be measured in terms of direct beneficiaries. In reality, the NGOs have broadened their approaches and sphere of intervention, but do not take this into account when evaluating the scope of their work in terms of indirect beneficiaries. Estimates for this type of beneficiary tend to be very generic and thus cannot be used to track the effectiveness and impact of the project in the sector or in society as a whole.

The increasing adoption of facilitation approaches and components relating to impact on public policies means that the relative weight of indirect beneficiaries is growing at the expense of direct beneficiaries. However, the effectiveness of the projects continues to be measured in terms of direct beneficiaries.

Access to and quality of services/benefits

For the entire sample analysed, the **overall evaluation is positive**, with scores of 2.94

(access to services) and 2.90 (real use of services/benefits). The NGOs provide services such as technical assistance, training, institutional strengthening, seed capital or small subsidies for productive investments. The access of the beneficiaries to the services is generally guaranteed by various local organisations (community and locally-based organisations, trade unions, associations, committees and cooperatives, etc.). In this respect, the organisational capacity or desire to join forces become key elements for accessing services and external resources in general.

It should be pointed out that many projects are operating in response to the lack of availability of public services. In this context, the NGOs have the difficult task of **providing social services** without trying to supplant the State. The approach to this dilemma differs from one NGO to another, depending on their institutional strategy:

- Some see projects as a means of strengthening their own institutional dimension and profile as an organisation that provides quality public services. This includes certain religious NGOs (that provide health and education services) or human rights NGOs (that provide legal protection services);
- A second group of NGOs sees its role more in line with providing institutional support for local organisations, with the provision of such services being of a transitory nature. These are services provided according to the needs of the beneficiaries and are intensive in human resources terms.
- Finally, most NGOs operate mid way between the two above-mentioned positions.

In many instances, the NGOs **assume a leading role in the execution of the projects** to guarantee the effectiveness and quality of the expected results. This attitude stems from a lack of confidence in the management capacity of local players, be it due to inefficiency, a lack of skills or indication of corruption. The pressure to show tangible results to the donor also acts as an additional factor for not entrusting resources to local organisations.

In many instances, the NGOs assume a leading role in the execution of projects in order to guarantee the effectiveness and quality of the expected results. There is, however, a trade-off between effectiveness and sustainability. Giving priority to the quality of results may lead NGOs to divert their attention from institutional strengthening.

In one extreme case, a significant number of NGOs still adopt a **paternalistic approach**, managing the activities on the fringes of the local institutions. Nevertheless, some projects have shown the benefits to be gained from such a phase at the outset as part of an entry strategy. Once the interest of the beneficiaries has been aroused, the technical team can then change its strategy and take on more of a supervisory role.

It should be pointed out that there is a **trade-off between effectiveness and sustainability**. Giving priority to the quality of the results may lead NGOs to neglect institutional strengthening with the result that any gains in effectiveness are offset by the paucity of local appropriation of the aid. In this regard, the consolidation of local public and private organisations that provide services (social, financial, technical assistance among many others) is of vital strategic importance. It is therefore desirable for the NGOs to share the project performance role with local organisations. Losses in effectiveness in the short term will be amply offset by improvements in impact and sustainability in the long term.

Intervention methodology

In the absence of effective traditional organisations (community-based, farming), many projects promote the **involvement of interest groups**, made up of members of the communities who are prepared to work on the project. The purpose of these groups is simply to organise collective work, channel investments, introduce better technologies and, ultimately, organise the provision of services by the project. This procedure has advantages, such as being flexible, easy to manage, making it easier for vulnerable and/or marginalised segments of society to access the services, bolstering the self-esteem of the community, renewal of local leadership, and stimulating general interest in the creation of more complex and independent organisational forms. The short duration of the projects is usually the main impediment to consolidation of these new organisations. On the other hand, these interest groups also entail serious risks relating to the creation of structures operating in parallel to the traditional organisations and leaders, and therefore the emergence of conflicts of powers and spheres of competence. Another disadvantage is that this type of group can find it extremely difficult to take on permanent roles in providing technical assistance and other services to the rest of the community.

In respect of interest groups, another common NGO strategy for guaranteeing effectiveness and sustainability is the creation of **networks of local “promoters”** (health, nutrition, agriculture, human rights, etc.). The empowerment of such sponsors has a multiplier effect by extending the services and technical assistance to a greater number of beneficiaries. The procedure for working with sponsors includes specialised training, demonstration packages, help with pilot infrastructure and facilities or the provision of materials and equipment (such as manuals, first-aid kits or veterinary materials, etc.). Such investments act as incentives for service to the community. A painstaking selection process for these promoters emerges as a decisive factor for the success of this intervention strategy, which is usually reinforced by the collection of modest fees from the users (in cash or in kind) intended to cover operating costs. Nevertheless, the effectiveness of the system is threatened by the impact of family and corporate interests on the provision of services, as well as by the wishes and considerations of the rest of the local population. Certain projects have promoted the creation of sponsors’ associations. Beyond its actual consolidation, this type of organisation

The NGOs use a wide range of cooperation tools, including local sponsor networks, interest groups structures and support for leading producers. The effectiveness of the aid lies in the appropriate combination of all of them.

has shown its usefulness in the creation of self-esteem, organisation of empowerment, exchange of information and consolidation of technical dialogue with public programmes and cooperation projects.

Other intervention strategies are based on **support for producers selected as leaders**, around whom interest groups are normally organised. The effectiveness of this strategy lies not so much in its vocation as a community service as in its **demonstrative effect**. The success of the productive initiative encourages other producers to copy the practice.

One final aspect relates to the **insufficient monitoring of technical assistance activities** by the NGOs. In this respect, the introduction of new technologies and methodologies is not always accompanied by control activities and adoption indicators. From a methodological point of view, no distinction is made between practices that have proved their effectiveness – and therefore require normal monitoring – and other, more innovating practices that call for greater attention, adaptation, and above all different criteria for managing the risk to the beneficiary entailed by innovation.

Utility of interim monitoring

Interim monitoring of NGO projects is still in its early stages but is expected to increase in the coming years. Careful definition of the terms of reference, as well as clarification of the roles of European and local NGOs are becoming key aspects for the success of these initiatives.

4.4 Potential Impact

Impact in the immediate sphere of intervention

The results of the external monitoring show that the impact of projects in tangible terms (with a score of 3.00) has been positive. They reveal regular increases in income, better service coverage, empowerment of local organisations and municipal strengthening, etc. However, the projects have enormous **difficulties for visualising processes**. For instance the driving forces and resistance to change that come into play throughout the entire local development process are often not identified.

