
Part IV

Latin America

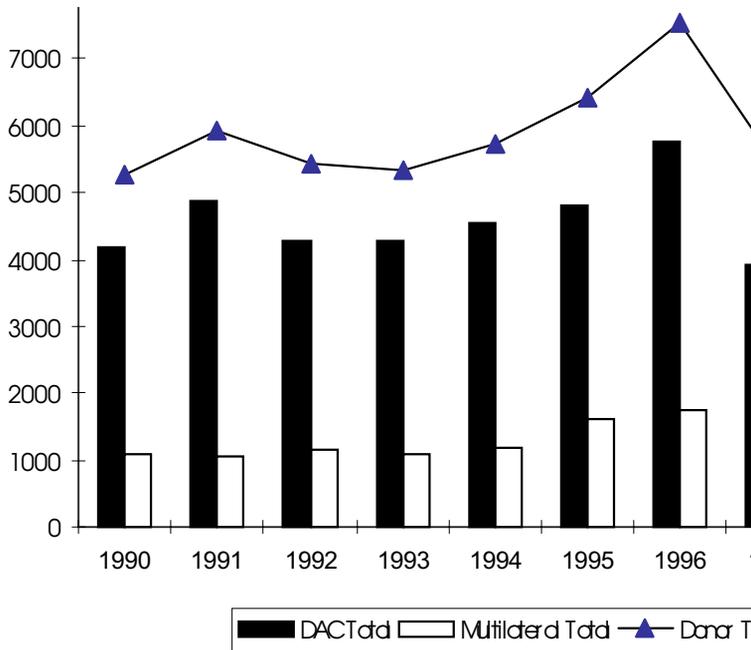
Increase masks downward trend

Federico Negrón, CEPES/ALOP

In 1999, the volume of Official Assistance to Development (ODA) in Latin America amounted to US\$6017 million, which meant a 7.6% increase from 1998. Although this rise is considerably higher than the average growth rate of the past ten years, the volume of ODA to Latin America still has not matched what it reached in 1996. (See Graph 6)

The increase, amounting to US\$423 million, occurred despite the fact that some of the main donors, particularly Holland and Germany, considerably reduced their assistance to Latin America. These reductions were counteracted overall by increased assistance from Japan, the United States, the United Kingdom, Spain and multilateral aid.

Graph 6. Latin America: ODA Net Total (in US\$million)



Source: DAC/OECD

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Table 12. Main bilateral sources of ODA for Latin America in 1999 (in US\$ million)

<i>Donor</i>	<i>Aid volume 1999</i>	<i>% change on 1998</i>
United States	1238	13%
Japan	814	47%
Germany	398	-15%
Spain	385	22%
United Kingdom	306	48%
Holland	268	-43%

Table 13. Trends in Official Development Assistance to Latin America, 1997- 1999, showing Net Totals (in US\$ million)

<i>Donor</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
United States	924	1093.75	1237.61
Japan	715.03	552.82	814.37
Germany	472.71	466.25	398.19
Spain	284.16	316.26	384.75
United Kingdom	287.95	206.73	305.71
Holland	450.37	467.03	267.62
France	173.69	175.17	166.69
Sweden	117.07	96.13	164.96
Canada	155.21	142.68	136.95
Switzerland	65.93	79.26	80.66
Others (bilateral)	317.23	434.86	296.17
DAC members (bilateral) Total	3927.01	4016.25	4239.75
Multilateral Total	1504.56	1563.44	1763.52
Donor Total	5467.91	5594.38	6017.2

Source: DAC/OECD

The main destinations of ODA resources in 1999 were first Honduras and Nicaragua, the countries that suffered the worst devastation in the wake of

hurricane Mitch. Then followed, according to ODA significance: Bolivia, Peru, Colombia and Guatemala. International cooperation still represented an important percentage of the Gross National Product of many countries in the region, such as: Nicaragua (31.4%), Honduras (15.6%), Guyana (13%), Bolivia (6.8%) and Haiti (6.1%).

Table 14. Main recipients of ODA in Latin America, 1997-1999. Net Total (in US\$ million)

<i>Recipient</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
Honduras	296.83	320.54	816.89
Nicaragua	410.10	572.40	674.70
Bolivia	698.40	628.06	568.63
Peru	393.46	501.53	452.20
Colombia	194.54	167.57	301.29
Guatemala	263.00	232.59	292.94
Haiti	324.61	407.05	262.76
Dominican Republic	70.97	120.41	194.74
Brazil	273.40	329.08	183.55
El Salvador	272.47	179.79	182.69
Total for Latin America	5467.91	5594.38	6017.20

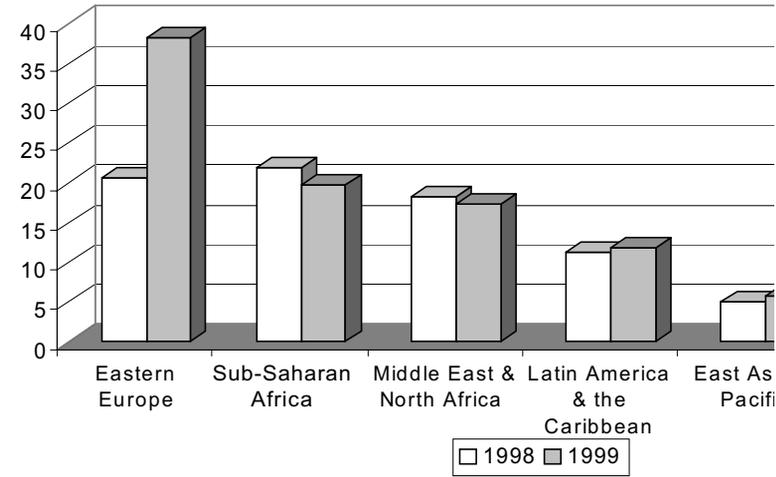
Source: DAC/OECD

A significant number of Latin American countries experienced a sharp decrease in ODA; among those that saw the largest drops in terms of percentage were: Costa Rica (134.1%), Brazil (44.2%), Panama (37.4%) and Haiti (35.4%). In turn, the countries that saw significant increases in ODA were: Honduras, with a 154.8% rise with respect to 1998, Colombia (79.8%), the Dominican Republic (61.7%) and Guatemala (25.9%).

