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Relations between the European Communities and
the Non-Governmental Organisations (NGO) specialising
in Development Cooperation

(Communication from the Commission to the Council)

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OBJECT OF THE DOCUMENT

The purpose of this Commission communication to the Council is to show that the scope of the projects carried out by the non-governmental organisations specialising in development cooperation should be widened in the context of the Community's development policy.

At national level, these organisations are increasingly receiving financial support from the public authorities of the Member States for their projects in the developing countries, which, though generally on a small scale, are of great value. It is appropriate that the Community should be able to make use of such possibilities.

To this end it is proposed that the Community and the NGOs, whose action is often complementary, should be able to carry out joint development projects. The conditions, objectives, criteria and joint financing arrangements are described briefly.

This communication should facilitate approval of Article 938 in the Commission's budget proposals for 1976.

Relations between the European Communities and
the Non-Governmental Organisations (NGOs)
specialising in Development Cooperation

I INTRODUCTION

A large number of non-governmental organisations in the Member States or the developing countries, often of a voluntary nature, are carrying out small and medium-scale cooperation projects in the developing countries, particularly in the social and training fields. These are projects for which direct action by the public authorities does not appear to be suitable for various reasons; for example, because the administrative costs for small-scale projects financed exclusively from public funds are very high, or because the administrative procedures relating to public funds are too cumbersome and take too much time, particularly as the projects are often of an emergency nature.

These projects are of great economic, social and political value and are very effective. But, although there are a large number of projects, their coordination is often inadequate or they are left uncompleted owing to a lack of funds. Moreover, they are generally complementary to the development projects carried out in the developing countries by the government authorities or by international bodies. For these reasons, non-governmental organisations, which receive financial support from various private sources, are increasingly receiving financial support from the public authorities of the Member States.

At the present time, the Community as such does not have any practical means of making use of such organisations as intermediaries in cooperation projects. The one general exception to this rule is food aid, where the Community distributes a sizeable part of its emergency aid via organisations such as the Red Cross, and the church organisations. The favourable experience gained from using non-governmental organisations as intermediaries

in this field confirms the usefulness of this type of action.

Account should also be taken, for the purpose of comparison, of the not inconsiderable official role that the agricultural NGOs play in the Community in the context of the common agricultural policy. In other words, the NGOs can generally speaking play a positive role at Community level within their own specialised fields.

II : DEVELOPMENT OF RELATIONS BETWEEN THE COMMUNITY AND THE NGOS SPECIALISING IN DEVELOPMENT COOPERATION

The scope of action by the NGOs could, it seems, be usefully widened in future in the context of the Community's development policy.

In recent years, contacts have been developed between officials running NGOs specialising in development cooperation and the Commission's departments and have shown that it is increasingly in the interests of both sides to intensify these relations. This was further confirmed by a recent informal meeting held in June between the NGOs and the Commission which was attended by about forty representatives of NGOs in the nine Member States.

Out of the wide range of NGO projects, two main fields seem to lend themselves to coordination.

The first field is the information/education of European public opinion; the importance of this field to the Community is evident, and the Commission will not fail to give the matter its full attention in the context of the action in hand and planned under its information programme.

The other field is concerned on a more practical level with development projects in the developing countries and in particular with joint financed schemes to help local communities, especially in the form of microprojects and emergency aid.

The Commission and the NGOs that have been contacted feel that the moment is particularly suitable for making use of such joint financing possibilities. The conditions governing such joint financing are examined below. Given the new level of interdependence between the developing countries and the industrialised countries,

particularly those in Europe, the Community development policy will realise its full potential only when all political, economic and social forces are involved in it. For this reason, the NGOs must be associated with this policy, and the support of these experienced organisations will enable Community action to adapt even more closely to new developments in the field.

III. JOINT COMMUNITY-NGO DEVELOPMENT PROJECTS

The complementary nature of the NGOs' and the Community's development projects should be stressed. The diversity and experience of the NGOs provide a high degree of adaptability and flexibility, which can be used to supplement at a lesser cost projects financed by the Community or by official assistance from the Member States. The complementary effect of NGO and Community action works both ways: the Community could, at the request of the organisations, support NGO projects of established value but which the Community is often unable to carry out itself within the necessary time or with the appropriate means, while the NGOs could very usefully supplement the Community's projects at the latter's request and within their own specialised fields. It therefore seems appropriate to undertake joint EEC-NGO development projects. However, Community subsidies and joint financing schemes could be subject to two prior conditions, as in fact is generally the case when the Governments of the Member States use this type of arrangement:

- the projects must be accepted by the authorities of the recipient countries and correspond to their development priorities;
- they must involve financial participation on the part of the NGOs and, if possible, physical participation on the part of the recipient country.

At the same time, the Commission recognises that it is important to respect the independence of the NGOs to which the Community is giving its support, and the collaboration procedures must take this into account.