Similarly, monitoring efforts have encountered difficulties in identifying the **unforeseen effects** of the projects, including demonstrative and multiplier effects, as well as the counterproductive results of intervention. The *involvement of young people* in a project often has a powerful multiplier effect. In a number of productive projects, it was young people, the children of adults belonging to the association, who were most able to appropriate training in new production techniques. It is worth noting that the sector of the population concerned had free time (unemployed or seeking work) and no family responsibilities.

Finally, the limited capacity of NGOs to address **problems of a structural nature** must be mentioned. There are, however, successful projects that have an impact on the power structures in a given local context, encouraging, for instance, demands for land ownership

or the autonomy of farmers from a captive credit system. Such cases can affect vested interests and extremely sensitive political issues. In any event, the success of these projects can become a problem for the EC Delegations with complaints being lodged and pressure exerted by sectors that feel their **status quo** is being eroded. They can even extend to accusations of interference by European NGOs, intimidation, and the expulsion of expatriate personnel, leading to diplomatic conflict. Delegations have had difficulties in managing such situations. They need a period of investigation in order to assess the situation and open an internal dossier before an appropriate decision can be taken. In general, such procedural difficulties have to date not prevented the Delegations from showing political support where necessary, albeit with considerable delay.

Some projects succeed in having an impact on local power structures to the benefit of marginal sectors. This success, however, can eventually become a problem for EC Delegations which receive diplomatic complaints from more affluent sectors which feel that their status quo is being eroded.

Replication in other contexts

The **systematisation of experiences** is a generalised weakness throughout NGO projects. Numerous project monitoring reports identify pilot projects, successful innovations and lessons learned that could be repeated in other contexts. However, few projects validate intervention techniques, and even more rarely systematise experiences.

Neither learning nor the **replication of successful intervention models** are activities that can be improvised, but should be included in the initial intervention strategy, so that they can be reflected in the budget and in the allocation of human and material resources. The merits of this form of work can be seen in the INBAR project in Ecuador, which is geared to replicating a participatory bamboo management model in all Andean countries. The replication of experiences in order to increase the impact of projects brings a range of skills into play including, among others, critical thinking, participatory evaluation, data monitoring and recording, the production of materials for distribution.

Impact on public policies

In recent years, European NGO projects in Latin America have made **significant progress** in lobbying and influencing public policies, as shown in the Biekart study (2005:36), which states, in its conclusions that *"a common approach is becoming perceptible, in which a **more political agenda** with a central lobbying role is combined with the specialisation of various agencies."*

Campaigns whose impact has been significant include issues as varied as the Millennium Development Goals Free Trade Treaties, the cancellation of foreign debt, the arms trade, but also the control of transgenic crops and the free provision of retroviral treatment for HIV-AIDS. These concerns have traditionally dominated the agendas pursued by European organisations. In recent times, however, **regional and national issues have resurged** in Latin America. Questions to do with the constitutional assembly in various countries, indigenous rights, land and territory, conservation of the rain forest, regional integration and participatory budgets are just a few examples of this trend.

NGOs run the risk of wanting to monopolise political impact to the detriment of the basic organisations, relegating their role of supervising local processes to the background.

Despite this undoubted progress, there are also enormous **weaknesses** in this field:

- First, NGOs, whether European or local, run the risk of seeking to *monopolise the role of influence* to the detriment of basic organisations, of assuming *per se* the role of being the voice of the underprivileged, relegating their role of supervising local

processes and the transfer of technical skills to the background, for the sake of having an impact. Biekart (2005:24) observes as much when he argues that it is necessary for local NGOs to listen attentively to their base and to have the capacity to meet their needs for political impact;

- The capacity for impact is the prerogative of the large NGOs, but continues to be off limits to the smaller local NGOs;
- On the other hand, there is a discrepancy between the lessons learned at micro level, and the impact sought at macro level. Frequently, the lack of systematised experiences impedes NGOs from acquiring the legitimacy needed to draw up more solid proposals for public policies.

One last conclusion points to the fact that the current **project formulation system** does not promote the dissemination of lessons learnt or impact on public policies. The prevalence of direct beneficiaries over indirect beneficiaries, and the predominance of quantitative attention and service provision indicators give greater priority to the immediate sphere of intervention. However, more and more projects are increasingly amplifying their scope of action, incorporating pilot projects, the exchange of experiences or lobbying activities. These lines of action can scarcely be evaluated using conventional indicators.

Sector coordination with other players and donors

The EC needs to clearly outline its priorities/principles in terms of cooperation actions in light of the geopolitical, military or commercial interests of other donors. In Latin America, European cooperation is adopting a form of reactive model in response to cooperation work by the United States, a donor with significant interests in the region. As indicated in the sector report on human rights drawn up by the External Monitoring Service (2004:22), "*The United States finances anti-drug policies and methods, especially in the Andean Region, that have contributed to systematic and massive violations of human rights... European cooperation in the countries concerned should not be limited to addressing damage caused by the military cooperation models of other donors.*" The coca eradication policy has given rise to the *alternative development* approach encouraged by the United States as compensation for the losses suffered by the farmers who decide to abandon the cultivation of coca. These efforts have, however, typically become a source of economic failure and dependence on the donor. Aware of these weaknesses, European cooperation has focused on promoting an "alternative" to the *alternative development* model in the region. This proposal has not been understood by the local players, for whom the expression alternative development is linked with taxation and fraud.

EC Delegations are experiencing difficulties in harmonising the cooperation efforts of the various **EU Member States**. This lack of synergy is particularly evident among NGOs operating under a plethora of individual donor budget lines. The EC's own institutional structure actually offers a very narrow margin for pursuing operational coordination schemes.

A third consideration relates to **coordination efforts between NGOs**. There is duplication between European NGOs, geared more to the collection of funds and to impact, and their local counterparts, integrated into national and/or sector networks. In this context, small local NGOs can find themselves subjugated to the coordination rationale of the European NGOs.

NGO projects operate in a context in which abuses by European multinationals and certain European Union trade policies form part of the underlying causes of environmental pollution, the concentration of land or impaired food security.

Cohesion of policies and complementarity with other EC cooperation tools

NGO projects in Latin America frequently operate in intervention contexts where **European multinationals** from the energy and basic services sectors are responsible for oil pollution, failure to provide water services or for the negative implications of the construction of large dams. These adverse effects are concentrated in the most underprivileged sectors of Latin American countries, affecting in particular the indigenous population and marginalized pockets of the population in Peru. Given the weakness of many states in Latin America (such as Bolivia, Peru and Ecuador), European multinationals have been operating at the edge of legality, failing in certain cases to fulfil their privatisation contracts and their obligation to make good any damage. The maximum benefit rationale and the absence of a commitment to Latin American societies contrast with the ideology of NGO projects that are supported by the European Commission itself. This is the case, for example, of some NGO projects in Bolivia that support the claims of the indigenous and farming communities against the abuses of Repsol-Maxus and Chaco de Tarija.⁸

A second example can be seen in the impact that the **trade policies** of the EC can have on the concentration of land and food security in Latin American countries. (SME, 2004:22). Various NGO projects are focusing on land and territory, supporting land rehabilitation and ownership processes to the benefit of indigenous and farming sectors. On the other hand, large-scale trade agreements and pressure from competition to obtain lower production costs could encourage a greater concentration of land in Latin America, and crops for export. The single-crops of soy, palm and beef could destroy the fertility of the soil in the long term and undermine the food security of rural populations.