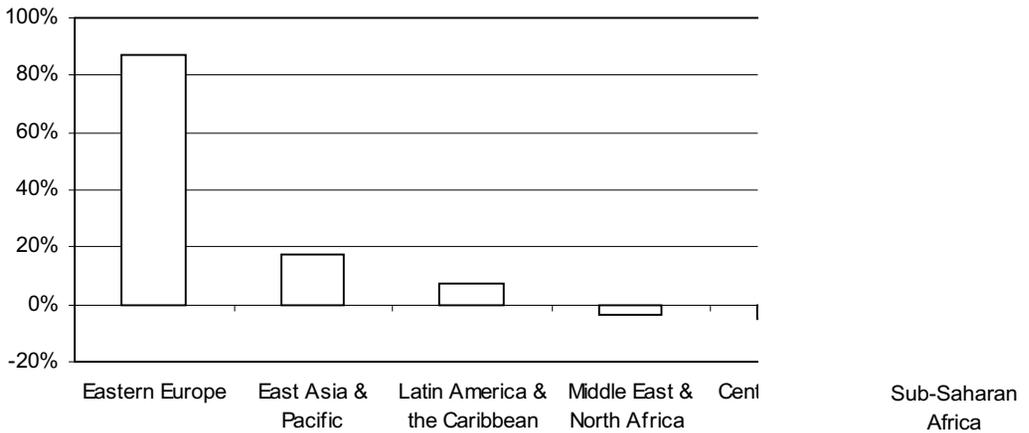
A comparison of ODA by region with the world's highest poverty indices demonstrates that Latin America was, per capita, the fourth recipient of ODA in 1999 (Graph 7). On comparing the variations in ODA for the 1998-1999 period, both per capita (Graph 8) and as a percentage of total ODA amount (Graph 9), aid resources have clearly been redirected to other

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**Graph 7. ODA per capita according to regional destination (US\$)
1998-1999**



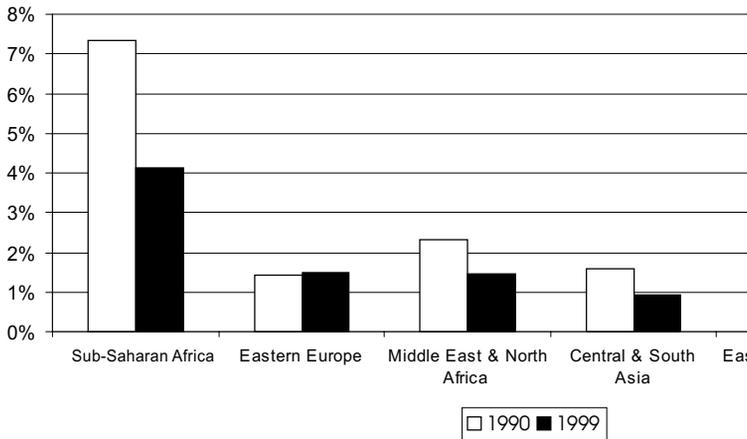
Graph 8. Variations in ODA 1998-1999



Source: DAC/OECD

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**Graph 9. ODA expressed in % GNP
1990,1999**



Source: DAC/OECD

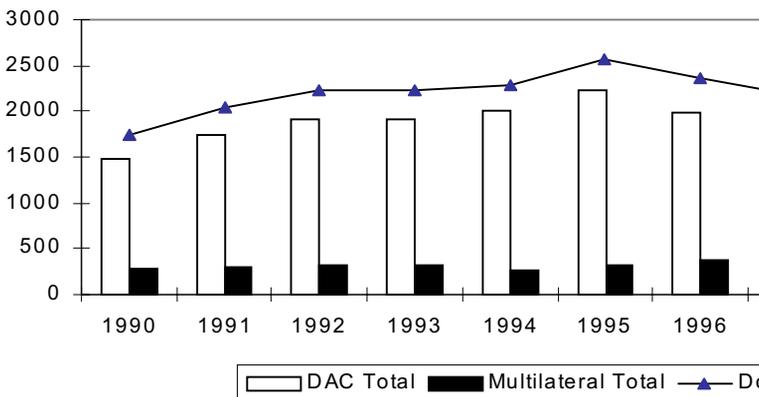
regions, due to the emergence of new ODA claimants, mainly Eastern Europe and some Asian regions.

On analysing ODA in Latin America as a percentage of Gross National Product (GNP), the variation did not go over 1%, which in 1999 made it the lowest in comparison with the rest of the regions, and the one that declined most (in percentage terms) since the beginning of the 1990s.

Technical Cooperation still rising

Since 1997, International Technical Cooperation (ITC) has been showing an increasing trend. In 1999, the amount of ITC totalled US\$2630 (see Graph 10). This was mainly due to increases in US cooperation contributions (US\$275 million) and to multilateral cooperation (US\$189 million).

**Graph 10. Latin America: Total Technical Cooperation
(in US\$millions)**



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In 1999, the largest ITC contributions (in US\$ million) came from the US (1095), Germany (346), Japan (323), France (166) and Spain (79). (See Table 15).

The main donor countries showing a reduction in contribution percentages with respect to 1998 were:

Holland (51%), the UK (27%), Spain (18%), Canada (15%) and Germany (11%).

At the receiving end, the main ITC destinations in 1999 were (in US\$ million): Brazil (271) Colombia (224), Peru (209) and Bolivia (192).

Table 15. Main sources of ITC in Latin America, 1997-1999 (in US\$ million)

	1997	1998	1999
United States	510.00	819.56	1094.96
Germany	362.39	386.95	346.11
Japan	317.21	276.15	322.94
France	154.71	170.56	165.38
Spain	78.40	96.41	79.46
Holland	170.19	159.57	77.55
United Kingdom	78.41	83.55	60.98
Canada	60.83	60.10	51.16
Belgium	43.99	41.97	38.74
Switzerland	45.59	42.49	16.92
DAC members Total	1886.72	2203.75	2305.26
Multilateral Total	285.78	135.52	324.88
Donor Total	2172.50	2339.27	2630.14

Source: DAC/OECD

Plan Colombia: cooperation towards war or peace

ALOP

Colombia, a country with enormous resources, has been gravely affected by drug-trafficking and violence problems that threaten its economic and political foundations. Of the 30,000 violent deaths reported in the year 2000, 3000 were politically motivated. And the spiral of violence is growing. According to official figures, at least 769 Colombians were murdered in the first quarter of 2001, twice the number reported in the same period the previous year.²

The issue is not of exclusive concern to the Colombians. The repercussions of the conflict extend to neighbouring countries. This concern is not limited to the potential 'vietnamisation' of the conflict or its expansion beyond borders by the military, guerrillas and drug-traffickers. Also at play are American geopolitics by which the US, beyond eradicating the drugs trade, aims to maintain its hegemony over the Andean region. This is at a time when ghosts, such as Hugo Chávez's populism in Venezuela, political instability in Ecuador, and social mobilisation and a weakened Quiroga-Banzer regime in Bolivia, are looming. The extent of the implications of 'Plan Colombia', as the regional reconstruction, development and peace plan was first known, became evident when light was shed on the obvious connections between the Montesinos-Fujimori mafia and the CIA, drug- and arms-trafficking.

Plan Colombia has gone through various phases. It was initially proposed by the Colombian government as a development and national reconstruction plan in the context of a peace-making process. Later on, it was reformulated under US pressure, which induced a repressive approach to drug-trafficking and

a geopolitical military focus. During negotiations with the European Union, the Plan acquired new characteristics as the priority was placed on peace-making and social development aspects. Finally, the current American President renamed the Plan the 'Andean Regional Initiative' (*Iniciativa Regional Andina – IRA*), extended it to neighbouring countries and included socioeconomic cooperation programmes, some of which had already been planned as part of previous cooperation programmes.