Subject to these conditions, the Commission considers it desirable to undertake the joint financing of projects which correspond to certain objectives. The Commission is in favour of:

1. Undertaking on this basis in both associated and non-associated countries, certain small-scale projects which can be implemented at a lesser cost by non-governmental organisations than under the relatively cumbersome procedures traditionally used by public funds.
2. Supplying financial assistance to non-governmental organisations which are undertaking with private financial resources they have mobilized themselves a number of extremely worthwhile aid projects.
3. Coordinating at Community level projects which were previously carried out in parallel by NGOs in the Member States.

In this context, small-scale NGO projects complementary to those of the Community could be carried out, particularly in the rural, social, training and humanitarian fields, or in the event of natural disasters (e.g. training, health, emergency assistance).

The projects would be approved by the Community on a flexible basis, and the NGOs receiving Community financial support would be responsible for their implementation. In granting these funds in the form of subsidies, the Commission would apply the following criteria:

1. Except in the case of emergency projects, any Community support for an operation to be carried out by a non-governmental organisation is conditional upon a substantial contribution being made by the organisation itself out of financial resources of private origin. The extent of Community participation should not exceed 50%. In this way, Community resources would have a definite multiplier effect as regards finance and would be extended to fields where the NGOs' experience of the background would be invaluable.

2. Priority would be given to non-governmental organisations working in a number of Member States and to certain non-governmental organisations of recognised status in the developing countries.¹

It should be borne in mind that the projects carried out by the NGOs vary very widely as regards their objectives, the scale of the finance involved and the recipient developing countries. The costs of such projects are generally relatively modest but can nevertheless vary between 1 000 u.a. and 100 000 u.a. according to the nature of the project. Consequently NGO projects which may qualify for Community support are bound to vary as to purpose and scale of financing. The objectives and criteria set out above will serve as a basis for the Commission's choice.

The financing arrangements must be drawn up in accordance with those applied by the Member States which carry out joint financing operations with the NGOs. The Commission should not introduce any innovations here; it would take account of the Member States' experience, possibly with certain adjustments to take account of the specific Community situation, and would use existing instruments and accounting procedures. These are the major guidelines, objectives, criteria and arrangements in accordance with which joint Community-NGO development projects could, the Commission feels, be carried out in future in the developing countries.

IV CONCLUSION

The complementary nature of the NGOs and the Community's development projects and the positive attitude of the NGOs concerned towards the Community lead the Commission to the conclusion that a closer association of the non-governmental organisations in the Community's development policy is desirable.

¹The Commission is ready at any time to indicate the most important NGOs in the Member States with which it has had contacts up to now

In particular, the Commission feels that the time has come to carry out joint development projects.

The Commission would recall that, for this purpose, it introduced in the 1976 budget proposals, a budget article (no.938) for 5 000 000 u.a. as aid for cooperation projects carried out by non-governmental organisations in the developing countries. The Commission attaches great importance to the approval of this article by the Council.

It will be remembered, moreover, that the European Parliament itself proposed the introduction of budget entry of this kind when it examined the draft budget for 1975.

To sum up, the involvement of the NGOs in the Community's development policy will widen the vision and scope of that policy and will make it possible to establish links between complementary action to the benefit of both sides.

FINANCIAL ANNEX

A. GENERAL FEATURES

1. Budget entry involved

Article 938 of the preliminary draft budget for 1976.

2. Title of the budget article

Aid for cooperation projects with the developing countries carried out by non-governmental organizations (NGOs)

3. Legal basis

Proposal submitted to the Commission on 17 September 1975.
(Doc. VIII/A/5/o3755).

4. Description, objective and justification of this action

The objective is the joint financing of microprojects in associated or non-associated developing countries, thus permitting the cumbersome procedures and considerable administrative expense involved when official aid is used for this type of operation to be avoided.

5. Appropriations

In its preliminary draft budget for 1976, the Commission proposed an appropriation of 5 000 000 u.a. for these projects. This amount constitutes an annual minimum and will be adjusted in subsequent financial years on the basis of the practical experience gained.

In view of the wide diversity of the projects to be part financed by the Community budget (the cost could range from 1 000 u.a. to 100 000 u.a.), the appropriations under this entry will be committed at a very steady rate from the beginning of the financial year.

The diversity of the projects, the cost of which will be very variable, necessitates suitable methods of calculation which take account in particular of the financing priorities, the scale of the operation, the number of recipients in the field, the location of the projects, etc.

6. Proposed system of control

The Commission intends to set up a flexible control system, taking into account the experience of the Member States in this field and using as far as possible existing accounting instruments and procedures. A number of the projects can be financed in instalments, in accordance with the volume of finance required and their degree of urgency.

B. ADDITIONAL INFORMATION

1. Operating expenditure

At the present stage, the Commission intends to carry out the objectives covered by this budget entry with the staff complement laid down by the budget authority for the 1976 financial year.

2. Financing of the projects

Except in the case of emergency projects, Community participation in projects undertaken by NGOs may not exceed 50%. The remainder must come from outside resources, particularly of private origin. In this way, the funds provided by the Community will have a clear multiplier effect from the financial angle.