To date, the Country Strategy Papers drawn up in respect of European cooperation have not proved effective in articulating NGO projects around **sector intervention strategies**. The fact that the NGO budget lines are managed directly from Brussels has not contributed to their coordination with the other cooperation tools. In this respect, the current decentralisation context is opening up new opportunities for sector coordination, although it should be pointed out that such coordination efforts are regarded as attempts to define the strategic role to be granted to NGOs within the context of European cooperation.

Nevertheless, the predominance of trade and corporate interests seems to relegate cooperation for development to a subsidiary role in the overall European foreign policy, vesting it with the task of correcting the pernicious effects of macro policies (e.g. the European Union's Common Agricultural Policy). In this context, the effectiveness of NGO projects depends on their capacity to **denounce the contradictions between micro realities and macro policies**. Many of these financial, trade and environmental policies are currently being debated in global forums, such as the World Trade Organisation, the Kyoto Protocol and multi-lateral summits. In these forums, it is large European NGOs, such

⁸ These are projects analysed by the External Monitoring Service in 2004: *Promotion of Human Rights among the Indigenous Peoples of the Bolivian Chaco* (carried out by APS/CERDET) and *Sustainable Forest Management, Participation and Strengthening of Local Organisations in the Aguaraque Mountain Range* (carried out by APS/PROMETA).

The effectiveness of NGO projects also depends on their capacity to denounce contradictions between micro realities and macro policies. However, although large European NGOs have the capacity to have an impact on global forums there is a much smaller presence of Latin American organisations.

as OXFAM, that have the greatest capacity for impact, whereas there is a much smaller presence of Latin American NGOs. Discussion of the Free Trade Treaty has for the first time opened up new areas in Latin America for the participation of local NGOs in debates on global issues.

4.5 Prospects for Sustainability

Economic sustainability

The experience of NGOs shows that economic and financial viability is the weakest link (and consequently the parameter with the lowest score in the sample, 2.48). Most projects are experiencing economic sustainability problems, although **different sector problems** emerge, which include different patterns depending on the sector involved (cf. table on next page).

Table 5: Sector problems for the economic sustainability of NGO projects

SECTORS	KEYS TO SUSTAINABILITY	PROBLEMS
FOOD SECURITY AND RURAL DEVELOPMENT	<ul style="list-style-type: none"> • Economic viability of productive initiatives • Links with markets (local fairs, integration in internal and export markets) • Improved access to rural credit and other production factors (technical assistance, irrigation) • Development of entrepreneurial capabilities • Improved capacity of self-consumption and generation of small income 	<ul style="list-style-type: none"> • Identification and estimate of the actual income generation process • Management of credit lines to benefit food security initiatives
SOCIAL SERVICES	<ul style="list-style-type: none"> • Strengthening of the mixed public-private mechanisms for financing basic services • Involvement of public organisations in the financing of social services • Establishment of a fee collection system for the users of the social services 	* Cultural resistance on the part of the beneficiaries to pay for accessing basic social services
ENVIRONMENT	<ul style="list-style-type: none"> • Rural income diversification strategies (agriculture and livestock, seasonal migration, sustainable mining and tourism, etc.) • Identification of new productive improvements for vulnerable ecosystems • Protection of income sources (fees connected with tourism, wood, etc.) • Promotion of community management models • Development of organic markets and environmental certification of organic products • Promotion and dissemination of environmental services 	* Long duration of the process entailing technical assistance and institutional advice and support to consolidate new uses and productive improvements

Source: Elaborated by author

Projects that include **productive components** suffer from problems in identifying and estimating the actual increase in income generated:

- Baseline studies tend not to include income statistics (or economic surveys of households);
- The increase in income is estimated from the rise in production and price variables, which leads to an overestimation since not all production is sold. The self-consumption variable, for its part, can mean income inasmuch as it constitutes a source of savings;
- There are usually no records of costs, so neither is it possible to measure the effects of savings on improvement of the production processes;
- There are no evaluations of the impact of projects that corroborate the increase in real income.

Human rights projects and projects aimed at strengthening civil society have a structural problem in respect of economic sustainability. The improvement in social

The context of intensive administrative decentralisation in Latin America has promoted cooperation between NGOs and local council, through joint plans and co-financing of programmes. However, the financial volume of the projects concerned arouses suspicions in some councils, who want to manage directly the resources intended to bolster their municipality, as if they constituted budgetary aid.

participation as well as in respect for human, economic and social rights have brought enormous benefits to society as a whole, through social cohesion and a reduction in conflict. This is a public asset that should be paid for by the administration. However, either due to budget shortages or a lack of real political will, this concern has historically not found its way onto the agenda of Latin American governments. From the perspective of the beneficiaries, there are other basic needs to which available economic resources should be devoted as a matter of priority. Finally, the organisations that provide this type of services have very limited means of generating income, by providing specialised training and consultancy services or selling materials for circulation.

Interface with public policies

NGOs have shown a growing interest in **integrating projects with local institutions**, seeking to interface with the administration at local and regional level. There are still gaps at the national level, as many NGOs prefer to target their efforts in areas where they have a greater potential for influence.

The usual way of working with **local governments** is to sign an agreement that sets out the principles, lines of action and commitments to investments. In this area, the lack of synchronisation between the NGOs' projects and the municipal bodies' management schedules, in addition to the turnover in municipal staff, create serious obstacles to such cooperation agreements being properly implemented. Furthermore, the financial volume of NGO projects arouses suspicions in some Councils, who want to manage directly the resources intended to bolster the municipality, as if they constituted budgetary aid.

At the **regional level**, the capacity of NGOs to support initiatives with associations of municipalities, management committees of protected areas, etc., is particularly prominent. The shortage of public resources to promote these forums gives NGOs a distinct opportunity to influence, although problems of sustainability also arise.