Plan Colombia, the US and the Andean Regional Initiative

Plan Colombia, as President Pastrana and his advisors conceived it at the end of 1998, aimed at peace, development, the respect of human rights and strengthening of democracy, by emulating the Marshall Plan applied to Europe following World War II. In second place, the Plan included a law enforcement/military approach to fight the illegal drug trade. This proposal, valued at US\$7441 million (US\$3922 in national contributions and US\$3519 from international cooperation), laid out five strategies:

1. Support to sustainable production processes with the active participation of communities involved;
2. Promotion of human capital and attention to humanitarian issues;
3. Infrastructure for peace;
4. Development of institutions and strengthening of social capital;
5. Promotion of environmental sustainability.

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However, towards the end of 1999, this 'local' Plan was transformed under US pressure with respect to its strategy and components. The main focus of the new strategy was on law enforcement/military action against drug-trafficking. Most of the international cooperation funding now came from the US and went to military components: more than 75% of total funds. President Clinton's visit to Colombia in August 2000 was key in transforming the Plan, when he declared in Cartagena that he considered the Plan a national priority issue for the United States.

Following this, on President Clinton's initiative, the US Congress voted in July 2000 to support an assistance package for Plan Colombia that totaled nearly US\$1319 million for 2000-2001, in addition to the US\$300 million aid planned for the year. In this new package, US\$860 million was allocated to Colombia and the remaining US\$458.8 million split as follows: US\$170 million to neighboring countries (Bolivia, Peru, Ecuador and others), US\$116.5 million to police/military FOL (Forward Operating Locations) type bases in Manta, Aruba and Curaçao, US\$68 million to radar for customs services, US\$55.3 million to the secret intelligence programme of the Defense Department, and an additional US\$37 million to reconnaissance aircraft and other secret intelligence expenditures by the US Defense Department.³

The greater part of American assistance to the Plan was thus directed to the Departments of Caquetá and Putumayo in the South of Colombia, a coca-producing region with heavy guerrilla and paramilitary presence. Battalions of 900 men each, equipped with military helicopters – including up to 16 sophisticated UH-60 *Blackhawk* – reconnaissance and crop-fumigation planes, were formed.

In May 2001, the new Bush administration proposed the IRA and requested US\$882 million for the 2002 fiscal year budget. On 26 July 2001, the Senate Committee on Appropriations approved a total of US\$718 million. With respect to the administration's proposal, the cut basically affected the anti-drugs programme by reducing its budget from US\$731 to US\$567 million.

The Center for International Policy (CIP) in Washington highlighted how the Andean region

(Bolivia, Colombia, Ecuador and Peru) has turned into a nodal point for American foreign aid for security issues. The Plan Colombia package introduced US\$729 million in aid for the 2000-2001 period in addition to the US\$500 million planned for in the normal budget. This represents 90% of the assistance provided to military and police forces in the western hemisphere, and 50% of the training budget.

The idea dominating the US anti-drugs strategy is to impose prohibition in production areas through repressive means. This implies an element of American military intervention (military advisors, equipment, etc.) and covert intelligence operations by the CIA and DEA, combined with interventions on the part of the local armed forces.⁴

US action in the fight against drug-trafficking is not transparent. Anti-drug policies are clearly subordinated to American geopolitical interests. Plan Colombia and what is now called the IRA demonstrate how the US concern is to intervene in Andean countries in order to safeguard its own interests. This is expressed in documents supporting US policy and has been highlighted clearly by the former Secretary of State, Henry Kissinger, who stated that Colombia had become the "greatest threat challenging US international policy". The paramilitary and guerrillas could create a situation of ungovernability, and there was a fear that a radical Marxist government, supported by money from the drug trade, could take power.⁵

In Latin America, US anti-drug policy has been questioned from various angles:

- Crop eradication has affected producing farmers, but not the drug trafficking industry.
- Forced crop eradication has aggravated conflicts in producing areas and become a factor contributing to violence, given the enormous conceptual confusion that bars the distinction between producing farmers, guerrilla fighters and drug traffickers. The American 'bludgeoning' policy, designed at the time of the Cold War, does not consider market issues and the population's survival.
- So-called alternative development programmes have not worked.

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- Anti-drug policies have given cause for American interference in the internal affairs of countries in the region.

Nonetheless, the most overt questioning of this policy stems from evidence of the United States' curious relations with prominent individuals in Latin American government circles, who are linked to drug-trafficking. In the interests of American national security, the US government has turned a blind eye to, and is alleged to have been an accomplice in, drug-trafficking operations. The cases of General Noriega in Panama and of Carlos Salinas de Gortari, and his brother Raúl in Mexico, are notorious in this regard. In addition, the strange alliances established in Peru between the United States and Fujimori and his omnipotent advisor, Vladimiro Montesinos are now being exposed. In the view of the United States and its anti-drug agency, the DEA, Fujimori's Peru was an important ally in the war against the drug trade and in US operations associated with Plan Colombia. It was not without reason that the US presented Peru with official certificates of good conduct and the US drug Czar met with Vladimiro Montesinos in Peru on two occasions. Furthermore, the CIA allocated a million dollars monthly to an anti-drug unit in the Peruvian Intelligence Service. Up until a short time before President Fujimori's hasty flight to Japan, the political and military leadership that governed Peru was maintaining regular contacts with US intelligence services. There is now overwhelming proof of the overt relations that Montesinos and the military leadership maintained with leading drug traffickers, as well as their involvement in arms-trafficking to Colombia.

European Support Group for the Peace Process

Thanks to the Inter-American Development Bank (IDB) and the Spanish government, a meeting was held in Madrid in July 2000 to form a European Support Group for the Peace Process in Colombia. This initiative had first been proposed by a Donors' Group to support Plan Colombia, but several European countries (Belgium, Holland, Germany and France)

distanced themselves from the direction given to the Plan by the United States. At the Madrid meeting, the most significant European commitment came from Spain with US\$100 million. The Norwegian government allocated US\$20 million. Other loans were granted by multilateral organisations (US\$300 million from the IDB) and US\$70 million by Japan.⁶

In the European Union, divisions have appeared with respect to the US position on Plan Colombia. The most enthusiastic were Britain and Spain, backed by Javier Solana, the ex-Foreign Affairs Minister of Spain and currently Foreign Affairs representative of the European Union. Other European countries did not share his position. The European Union ended up explicitly distancing itself from the Plan in various resolutions, insisting on its intention not to support the Plan's military and repressive components, but rather its social aspects within the framework of the peace process.⁷ Europe has been particularly conscientious in demanding that human rights be respected and that civil society be given a greater role to play, as well as criticising the use of chemical herbicides and biological agents that affect human health and the environment.

The European Union has instead been creating favourable conditions for peace talks between armed groups, the government and civil society.⁸ At the third meeting of the Support Group, jointly organised by the European Commission and the Inter-American Development Bank, in Brussels, on 30 April 2001, the Commission committed 140 million Euros for the period 2000 to 2006, to cover aspects such as alleviation of the conflict's social impacts (displaced populations, children involved in armed struggle, alternative development, human rights and peace laboratories). A contribution of US\$90 million is expected from remaining European Union members, to be added to the US\$120 million already granted by Spain and Norway.

The Colombian government's discouragement with respect to European cooperation is noticeable. The Commission had initially talked about matching American assistance to social development programmes (US\$300 million), but did not. Three quarters of Spanish assistance took the form of

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refundable loans. The US\$18 million pledged by the German government had already been allocated but is now incorporated into Plan Colombia. Something similar occurred with the US\$70 million from Japan.

A proportion of the European assistance has been channeled through NGOs. The most important case is that of the Magdalena Medio programme, which is to receive US\$34 million (14 in its first stage, in November and 20 in two years) for a peace laboratory. This is a holistic approach that touches on various issues, is conceived regionally and where a diversity of public and private organisations converge, following transparency and joint-responsibility principles.

Notes

- 1 We wish to thank our colleagues Hugo Cabieses and Federico Negrón of the Peruvian Center for Social Studies (*Centro Peruano de Estudios Sociales – CEPES*) for their collaboration.
- 2 The Social Solidarity Network (*La Red de Solidaridad Social*), a state organisation, reported 529 killings by the paramilitary (*Autodefensas unidas de Colombia*) as opposed to 159 over the last period. The remainder is due to guerrilla action (FARC, ELN).
- 3 Figures from the US State Department and the Center for International Policy in Washington (CIP).
- 4 The United States follows a cooperation policy on alternative development policy, which, due to its small volume, cannot achieve the objectives set to encourage coca substitution. It has instead turned into an additional pressure mechanism on governments obviously interested in receiving policy resources.
- 5 Henry Kissinger, *Does America Need a Foreign Policy?* Simon & Shuster, 2001.
- 6 See the report 'Europa y el Plan Colombia' in *Drogas y Conflicto*, Basic Document N° 1, edited by the Transnational Institute of Amsterdam, April 2001.
- 7 A first resolution, approved by a large majority in the European Parliament on 1 February 2001, warns that "Plan Colombia contains aspects that go against cooperation strategy and projects to which Europe is committed, and puts its cooperation programs at risk." See also the communication of Foreign Relations Commissioner, C. Patten, to the European Commission on the issue of Colombia, 17 October 2000.
- 8 See European Parliament Resolution on Plan Colombia and peace talks of 1 February 2001.

Out of the Tower of Babel

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We are in need of a new common agenda as the starting point for improved coordination between the various cooperation agencies and NGOs, between northern and southern NGOs, and among southern NGOs. Although the official discourse insistently reiterates the importance of 'country coordination', 'North-South partnership' and 'Southern ownership', in the real world, activities are fragmented and dispersed, and relations between North and South are very asymmetrical.

The issue of fragmentation in the work of NGOs and international cooperation has emerged in several studies conducted in Peru. Despite the fact that they manage a significant percentage of international cooperation resources, national and international NGOs have been unable to produce a common agenda in the national and regional arenas. They are institutions that, as the Tower of Babel, speak many different languages in spite of facing the same challenge. Each institution wishes to see its stamp on results and obsesses over projects that have little to do with the agendas of the peoples and the regions on which they are imposed.

NGOs: the increasing weight of conditions

When foreign aid conditions were discussed in the 1970s, they usually referred mainly to adjustment programmes from multilateral financial organisations, or related to donor governments imposing aid, with commercial and political strings attached, on southern governments. More recently however, this policy of conditions has also become a frequent practice between public and private international cooperation

and southern NGOs, despite the proclaimed right to 'ownership' that official donors attribute to the South, and the discourse on South-North partnership laid out by northern NGOs and foundations.

A group of researchers who recently carried out a study on partnership pointed out that, even though the partnership model is officially considered an ideal that should rule North-South relations, in practice, the concept of partnership seems to be doing more harm than good in improving the system's credibility and results.² Another expert stressed that the notion of partnership had become a rhetorical one, empty of meaning.³

The type of conditions imposed on southern NGOs varies according to the cooperation agencies involved. In the case of official agencies, the tendency is to put projects out to tender by calling on southern NGOs to carry them out within certain parameters. Nowadays, the importance that agencies such as USAID have acquired in funding projects on food security, the fight against poverty, alternative development, health, etc. is highly significant. The margin left to NGOs to contribute strategies and formulate projects is therefore greatly reduced. Their fundamental role is that of a hiring office or contractor. A different and positive experience has been the case of the Peru-Canada Fund, which has become the second most important source of bilateral funding of Peruvian NGOs and has shown greater receptiveness to local organisations' ideas.

Conditions on the part of northern NGOs vary. The development agenda is increasingly defined in the North, around issues such as the environment, gender and democracy. Other conditions are added to these thematic impositions. They relate to project

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planning and monitoring and evaluation. The precept of accountability is now also being imposed. However, this accountability is curiously owed to the sources providing funds, instead of to the people to whom cooperation is supposedly directed ('the poor').

Unlike in the past, when there were attempts to establish a dialogue on agendas and forms of cooperation, decisions are now increasingly made in the North with the message to 'take it or leave it', implying a philosophy of 'he who pays the piper calls the tune'. It is true to say that not all northern NGOs act this way; there are some that hold horizontal conversations with their counterparts. The tendency, though, is increasingly to impose specific criteria.

In spite of years of sustained collaboration with southern NGOs, northern NGOs are reluctant to affirm confidence in their counterparts.⁴ In the 1970s and 1980s, attempts were made to create various forums for dialogue between northern NGOs (for example, NOVIB, CORDAID, Bread for the World) and their counterparts. These forums were based on joint responsibility. The original meaning of 'partnership' was understood as a code of conduct that reflected moral, political, ideological or spiritual solidarity between northern and southern institutions that shared a common concern for the cause of social change, and established the basis on which to define a single agenda and common action plans.⁵

Many of the forums were set aside later on, or turned into information clearing houses or project monitoring and execution databases. In previous times, agencies had more resources available to them to maintain regular conversations with their counterparts. Nowadays, due to rationalisation, NGO workers must cover a greater number of projects, produce numerous reports and deal with endless bureaucratic procedures. And to compound this situation, successive and often chronic reorganisations take place in northern NGOs. The quality of the dialogue is therefore diminished. A general view of social processes is disappearing and being replaced by a project-based rationale. The resulting agenda is thus increasingly changeable, as are the reasons for funding approval.

The anguish that institutional survival generates is the spectre that haunts NGO directors and distracts them from reflecting on fundamental issues.