Institutional strengthening

The number of NGO projects geared to strengthening civil society in Latin America has risen considerably in recent years. These interventions make a positive contribution to strengthening **basic organisations**, including farmers' unions, producers' associations and indigenous authorities, amongst others. These organisations generally accept the projects with good will, as they have no other sources of support. However, there are many **weaknesses**:

- The executing NGOs have a tendency to *play an excessive role* in project management, without allowing the beneficiaries to take part in the project management cycle for fear of losing control of the process. For the sake of effectiveness and accountability to the donor, they resist sharing the decision-making process which restricts the ability of the beneficiaries to learn about management issues and strategic behaviour. In certain extreme cases, the NGOs even call on small firms to head management of the productive aspects, relegating the basic organisations to the role of mere providers of raw materials.
- They do not normally have *institutional strengthening strategies* or clearly defined exit strategies, which can generate dependency among local organisations. Many field

NGOs are experiencing enormous difficulties in developing institutional strengthening indicators, other than delivery of equipment and training courses.

technicians working with NGOs are more concerned about keeping their job than transferring knowledge and skills to the beneficiaries.

- In certain cases, the NGOs still insist on *formal training approaches* based on ad hoc training sessions, neglecting follow up and institutional strengthening aspects.

An area in which NGO projects have shown significant progress is in experiences with **new forms of local governance**. The context of highly decentralised administration in Latin America has offered opportunities for cooperation that the projects have taken advantage of through the joint planning and co-financing of programmes. The result of this work has been to bolster municipal bodies as the players responsible for arranging and planning local investments. Some projects moreover deal with municipal strengthening components for organisational diagnostics, improving management capacity and drawing up municipal regulations. However, the aforementioned lack of synchronization between projects and local councils' mandates, combined with the political instability of municipal staff, often impedes such strengthening efforts. In any event, the NGO projects should assume such conditions as part of their normal working context and should chart intelligent strategies for addressing these problems.

One key aspect that is not capitalised on relates to the work that NGOs do with regard to the social fabric (referring to the strengthening of organisations that provide services, construction of shared visions, and scenarios of mutual benefit, as well as the promotion of alliances between institutions).

An important aspect not covered sufficiently in the evaluation reports relates to the work that NGOs do with regard to the **social fabric**, or to put it another way, the formation of social capital. This angle of analysis can gauge elements that have a decisive impact on institutional strengthening, such as the strengthening of organisations that provide services (financial, technical assistance or applied research), the basis for shared views of development, the construction of discussion forums based on mutual benefit and the promotion of inter-institutional alliances, among others. The contribution of some NGOs to these issues has provided important leverage in resources and served as a catalyst for endogenous development processes. Its intangible nature tends mean it is concealed in evaluation reports and many NGOs do not accord it the importance it deserves.

Finally, the enormous difficulties that NGOs experience in defining **institutional strengthening indicators** must be mentioned, in particular with regard to the strengthening of local partners. Activities (workshops, seminars and exchanges, etc.) and the provision of equipment (physical infrastructures and facilities, vehicles and computer hardware and software) do not appear to be sufficient indicators in themselves for measuring the real strengthening of the organisation.

Local participation and socio-cultural aspects

NGOs have made progress in opening up projects to local players. The adoption of approaches aimed at active participation by citizens has emerged as an effective way of influencing public policies relating to access to and the management of natural resources, budget control and participatory governance schemes, among others. From the socio-cultural perspective, another line of progress has been the increasing tendency of the **teams in the field** to be made up of technicians who speak the native language, and with local promoters who take care of the inter-cultural network entailing participation in terms of time, space and form of expression.

NGOs have promoted approaches to inclusion and have developed socio-cultural awareness. These advances are in contrast, however, to the continuance of "narrow" participation methodologies and a weak policy of devolution of results to local players.

However, there is still a **“narrow” participative approach** on the part of certain technocrats. The use of participatory methodologies without a long-term commitment to the communities has resulted in fatigue among the beneficiary communities who are reluctant to embark on the participatory diagnostics and the clear dynamics proposed by the NGOs.

Finally, there is an absence of a **joint evaluation** of the results of the interventions, which leads to a disregard and devaluation of the intervention by the beneficiaries themselves. Similarly, there is insufficient **devolution of results**. The beneficiary communities often are unaware of the results of the studies, the baselines, monitoring reports and budgets of the NGO projects.

Gender aspects

The gender aspect is usually NGOs’ real Achilles’ heel, with the exception of reproductive health projects. It is a **rhetorical discourse** that does not lead to any specific measures, other than figures on beneficiaries broken down according to sex or the promotion of activities among groups of women. Furthermore, NGOs are experiencing difficulties in visualising the networks needed to encourage the gender aspect in the projects, as well as the advantages in terms of the impact and sustainability of those projects. Composed chiefly of males, the **teams in the field** gear their work to technical networks and not so much to processes of social change. Inside the NGOs themselves, there is a tendency to perpetuate “male chauvinist” patterns when roles and positions are allocated. The gender issue ends up being belittled and even derided.

NGOs suffer from a **lack of theoretical knowledge and practical skills** when it comes to applying specific gender tools (such as studies on practical needs and strategies). The encouragement of a gender perspective requires high start-up capital in terms of human resources. It should also be borne in mind that the first gender studies are relatively recent, dating from the 1980s. Since then, gender knowledge has been the traditional purview of professionals linked to feminism who have focused on the struggle against a political culture of resistance and have not become as involved in development initiatives.

Environment

Environmental issues have been a constant in many of the development projects carried out in rural areas. The *“Environment and Tropical Forests”* budget line has helped promote sustainable environmental projects. A **positive intervention approach** has gained currency, combining conservation with the generation of income for the local populations. An example is the search for new productive exploitations of vulnerable ecosystems.

Nevertheless, it is also possible to identify a number of **weaknesses**:

- The impetus of the environmental perspective is particularly focused on “integrated land management” schemes (e.g. forestry and pastureland systems), but pays far less attention to town and country planning and management;
- The processes of productive transformation are not sufficiently studied in terms of start-up capital and cost-benefit ratio;
- The adoption of environmental measures by the beneficiaries in many cases depends on the expectation of receiving other benefits from the project, but not from a true conviction as to the benefits it offers in the long term.

The gender aspect is the NGOs’ real Achilles’ heel. It is a rhetorical discourse that does not lead to any specific measures other than figures on beneficiaries broken down according to sex or the promotion of activities among groups of women.

Another weakness relates to the primacy of rural projects, to the detriment of promoting the environmental perspective in **urban areas** of Latin America. As a result, there is insufficient environmental awareness-raising in the cities, with intervention lines directed at bolstering ecological markets or the sustainable management of natural resources.

Introduction of appropriate technologies

Food Security and Rural Development have made considerable progress by offering **technological packages adapted** to the family-based economy in rural areas for self-consumption purposes and are, consequently, intensive in the use of local resources. This occurs for example in the development of domestic chicken feed or the manufacture of enclosures with local materials, etc. Similarly, the projects focus increasing attention on selecting productive proposals based on an energy balance between proteins, carbohydrates and vitamins. On the other hand, the diversification of the intervention approaches has fostered the introduction of more capital-intensive technological systems which have also encouraged access to credit, irrigation systems, markets and productive processing links.

The introduction of technology in Environment projects has more to do with the **sustainable exploitation of natural resources**, including different productive phases. The extraction and management phases can be seen from the perspective of the family-based economy with the introduction of simple technologies (for instance in goat and camelida livestock). However the beneficiary and processing phases require a level of collectivisation of work and an investment in capital goods. In these cases, the use and adaptation of the machinery cause adaptation problems that require intensive technical assistance. And here, NGO projects usually encounter a range of problems:

- Delays that require physical investments at the end of the project, in addition to the requisite supervision and technical assistance;
- The mismatch between physical investments and the development of management capacities in local associations to assume such investments.

In projects relating to Social Services, the technological innovation processes have more to do with **awareness techniques and methodologies** (group dynamics, semi-presence approach, curricular innovation and assistance for childbirth, among others). There is a wealth of experience in Latin America in this field, thanks to the rich experience of popular education.

Another important contribution by NGOs relates to the **redevelopment of traditional knowledge**. This is, for instance, knowledge of natural medicine, restoration of terraces, reforestation with native tree and forage species, etc. These initiatives stress the importance of encouraging dialogue between local wisdom, customs and practices and new knowledge brought in by project technicians. Nonetheless, the projects do not always take into consideration issues of intellectual property and the management of the genetic heritage of the redeveloped traditional varieties.

5. General Recommendations

As regards design

- Carry out a **joint evaluation of the NGO co-financing and Decentralised Cooperation co financing lines** in order to determine the lessons learned relating to European NGOs and local NGOs as cooperation tools. Some of the suggested evaluation criteria could be as follows:

- Scope of thematic priorities and selection criteria for projects;
- Flexibility of administrative processes;
- Sector orientation of approved projects;
- Amount and duration of the intervention;
- Complementarity of projects implemented via NGOs with other European cooperation tools (e.g. Financial and Technical Cooperation, Economic Cooperation and budgetary support);
- Comparison of the added value of European NGOs with that of local organisations.

- **Revitalise the Decentralised Cooperation line** as an instrument for strengthening civil society in Latin America:

- The *direct funding* approach, practiced successfully by Nordic cooperation, eliminates an administrative link, shortens the aid chain and focuses the intervention on strengthening basic organisation and society rather than local NGOs;
- The increased channelling of European cooperation through sector approaches and budgetary support redoubles the need to strengthen the demand for public policies from civil society. In this context, cooperation via NGOs acquires particular relevance in terms of encouraging an integral cooperation approach aimed at improving the supply and demand of public policies, as well as forums for discussion between the State and civil society.
- In the current context of the deconcentration of European cooperation, this budget line has significant potential, as it is commissioned and selected by EC Delegations in the field.

The strategic guidelines for this budget heading could give priority to so called facilitation projects rather than direct execution, to initiatives with base organisations, as well as South-South cooperation initiatives and consortia of local NGOs (cf. next recommendation).

- Improve the project selection and approval processes by using a new, **standardised strategic planning tool** in the invitations to tender for projects (cf. proposals in the "Matrix" box). As a complement to the logical framework matrix, this tool could be used to monitor the development of the project intervention throughout the project cycle.
- Promote **greater involvement of EC Delegations in the approval of NGO projects**, beyond the current non-binding, advisory role. The Delegations could act as a first filter for the pre-selection of projects, based on criteria such as sector priority and complementarity with other European bilateral cooperation tools.

- Adapt the **project presentation form** to bring it into line with the new intervention approaches: the following approaches are suggested:
 - Qualitative estimate of the *indirect beneficiaries* using a methodology of successive rings;
 - Detailed description of the *local partner*, including its background and institutional strategic plan;
 - Description of the *partner relationship* between the European NGO and its local counterpart,
 - More precise identification of complementarities and the roles to be assumed in the project;
 - Definition of key variables for the *baseline* study;
 - Standardised tool for improving the definition of Objectively Verifiable Indicators;

- Improve the **budget format**, by reducing the arbitrary nature of the "Other costs" item, and by introducing new sub-items for:
 - i) the expense of updating the intervention strategy at the outset of the project;
 - ii) efforts to monitor, evaluate and systemise experiences; and
 - iii) training of staff in specific subjects.
 Similarly, mandatory presentation of the budget is suggested, broken down per activity so that the budget implementation system can be improved.

- Produce a **practical guide to project presentation** that can be used to complete the subsidy application form, as well as to draw up technical and financial monitoring reports.

- Introduce **incentives in accordance with results** in the project selection system so as to favour NGOs that have demonstrated positive results in the past. This proposal would require the compilation of databases in the EC to store the external evaluation reports and monitoring reports from the Delegations.

STRATEGIC MATRIX

- i) Mapping of players
(Base organisations, productive associations, service providers and coordination areas, etc.)
- ii) Processes underway involving the project
(contribution of the project to the process, identification of allies, misgivings and resistance to the project)
- iii) Analysis of windows of opportunity
(risks and opportunities)
- iv) Definition of priorities with the local population
- v) Strategy for the institutional strengthening of the local organisations
- vi) Strategy for gender relations
- vii) Learning strategy (design of pilot projects, systematisation and dissemination axes)
- viii) Strategy for influencing public policies
- ix) Design of the monitoring and evaluation system (key variables of the baseline study, definition of roles and responsibilities)

- Promote the approval of **new thematic lines** adapted to the current situation in Latin America (including, e.g., questions relating to the strengthening of civil society or the integration of young people into the labour market);
- Offer **practical training in the use of the logical framework** to European NGOs and their local counterparts (emphasising the possibilities for making flexible and creative use of the methodology);
- Promote a **learning policy** in Latin America as a whole. A few suggestions to this end include:
 - Define *priority learning axes* for the main intervention sectors in the region;
 - Draw up lists of *projects characterised by good practices*, promoting their systematisation and dissemination;
 - Provide a specific budget to promote *South-South cooperation initiatives* (for example on lobbying and influencing public policies). These initiatives are much more effective for promoting regional integration than the current regional projects which are limited to distributing funds in spheres of intervention among the partners in the consortium;
 - Create a *viable fund geared to systematising experiments* with a high strategic value in terms of public policies. This fund could be used to extend valuable experience beyond the term of the projects, having links between the micro and macro levels.
- It is recommended that the European NGOs strengthen their strategy for the **selection of local counterparts** by establishing strategic alliances for the long term, beyond the modes of financing on the part of the donors. The plurality of social organisations should be an asset in the policy for alliances.
- Encourage **new intervention topics and priorities** to do with migration, the resolution of conflict and access to markets among others.
- European NGOs should support processes that have an **impact on the public policies** of the social organisations, strengthening the supportive role of the local procedures for defining strategies. A useful tool in this regard is the definition of *strategic agendas* through which the rationale of the project is subject to the local and social dynamics.⁹ In this respect, European NGOs should avoid participating directly in discussions on public policies and should limit themselves to supporting the leadership role of the local players.
- NGOs should strengthen the design of the project intervention strategy by using **strategic planning** tools. Certain methodological resources in this field would include the *strategic matrix* (cf. previous recommendation), the *question guides* (list of questions used to guide reflection), or external facilitation. Similarly, the analysis should be shared with the local players and the conclusions distributed internally to the

⁹ *Strategic agendas* are used to fix the policy priorities of the social organisations that exist in the minds of the directors. They are structured on the basis of analysis of the context and the definition of objectives, expected results, activities and strategies for action.

technical teams in the field.