Today, a new context of global networks and alliances on issues such as human rights (Amnesty International), fair trade, social spending (Social Watch), international cooperation (Reality of Aid), debt (Jubilee 2000), and NGO capacity building (International Forum for Capacity Building) has emerged. These forums seem to facilitate more horizontal dialogue in increasingly political perspectives. Nonetheless, a very small part of NGOs' human and financial resources go into network activities. It must also be noted that even networks such as Jubilee 2000 seem tinged by asymmetrical North-South relations. Demonstrations such as the one in Seattle are also basically northern. Northern and southern perspectives can be difficult to mesh. The North's analysis tends to emphasise the analysis of their countries' official policies, while the South's analysis focuses more on practices.

Limitations to dialogue are not only the result of different perspectives from North and South. They also have to do with the absence of common agendas, the institutionalisation of NGOs and their absorption into the international aid regime – aid industry. The anguish that institutional survival generates is the spectre that haunts NGO directors and distracts them from reflecting on fundamental issues.

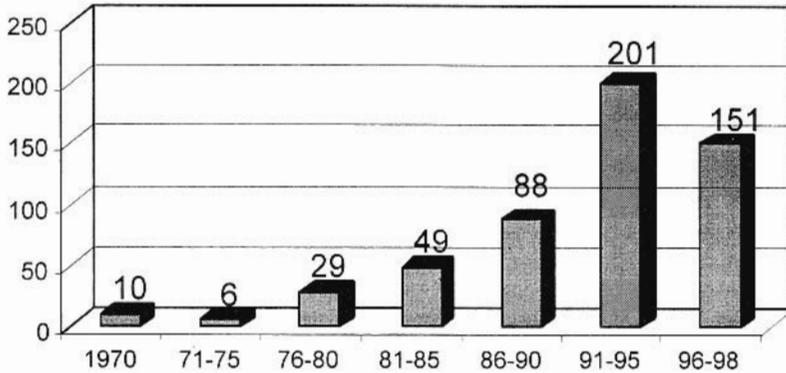
NGOs and Development Coordination in Peru

In recent years, Peru has been one of the countries with the highest concentration of grants from private international technical cooperation in Latin America. This coincides with a rapid growth of national and international NGOs. Today, more than 100 foreign private organisations operate in Peru and at least 500 national NGOs are relatively consolidated.

In spite of this, the absence of a method to determine the amount and origin of the funds the sector manages, as well as the characteristics of the projects conducted (considering variables such as

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**Graph 11. Peruvian NGO growth by foundation date
1970 - 1998**



Source: PACT *Directorio de ONGD 1999*. Lima: SECTI, 1998

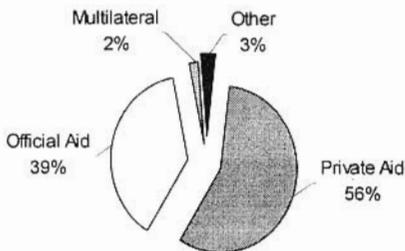
central themes, geographical location and actors involved), is becoming increasingly obvious. The information vacuum has come to constitute a significant obstacle in developing any capacity building strategy for NGOs as it hinders transparency and a more rational use of resources.

The Coordinating Body of Foreign International Cooperation Organisations (*Coordinadora de Entidades Extranjeras de Cooperación Internacional - COEECI*) commissioned a study in the late 1990s that, for the first time, systematically reported the

contributions of private international cooperation to Peru's development. This study compiled empirical information on the resources that international NGOs managed in Peru during the 1998-1999 period.⁶ It showed that almost 50% of the official technical cooperation resources Peru receives are channelled through foreign private international cooperation organisations. However, despite the fact that most of these resources are managed by a reduced number of agencies⁷ and that their use tends to be concentrated on certain central themes and in particular geographical areas, inter-institutional coordination remains very poor.

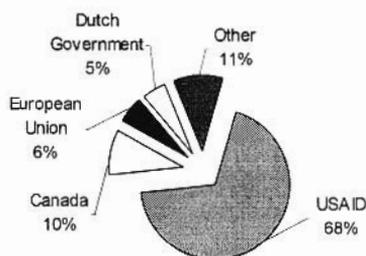
In the study *Coordinación Regional y Cooperación Internacional* (Coordinated Development and International Cooperation), sponsored by ALOP-IFCB, the picture was completed by including another dimension, that of national non-governmental development organisations. The study analysed the funding of a sample of 56 among the best-known NGOs in the country. It found that, not only did local NGOs manage resources from international NGOs (which had been included in the previous study), but that they also had access to other funding sources, and most importantly, that they received a growing volume of resources from official aid (including, first

**Graph 12. Type of aid received by
selected NGOs 1998-1999**



and foremost, USAID, Canadian Counterpart Fund and the European Union), as well as resources from foreign aid channeled through the Peruvian government.

Graph 13. Composition of Official Aid Received by Selected NGOs 1998-1999



NGOs and Regional Coordination

In our research, central attention was given to coordination mechanisms between NGOs at regional level. We tried to answer the following questions:

- What progress has been made and what limitations exist in the coordination of activities between the various national and international NGOs operating in the different departments in Peru?
- What are the achievements and limitations in consulting on and coordinating activities between NGOs and other bodies, such as the central government, local governments, official cooperation agencies and regional social actors?
- How integrated are NGOs' activities within the framework of common agendas and regional or sectoral development strategies?

To analyse the topic in the regions, we called on a team of consultants and on an institution to coordinate the study and the discussion in three departments of Peru: Cajamarca in the northern Highlands, Cusco in the southern Highlands and Piura on the northern Coast. The reports were debated among institutions in each department in order to produce proposals for the future. Finally, to discuss

the conclusions of the study and of the different forums, and to examine the challenges ahead, a national forum was organised involving consultants and NGOs from the three departments, representatives from regional movements, national NGOs, international cooperation agencies, and organisations specialising in NGO capacity building.

The regional studies on International Cooperation and Coordinated Regional Development conducted in Cajamarca, Cusco and Piura provided us with a perspective distinct from that derived from experiences in local coordination. In this case, the aim was to analyse the coordination linking the work of NGOs within a wider scope – departmental or regional – and to examine interrelations involving other actors (central government, international cooperation, private sector) around a regional development agenda and strategy.

A clear initial conclusion emerges from a general assessment of the study: curiously there have been interesting experiences of development coordination at the micro level but there is a clear lack of coordination at the intermediate regional level.

NGOs have taken part in several exercises of coordinated planning of local development with the participation of municipal authorities and representatives from government and local organisations. The experience of creating and putting into practice democratic mechanisms to enable people to take part in development planning and management, is a positive one.