- At the start of the project, **NGOs should update the intervention strategy** using participatory methodologies that would make it possible to come up with views shared by the local players regarding the scope of intervention. Similarly, the cooperation of the donor should be sought during the process. The results of the review should be presented to the EC Delegation which would take into account all elements concerned in approving any substantial changes.

As regards efficiency

- More detailed monitoring of cooperation via NGOs with a view not only to control but also to **support**. The specific tasks to be undertaken by the **task manager** of the Delegations may include:
 - Quality control with respect to the profile of the expatriates who carry out coordination tasks for the project on behalf of the European NGOs;
 - Support for the strategic review undertaken at the start of the project;
 - Call for projects to develop a monitoring system geared to results and Global Operating Plans;
 - Project progress monitoring (periodic visits to the field and interviews with local players and beneficiaries);
 - Discussion of the annual monitoring reports;
 - Support for the interim evaluation processes (review of all the reports, supervision of the selection of evaluators);
 - Clarification of the administrative procedures necessary for carrying out the normal presentation of accounts and any request for changes.

Given the usual scope of the portfolio of NGO projects managed by each task manager, projects to be prioritised for monitoring could be defined on the basis of criteria such as political risk, innovative nature, territorial representativeness and volume of resources invested by the EC.

- Make more use of the **External Monitoring Service** by viewing the missions not only as external auditing, but also as a reinforcement of the Delegation's own monitoring plan. In this respect, briefings with experts are crucial to improving the effectiveness of the system. Similarly, task managers could invite the NGO managers to debriefings so as to foster discussion of the conclusions and recommendations of the monitoring visit.
- Extend the **coverage of the external monitoring service** to recently approved projects that call for a special strategy review. At present, the methodology of the External Monitoring Service requires a period of six months from the signing of the grant contract for projects to be eligible. However, projects with a complex institutional design (to do with the strengthening of civil society, for instance) usually require major adjustments during their initial execution phase. An external monitoring visit could provide an interesting working forum for reviewing the main design risks.

- Utilise the **briefings** in the Delegations to enable the monitors and the corresponding task manager to arrive at a shared view of the special monitoring needs of the projects, as well as the most appropriate areas in which to address recommendations. This would reduce the heterogeneous scope of the service owing to the fact that the experts' professional backgrounds lie in different areas of specialisation.
- **Monitoring reports** are limited to two pages so as to make them easier to read. In the case of projects with serious shortcomings, it is suggested, however, that the monitors enter their recommendations in a separate appendix to the report. This document could prove very useful for the project's internal monitoring system, as well as for inputs for the supervisory work of the EC Delegations.
- Update the **CRIS information system regularly** with additional valuable information to improve the interface between the internal and external project monitoring efforts:
 - Monitoring reports by the project task managers
 - List of recommendations made by the external monitor that have been accepted and incorporated by the project in order to facilitate their subsequent monitoring.
- Continue the process of improving the **background conclusion sheet for the external monitoring**, especially as regards the parameters of *design, impact and sustainability*. To date, this process has been carried out, with limited participation by monitors and the users of the tool. The following is suggested:¹⁰
 - Include a new sub-criterion: "intervention strategy (cf. Matrix above);
 - Include another sub-criterion on the impact on public policies (potential impact);
 - Differentiate between "hard" sub-criteria (economic viability, interface with public policies), and "soft" criteria of sustainability (socio-cultural approaches, the environment, gender and appropriate technologies), changing the balance in favour of the former. Similarly, "hard" sub-criteria should operate with the option of a veto so that any poor use thereof may not be offset by good performance of the "soft" criteria.
- Promote an internal work session to **homogenise contractual administrative criteria** so as to facilitate the dialogue between the NGOs and the EC Delegations. In this respect, certain areas of conflict have been identified: prerequisites for requesting addenda, reply timescales and criteria for amending sections, and the flexible use of the logical framework. In the case of the latter, only changes to objectives, budget and the place of intervention require a formal addendum. The results of certain improvements, such as the restructuring of activities and expected results or refinement of indicators, do not require approval. Apprehensive of becoming caught up in the bureaucratic proceedings of the EC, NGOs do not dare to touch the logical framework, which in many cases becomes a straightjacket restricting the proper performance of the interventions.

¹⁰ It should be noted that the very structure of this report on the analysis of the parameters of the project (contained in Section 4) in itself constitutes an implicit proposal of the contents for improving the Background Conclusion Sheet.

- It is recommended that the executing organisation undertake a **methodological training initiative**. The most acute shortcomings of the technical teams in this respect have to do with project management (flexible and creative use of the logical framework, participatory methodologies and result-oriented project management systems), as well as with technical issues (institutional support, gender, country planning and marketing, among others).
- The projects should incorporate a **monitoring and evaluation system** that is nimble and flexible, result-oriented and also includes a review of strategic aspects. Efforts to develop baselines should identify the key variables, above and beyond the activity indicators. The clarity and simplicity of monitoring systems is usually a prerequisite for their sustainability during the project execution period. One suggestion in this respect is, for instance, to use registers of beneficiaries per community and enter the different benefits received so that the system can provide information not only on the number of beneficiaries of the project but also on the intensity of the benefits received.
- In the same vein, it is suggested that NGOs focus their efforts on **monitoring the management systems** of their local counterparts rather than concentrating their efforts so much on supervising the details of the specific invoices.

As regards Potential Impact

- Encourage initiatives for the **evaluation of local empowerment processes** as well as the institutional strengthening of the organisations supported. One tool that can be used for this purpose is the *impact time matrix* which is based on a combination of quantitative and qualitative indicators referring to the level of institutionalisation, provision of equipment, membership, level of production and/or provision of services, level of prices (where applicable) and the development of the role of the project in the process. This tool is useful for replicating, for instance, the strengthening processes for productive organisations and also for visualising the development of means of regional consultation or discussion platforms for public policies (cf. example in the appendix).
- Promote efforts for the **participatory evaluation** of interventions and to improve the policy for devolving results to local players involved in the project (including municipal bodies, farmers' unions, native authorities, local organisations and productive associations, among others). This will preclude misunderstandings and misgivings as to any supposed corporate interests of the NGOs in the implementation of development projects.

As regards Sustainability

- Emphasise the **role of institutional support** rather than the direct execution of activities. In this respect, European NGOs should take the institutional strengthening of their local partners in all project activities into account across the board. Similarly, local NGOs should do the same in their relations with the base organisations.

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Cooperation Projects via NGOs Monitored during 2005

Project No.	Title	Sector	€ M
BUDGET LINE: NGO co-financing -21 02 03			
2000/011-472	Promotion of development for marginalized population groups in the harbour area of Rio de Janeiro (BRAZIL)	Provision of social services	1.50
2000/011-625	Support for the civil society and democratisation: INESC programme to increase social participation in the decision-making processes on public policies (BRAZIL)	Strengthening of civil society	1.51
2000/011-673	Support programme for the indigenous peoples of Brazil through CIMI (BRAZIL)	Provision of social services	1.00
2000/005-9142	Sustainable management of Quilombola community lands in Amazonia (BRAZIL)	Environment	1.13
2002/02-348	SOS Body-Gender and Citizenship: Institutional Project 2003-2006 (BRAZIL)	Strengthening of civil society	1.25
2003/063-337	Project for the sustainable development of family farming in the Region of Bajo Tocantins (BRAZIL)	Food safety and rural development	1.01
2003/020/472	Integral promotion and rural development project (URUGUAY)	Food safety and rural development	0.75
2003/11/597	Towards a more active citizenship in MERCOSUR: appropriating the local potential for regional integration (MERCOSUR)	Strengthening of civil society	3.18
2003/011/689	Technical and vocational training with increased opportunities and skills for workers to enter the labour market (PARAGUAY)	Provision of social services	1.00
2004/062-816	Implementation of a system of first level primary health care in districts – pilot project (GUATEMALA)	Provision of social services	1.50
2001/011-782	Centre for basic education, vocational training and primary health care (GUATEMALA)	Provision of social services	1.60
2002/020-514	Multi-purpose socio-educational centre for boys and girls, Barrio Los Chanaritos, San M. de Tucumán (ARGENTINA)	Provision of social services	0.63
2002/020-504	Sustainable rural development of peasant organisations of Santiago del Ester from a gender perspective (ARGENTINA)	Food safety and rural development	0.74
2003/020-113	Integral qualification for communities with a high concentration of Mapuche (CHILE)	Provision of social services	0.61
2001/011-831	Introduction of fair trade products in the Mexican market (MEXICO)	Trade	0.63
2004/063-117	Sustainable community forest management geared to the poor (MEXICO)	Provision of social services	3.02
2003/020-371	Strengthening of the rural economy of poor families in the Districts of Cuscatlán and La Libertad (EL SALVADOR)	Food safety and rural development	1.39
2002/020-374	Establishment of 425 family-company sustainable production systems in the communities of Bermuda (EL SALVADOR)	Food Safety and rural development	0.71

2003/020-452	Support for sustainable agriculture/marketing and strengthening of small producers (HONDURAS)	Food safety and rural development	1.50
2003/020-449	Integral rural development programme in the District of Valle (HONDURAS)	Food safety and rural development	1.50
2004/061-986	Participatory approach to reducing poverty among disabled persons in coffee-growing areas of the North-Central Region (HONDURAS)	Food safety and rural development	1.25
2004/063-749	Integral programme for the sustainable improvement of camu camu in selected basins of the District of Loreto (PERU)	Food safety and rural development	0.87
2001/011-655	Integral project for the promotion of sustainable rural livelihoods and the reduction of poverty in the Basin of Llaucano, Cajamarca (PERU)	Food safety and rural development	1.96
2003/020-546	Sustainable development of coffee growing in the North East (PERU)	Food safety and rural development	1.49
2003/02-528	Sustainable farming businesses to reduce poverty – District of Apurimac (PERU)	Food safety and rural development	1.12
2004/063-579	Inclusion of micro-entrepreneurs with competitive potential, in a poverty situation, in dynamic circles of local and regional markets (PERU)	Provision of social services	1.50
2004/063-789	Institutional strengthening and promotion of the local economy to fight poverty in the District of Junin (PERU)	Food safety and rural development	0.72
2004/063-732	Project to relieve poverty for the Shipibo Communities of Ucayali (PERU)	Food safety and rural development	0.69
2003/020-509	Development of a practical social model to reintroduce sustainable systems for the irrigation of terraces and to improve livelihoods in the Peruvian high plateau (PERU)	Food safety and rural development	0.75
2003/011-607	Support for the economic initiatives and for the organisation of associations of rural producers (PERU and BOLIVIA)	Sa/DR	3.93
2001/011-846	Strengthening of the peasant economic organisations of Caranavi and Corob for the sustainable development of Los Yungas (BOLIVIA)	Food safety and rural development	1.16
2002/011-734	Legal support for the territorial rights of the indigenous peoples of the Bolivian lands (BOLIVIA)	Strengthening of civil society	2.54
2003/020-394	Participatory community education for the exercise of rights related to health in poor municipalities of Oruro, Sucre, Tarija and Potosí (BOLIVIA)	Provision of social services	0.75
2003/020-435	Strengthening of the active coverage: schooling and vocational training for Bolivian youth (BOLIVIA)	Provision of social services	1.49
2003/020-435	Strengthening of participatory municipal democracy; Councils of Municipal Development (BOLIVIA)	Strengthening of civil society	0.69
2004/063-907	Productive and organisational strengthening of 1856 families of small coffee producers and farmers associated in PRODECOOP (NICARAGUA)	Food safety and rural development	1.44
2004/063-746	Support for poor rural families active in the organic production of cashew nuts and for better access to the markets in four municipalities of Leon and Chinandega (NICARAGUA)	Food safety and rural development	0.73
2003/011-603	For the right to life at the time of globalisation (NICARAGUA)	Strengthening of civil society	5.45
2003/02-621	Strengthening local capacities with gender perspective and support for reproductive health in the municipalities of Mateare and Belen (NICARAGUA)	Strengthening of civil society	0.50