Although there is unquestionable progress and potential in the coordination process of local development, being aware of *limitations* is also important:

- Inter-institutional coordination functions well, up to the formulation of development plans. Obtaining resources, however, has proven more problematic due to the fact that ad hoc collective funds are rarely available. Each institution disposes of resources for particular projects and wants to emphasise the stamp of its institution.
- It would be pertinent to reflect on exactly where the functions and means of NGOs, regional and

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local governments and coordination agencies end, and where the role and responsibilities of the state begin. Certain tasks cannot be taken on by only one or the other. In some cases, NGOs, in alliance with social organisations and local governments, have overestimated their possibilities of reaching important development targets because the dimension of the task was not considered. Indeed, some sizeable tasks are incumbent on central government and citizens have the right to demand that it carry them out.

- At present, coordinated development plans at district level respond basically to a survival strategy. In other words, they concentrate on dealing with the basic needs of the population. They have the advantage of stemming from people's concrete interests, but also the limitation of integrating those needs only partially into a strategic understanding of development. More thought goes into specific projects than into creating economic networks and regional markets. The absence of a strategy for regional competitiveness is evident.
- There is an obvious need to move toward the formulation of regional development plans. Development projections are confined to the local sphere; there are no clear coordinated links with the broader regional arena. A regional view of development would allow: planning of infrastructure projects and key investment programmes; design of regional proposals to face the severe problem of youth unemployment; and a clearer perspective on the demands regions can make to central government.

At a time when the flow of international cooperation is being increasingly restricted, a certain degree of irrationality and lack of coordination in resource management is becoming apparent, due to the absence of a common agenda, of information on ongoing projects and of adequate exchange and coordination mechanisms. NGOs and international cooperation agencies structure their projects according

to specific institutional criteria without placing them within the framework of a regional development strategy. This situation is exacerbated by the acute centralism in Peru. This results in a significant number of international cooperation projects being managed from the capital, and in very limited opportunities to make autonomous decisions and develop adequate coordination at the regional level.

Among the most severe limitations on the work of NGOs and international technical cooperation are:

- The lack of adequate information on the funding provided through international cooperation to government agencies as well as national and international NGOs. This coincides with the absence of information on projected investments and public spending in the regions. Neither the central government, nor regional governments, nor NGO coordinating bodies can give precise information on development projects currently underway. Equally surprising is the fact that the volume of resources that NGOs manage is much larger than that estimated. This obliges NGOs to be aware of the big responsibility they have to assume.
- This shortage of information demonstrates a transparency problem in resource management on the part of both the state and NGOs. The accountability process ends up as a mere obligation to turn over the books to donors instead of accounting publicly to the population at whom development projects are aimed. It was, however, interesting to observe how, after an initial refusal to make their information public for the study, many NGOs decided to cooperate and considered having a complete outline of ongoing projects very positive. Fortunately, attitudes in the public sector have also changed since the fall of the authoritarian Fujimori regime.
- Another limitation on the performance of NGOs is the fact that their initiatives result mostly in isolated projects conceived from an institutional,

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sectoral or local rationale, instead of in the framework of regional development strategies.

- Certain transitional regional governments have designed regional development plans. But, given that they had neither autonomy nor real authority, and were not able to take decisions on public spending in their regions, or keep track of it, these plans ended up as no more than office documents. Even in the case of Piura, where there are broad arenas for discussing regional development strategies – such as the Regional Initiative (Iniciativa Regional), Regional Proposal (Propuesta Regional) and Piura 2010 – that allow substantial conversations among multiple regional actors, such as public agencies, universities, unions and professional associations, NGOs, etc., the plans drawn up did not turn into a central reference to guide the action of institutions and their projects.
- There have been interesting regional coordination experiences in sectors that deserve being consolidated. Such is the case of the coordination exercised by *Coincide* (Cusco NGO network) in the fields of health and coordinated local development, as well as that of Piura 2010 in the field of rural development.

A fundamental challenge is that of promoting the coordination of the local consultation and coordination groups existing in Peru, and then trying to link consultation groups at district level in provincial arenas, in order to move toward a process of departmental and regional integration. The constitution of *Red Perú*, a forum composed of about 50 local development consultation groups and formed for the same purpose, is a positive sign.

Political perspectives and proposals for future NGO initiatives on development coordination

In spite of the complexities of the Peruvian political process, the fall of the Fujimori regime has opened the way to increasingly integrated work between NGOs

and the state and for the decentralised coordination of regional development strategies.

- The main political forces in place have expressed their intention of going ahead with the decentralisation process and reinstating regional and local governments' responsibilities and autonomy.
- There has been progress in terms of more transparent and less political management of social programmes, which had constituted a source of political favoritism and vote-buying.
- In clear contrast with the previous regime, the Peruvian government has committed itself to transparency and has enacted a law that compels all government agencies to present regular and complete reports on public finances to the citizens of Peru.
- Different dialogue and coordination mechanisms have been established between government and civil society on issues such as the struggle against poverty, rural development, drug eradication, education, etc.

The above scenario opens up a range of possibilities for the development of coordination arenas at regional and national levels, as well as for NGOs to have greater influence. But it also sets out the need for more collective and coordinated actions on the part of NGOs. Future NGO strategies need to consider the following:

- It is essential to go beyond the current fragmented work style based on a rationale of isolated projects disconnected from a collective regional development strategy. The capacity of NGOs to coordinate among themselves and integrate into a broader social fabric must be strengthened. The regional arena and the development of regional agendas (in coordination with the various social actors) must become an important reference and starting point for capacity-building plans. The

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impact of NGOs cannot be measured solely through successful but isolated projects, but must rather be considered according to its contribution to regional development and the building of local democratic institutions.

- A major obstacle to increasingly coordinated work comes from the growing number of conditions imposed by funding agencies and northern NGOs, who define their policies, priorities, and intervention methodologies in their own countries, thus turning southern development organisations into 'clients.' This occurs despite the proclaimed ownership right that official donors⁸ attribute to the South, and the discourse on South-North 'partnership' set out by northern NGOs and foundations.
- Agencies working in the same country or in the same geographic area should jointly promote meetings with local social actors, in order to determine, in the field, how viable proposals are, what is the population's perspective and what constitutes the most rational and coordinated use of resources.
- Transparency in managing international cooperation resources is important. The concept of accountability must be restated so that it will no longer be understood as the mere obligation to report expenses and activities to funding sources. NGOs must subscribe to a code of ethics and transparency by committing to make balance sheets and activity reports public. The Internet could become an instrument to facilitate access to such information.

There is an urgent need for open dialogue between northern and southern NGOs on the issue of how to build true partnerships.

Notes

- 1 Researcher with the Peruvian Center for Social Studies (CEPES) and coordinator of ALOP's Working Group on International Cooperation
- 2 *Questioning Partnership, The Reality of AID and NGO Relations*, East Anglia, IDS Bulletin, Vol. 1 Nr. 3, July 2000. See introduction by Alan Fowler.
- 3 K. Malhotra 'Something Nothing: words, lessons in partnership from southern experience,' in L. Hately and K. Malhotra, *Between Rhetoric and Reality: Essays in Partnership on Development*. Ottawa: North South Institute. 1997, pp. 33-56.
- 4 A study resulting from a series of interviews with British NGO Directors displayed the prejudices existing regarding the issue. A. Bebbington and R. Ridell, *Donors, Civil Society and Southern NGOs: New Agendas and old problems*. London: IEd/ODA, 1995. See also: Firoze Manji, 'Collaboration with the South: agents of aid or solidarity', in *Development, NGOs and Civil Society*. Oxford: Oxfam, 2000.
- 5 See introduction by Alan Fowler in the aforementioned publication, *Questioning Partnerships*.
- 6 Mariano Valderrama, Federico Negrón and Mario Picón: *La contribución de la cooperación privada al desarrollo* (The Contribution of Private Aid to Development). Lima: COEECI, 2000. In 1999 foreign NGOs managed 154 million dollars
- 7 Among the hundred or so private cooperation organisations represented in Peru, ten of the largest ones monopolise 65% of available resources.
- 8 The new development paradigm proclaimed by donor countries in the OECD-DAC document 'Shaping the 21st Century' (*Moheando el Siglo XXI*), Paris, 1996) affirms the right of Southern countries to play a leading role in development and have ownership of cooperation programmes.

Partnership questioned: NGOs and external conditionality

ALOP¹

As the issue of the conditionality attached to foreign aid is the main focus of the *Reality of Aid 2002* report, it was considered that the sphere of the analysis should not be limited to official bilateral and multilateral aid, but should also include private aid, especially since the report is produced by NGOs at a time when the conditionality imposed on them is tending to increase.

The issue of the conditionality that Latin American NGOs face has been addressed in a first study conducted by ALOP. Our study showed that the types of conditions imposed on NGOs vary according to the diversity of national contexts and funding sources (there are differences between official and private aid, as well as between the various agencies), and also reflect the variations in the negotiating capabilities of NGOs. However, beyond the diverse reality of the different institutions and countries, we were able to identify common trends.

The work of Latin American NGOs has not only been affected by variations in aid volumes, but also by changes in the criteria used to approve projects and in the style of relations with northern funding agencies. Short-term projects now predominate and an erratic definition of agendas and priorities, regarding both concentration in countries and issues, has emerged. All this threatens the institutional development of NGOs, as they consider the medium term and sustainability. As was pointed out in an OECD study², NGOs across the world have been experiencing financial insecurity such that it would have bankrupted any business. Furthermore, the long and inefficient

processes that lead to project approval are based on conceptions that are out of step with the times and jeopardise professionalism and notions of sustainable development.

The financial crisis is not exclusively or necessarily linked to a reduction in institutional resources year after year, but rather to a funding system based on short-term and highly 'volatile' resources. Funds come from a diversity of sources, address a variety of issues and come with diverse conditionality. This has led to dispersion, which has produced a loss of focus in the work of the institutions and created uncertainty, making any attempt at medium-term institutional planning difficult, and forcing institutions to exhaust themselves in sustained efforts to continuously seek new funding sources.

The new criteria and requirements are: emphasis on quantifiable results rather than objectives, greater control on resources, the tendency to fund specific projects, and the disappearance of the concept of *programmes* and the return of that of *contracts* in carrying out projects. It has turned northern NGOs into something similar to 'bank tellers' distributing funds to projects. The situation has worsened with the generalised tendency to cut jobs for budgetary reasons. Northern NGO employees now concentrate more on administrative tasks and have less and less time for dialogue and monitoring activities in the field.

In view of all this, what has happened to the dialogue between northern and southern NGOs? The answer yields a loss in terms of quality. Notions such as 'solidarity' and 'partnership' have been diluted.

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Relations are increasingly shaped after criteria and conditionality imposed by the North. International solidarity has therefore lost its motivating impulse and been replaced by new ideologies, such as, for example – and maybe the most significant – the ideology of short-term success and pragmatism dominated by the concept of short-term criteria and projects, in lieu of programme and development approaches. The criteria used to assess project efficiency and impact did need to be adjusted and revised, but this did not necessarily imply discarding an egalitarian view of cooperation between partners in the North and South. And another question must also be asked: why is this reductionism to numbers and quantities appearing when, given the diversity of local contexts and cultures in the world, it should be necessary to insist precisely on 'setting up specific arenas', as the work flag and comparative advantage of NGOs?

In order to deepen our study on the issue of partnership and conditionality for funding Latin American NGOs, we carried out an empirical study on the changing relations between northern foundations, NGOs and agencies on one hand, and Latin American NGOs on the other. This was done by examining the degree of symmetry or asymmetry of relations, and which criteria predominate in the orientation of programmes and projects. In addition to reviewing the general literature on the issue, case studies were conducted in four countries: Brazil, Guatemala, Nicaragua and Peru. These countries were selected considering that the flow of foreign aid to their NGOs has been significant for some time now, and that a complex set of ties has been established between entities in the North and the South. A series of interviews with the directors of representative NGOs was conducted and forums were held in each to discuss results and propose alternatives.

The same questionnaire was used in all the interviews and touched on the following aspects:

- Evolution and diversification of funding sources.
- Changes in relations between Latin American NGOs and their counterparts in the North.
- Aspects in which major conditionality from northern funding organisations is expressed.
- Issues for which northern funding agencies provide greater resources.
- Issues considered priorities by Latin American NGOs, but for which it is difficult to obtain foreign aid.
- Comparison of the flexibility toward Latin American NGOs on the part of the various funding sources.
- Evaluation of the dialogue between southern NGOs and northern NGOs and cooperation agencies.
- Suggestions to improve the quality of the South-North dialogue.

Imposing a new global agenda

The relations between North and South have substantially changed since the fall of the Berlin Wall, the collapse of the socialist bloc and the peak in neo-liberalism. The North tends to impose a single global agenda that defines cooperation policy and imposes its criteria as conditionality. The reduction of global foreign aid volumes has brought on greater competitiveness and greater demands when resources are allocated.

The increasing importance of public subsidies from northern governments, first to NGOs in their countries, and then to southern NGOs, stems from the more stringent imposition of an official agenda. Michael Edwards and David Hulme exposed this on summarising the discussions held at the Second International NGO Conference in Manchester.³

The report from Brazil revealed how the hegemony of neo-liberal thinking and the questioning of the efficiency of international cooperation in eradicating poverty have provoked defensive reactions among northern NGOs. Their weakness in maintaining their own conception within the perspective of development was displayed as they frequently adopted the viewpoint of the World Bank and other official agencies. As a result, they took on projects of a more social-assistance nature, or spearheaded massive humanitarian aid programmes in situations of social emergency, in order to obtain funding. In that sense, an instrumental rationale has been consolidating itself in the North regarding the fight against poverty, in contrast with the structural view that NGOs in Latin America had been proposing.