2003/073-831	Support for the promotion and defence of the rights of the indigenous peoples and Afro-descendants of the Costa Caribe (NICARAGUA)	Human rights	0.98
2003/011-601	Rural development and sustainable agriculture, generation of income, civil society, human rights and democratisation, primary health care and public health questions (CENTRAL AMERICA)	Food safety and rural development	4.05
2003/011-606	Strengthening of productive activities, promotion and creation of businesses, strengthening of organisational structures and municipal institutions, democratic participation, local and regional social monitoring (CENTRAL AMERICA)	Strengthening of civil society	4.50
2003/021-149	Expansion and consolidation of the municipal bank methodology of FINCA (CENTRAL AMERICA)	Financial services	0.98
2002/020-800	Integrated management programme of rural development, environmental protection and strengthening of municipal budget by OIA-OREWA (COLOMBIA)	Food safety and rural development	1.21
2003/020-920	Agri-forestry production system to improve the income of Afro-Colombian communities in the north of the District of Cauca (COLOMBIA)	Food safety and rural development	1.02
2003/020-869	ProQuito – Economic and social development of the central area of the Metropolitan district of Quito (ECUADOR)	Provision of social services	0.73
2003/020-814	Economic and social development of the peasant Afro-Ecuadorian and indigenous communities of the Province of Sucumbíos (ECUADOR)	Food safety and rural development	1.02
2003/011-890	Programme for strengthening the capacities of rural organisations situated in Ecuador, Bolivia, Peru, Brazil, Venezuela and Uruguay (LATIN AMERICA)	Food safety and rural development	3.74
2004/065-122	Integral development of 10 indigenous communities – Delta Amacuro (VENEZUELA)	Food safety and rural development	0.50
	SUBTOTAL		73.92
BUDGET LINE: Food safety-21 02 01			
2003/055-758	Food safety for the Ayllus in La Paz (BOLIVIA)	Food safety and rural development	0.68
2001/056-60	Towards a good living: “Sumaj Kausayman Sumaj Tamaña” (BOLIVIA)	Food safety and rural development	0.58
2000/047-197	Development of local, sustainable food safety initiatives in the cantons of Chachi and Penipe (ECUADOR)	Food safety and rural development	1.05
2001/057-100	Self-management for the food safety of the colonist and indigenous populations in the Ecuadorian Amazonia supported by local governments (ECUADOR)	Food safety and rural development	0.84
2001/057-051	Equitable local development and environmental management of the low basin of the River Guallicang ... Capuilli and the high and middle basin of the River Bulu Bulu (ECUADOR)	Food safety and rural development	0.50
	SUBTOTAL		3.65

BUDGET LINE: Environmant-21 02 05			
2002/068-851	Sustainable development of the Cuiaba-Santarem economic corridor in Amazonia reconciling economic growth and large-scale forest preservation (BRAZIL)	Environment	1.50
2001/059-118	Incorporation of the environmental dimension in the management of Uruguayan cooperatives (URUGUAY)	Environment	0.77
2001/059-121	Protection and regional management of coastal resources in the Gulf of Honduras (HONDURAS)	Environment	1.12
2001/059-120	Climatic changes and carbon sinks: environmental and territorial monitoring, territorial and research centre (known by the Spanish acronym CIOMTA) (ARGENTINA)	Environment	1.00
2003/063-645	Preservation and management of natural resources in the inter-river region of Teuco – Bemejo – in the framework of the Chaco Regional Development Plan (ARGENTINA)	Environment	1.18
2003/062-35	Rio H : civil agenda against poverty and desertification (CHILE)	Environment	0.85
2001/059-133	Strengthening of the local capacities for sustainable forest and cost-effective management in the Region of Loreto-Focal Bosques (PERU)	Environment	1.38
2001/059-127	Strengthening of the local capacities for sustainable forest and cost-effective management in the Region of Madre de Dios (PERU)	Environment	0.80
2002/004-241	Integration of the civil sectors in the co-administration of protected areas and management of environmental conflicts (CENTRAL AMERICA)	Environment	0.86
2001/059-128	Reforestation, conservation and sustainable management of natural resources in Lope Mendoza (BOLIVIA)	Environment	0.97
2001/059-145	Coffee: An example of responsible production and consumption (NICARAGUA)	Environment	1.22
2003/068-352	Conservation and sustainable development in the Biogeographic Region of Chocó: Capacities for improving livelihoods and environmental sustainability (COLOMBIA)	Environment	2.12
2001/059-124	Concerted management to control desertification and regeneration of the forest in Zapotillo and Macará (ECUADOR)	Environment	1.76
2003/059-324	Participatory development of a replicable development model based on bamboo in the Andean countries (ECUADOR)	Environment	1.00
2001/059-141	PITTIER: Man and cocoa park (VENEZUELA)	Environment	0.64
	SUBTOTAL		17.18
BUDGET LINE: Health- 21 02 07 03			
2000/054-409	Programme for establishing a network of institutional supervision projects (BRAZIL)	Provision of social services	1.34
2001/060/803	Maternal health project (GUATEMALA)	Provision of social services	1.27
	SUBTOTAL		2.61

BUDGET LINE: Decentralised Cooperation – 21 02 13			
2003/050-783	Promotion of 19 communities of the CPR Sierra as a social player in the coordination with other sectors and consultation with the government (GUATEMALA)	Strengthening of civil society	0.32
	SUBTOTAL		0.32
BUDGET LINE: Human Rights -19 04 03			
2003/066-102	Human rights and Maya social participation (GUATEMALA)	Human rights	0.57
2001/060-003	Multiyear programme for human rights (GUATEMALA)	Human rights	3.00
2003/057-701	Promotion and defence of human rights and strengthening of civil society through municipal radio stations to improve public policies. PPDL (GUATEMALA)	Human rights	0.80
2003/069-456	Fight against ethnic and gender discrimination (GUATEMALA)	Human rights	1.20
2003/074-299	New radio in Mexico: support for the National Network of Women and Human Rights (MEXICO)	Human rights	0.55
2003/074-826	Contribution to the consolidation of a policy on human rights in Mexico (MEXICO)	Human rights	0.56
2001/050-002	Multiyear programme for Democracy and Human Rights in Central America (EL SALVADOR)	Human rights	1.80
2001/050-605	Multiyear programme for Democracy and Human Rights in Central America (NICARAGUA)	Human rights	1.00
2004/076-929	Justice for peace (COLOMBIA)	Human rights	0.90
2001/060-586	Strengthening the capacities of public institutions in Bogotá, Villacencio and Armenia for the protection of the rights of the child (COLOMBIA)	Human rights	0.54
2003/063-759	Project for the promotion and defence of human rights of Colombian unionised workers (COLOMBIA)	Human rights	0.30
	SUBTOTAL		11.22
BUDGET LINE: Displaced Population – 19 09 03			
2004/087-054	Paths to inclusion: Socio-economic rehabilitation of the population affected by the conflict in Catatumbo and Uraba. OXFAM UK (COLOMBIA)	Provision of social services	1.97
2004/087-057	Support for the process of the socio-economic rehabilitation of displaced populations from the conflict in the Oriente Bajo Cauca, Urabá Antioqueño, Medi Alto Sinú and San Jorge Córdoba. CISP/ACH (COLOMBIA)	Provision of social services	1.91
	SUBTOTAL		3.88