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A step backward has taken place in the case of the European NGOs that had been working with NGOs in Latin America since the 1960s and 1970s with a view to fundamentally changing our societies. For instance, the report from Guatemala points out that, although European NGOs are closest to Guatemalan NGOs and that there is still plenty of agreement in their perspectives, European agencies have changed significantly and now place too much emphasis on quantitative aspects, thematic and instrumental requirements, and imposed ways of coordinating and performing. Some consider that these changes are due to the policy dictates of European governments, to which the NGOs offer little or no resistance, or to the replacement of their most senior personnel. The reference to generational changes has emerged in various countries. The more politically inclined senior professionals, who shared and supported the historical struggles for liberation of the peoples of their counterparts, have generally been replaced by a new generation of officials, who feel more responsibility toward the administrative authorities of their countries than toward project beneficiaries. They are also more influenced by the new instrumental aspect of development. A positive aspect of this change worth mentioning has been the importance of writing project proposals that are better thought out and have clearer impact indicators.

One of the main changes in the focus of cooperation relates to the fact that activities are programmed exclusively on the basis of projects, while losing sight of the process and development perspective.

In what fields is conditionality imposed most clearly by northern NGOs and agencies on southern NGOs? The results of this study were that conditionality is mostly imposed in three areas:

- i) agendas and priority issues;
- ii) location focus;
- iii) programming, monitoring and evaluation and accountability systems.

The first form of conditionality regards the definition of an agenda that prioritises certain issues and leaves out others. Moreover, not only are certain issues imposed – such as gender equality and

environmental protection – but also the manner in which they must be addressed, which corresponds to notions of these issues developed in the North.

In some cases, this is summed up by the fact that NGOs see themselves forced to accept activities according to themes and with criteria imposed from outside. But such conditionality is also empty at times, as shown in the report from Guatemala: priority issues are *included* in every activity but not really integrated.

Many southern NGO directors expressed the opinion that one of the areas in which northern NGOs impose conditionality more forcefully is in requirements of a formal nature: forms; planning; monitoring and evaluation – PME – systems; accountability; indicators; etc. In Guatemala, the Programming-Monitoring-Evaluation system induced from the North has proven to contribute positively to sorting out project management. The problem is that it has been imposed as a universal model and the only planning tool. The logframe does not adequately contemplate what the project means to the community. There is the added inconvenience that the planning system offers little flexibility in adapting it to specific contexts, which often change.

There is a problem with the particular criteria that each northern agency uses for NGOs to account for their work, which means that southern NGOs, working with various cooperation sources, are forced to dedicate large amounts of resources – such as time and personnel that no one pays for – to preparing reports in accordance with the requirements of each agency.

Priority and non-priority issues in the North

From the perspective of Guatemalan NGOs, priority issues for *northern* agencies are gender, the environment, local government and democracy. A very similar perception exists in Nicaragua, where priority issues for northern agencies are considered to be gender, the environment and local government, as well as local development, civic participation and community health. In the case of Brazil, priorities such as gender, the environment also come up and others,

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such as income generation, micro finances, ethnic groups, children and youth have also been integrated. Northern and southern NGOs often have different understanding of such 'priority' issues.

Among the issues for which obtaining funding from the North is most difficult, there was consensus among the four countries regarding the limited disposition to contribute to strengthening institutionally Latin American NGOs through equipment and wages. The directors of the Guatemalan NGOs stated that the demands for efficiency made by northern agencies were somewhat contradictory, since they resisted allocating resources that would guarantee the hiring of highly qualified professionals. Another complaint emerging in many countries was that, although innovative projects are promoted in the North, there is little disposition to fund the initial expenditures required to establish them. In the various countries, it was pointed out that there has been a reduction in the area of training popular organisations and supporting unions and social movements. There was broad agreement among Latin American NGO directors on the growing reduction of resources allotted to studies and knowledge production.

North-South Dialogue

On experiences of dialogue between northern and southern NGOs, the report from Guatemala estimated that there was no knowledge of truly democratic exchanges. The efforts of some donor agencies with their counterparts – as in the case of IBIS, which holds meetings four times a year with its counterparts to discuss and jointly design strategies for the following exercise – are known; as are those made by Bread for the World, EZE, ICCO and Dan ChurchAid, with the limitation that only their counterparts are invited.

Starting in 1994 in Brazil, a very ambitious programme of linkage and dialogue (*Programa de Articulação y Diálogo – PAD*) was launched among European ecumenical agencies and Brazilian counterparts (NGOs and others). The following northern NGOs have taken part in the programme: the Norwegian International Agency, Bröt für die Welt (Bread for the World), Christian Aid, EZE, ICCO and Solidaridad. The objective of this programme has

been to contribute to the establishment of a new cooperation pact. It has also aimed to develop a systematic dialogue and launch common coordinated actions, having adopted the human rights question (economic and social) and the institutional and organisational development of Brazilian NGOs as core themes of their work at this stage. Nonetheless, it seems as though the ecumenical linkage process has become politically empty in recent years.

The opinion of the chair of the Peruvian NGO, DESCO, reflects very well the feeling of the majority of directors of Peruvian NGOs on the issue of North-South dialogue platforms:

"Strictly speaking, there are no significant arenas for exchange or actual opportunities to build shared agendas. Of course, specific northern NGOs have their own platforms of counterpart and local partners, but the reasoning here is mostly functional, given that influence on dialogue is quite limited, and that the dialogue is restricted to aspects of interest to the parties involved. Some counterpart platforms have become exchange arenas in name only and have lost their meaning and basic capacity. It should be pointed out that local NGOs are partly responsible for this situation, lacking, as they are, the most minimally significant arenas to coordinate and link – i.e. representation. Their capacity to exercise pressure and generate proposals is therefore lost in the bilateral relations that each individual institution may develop."

There were references to the functioning of various Counterpart Platforms: Misereor, NOVIB, Bread for the World, the EZE Counterpart Arena and the Counterpart Forum of the German Agro Action. In general, none of these has moved beyond exchanging information on specific issues and isolated experiences. Today, the dialogue refers mostly to expenditures, projects and specific issues. There exists a clientele-type relation and the work done overlaps that of NGO networks. The platform model is thought to be coming to an end, not only because of a change in conceptions (from solidarity to technocracy), but also because its clientele structure has constituted an obstacle to its work.

Dialogue forums and opportunities are slanted according to the moment and, in general, depend on

northern NGO initiatives. NGOs show significant weakness in their difficulty to collectively address this challenge, which has generally ended up being resolved bilaterally: each southern NGO with its northern counterpart. NGO networks have promoted consultation and coordination on specific issues, instead of a national agenda. This has coincided with the depoliticising process of NGOs.

The different country reports show that the new agendas and alliances that call on northern and southern NGOs in a global world are positively valued. The formation of the International Oxfam Network (which brings together the various Oxfams from the UK, the US and Canada, Novib and Intermón) has demonstrated the search for a dialogue with southern NGOs from a more substantial political perspective, relating to the process and not only to projects. The Social Forum of Porto Alegre and initiatives such as Social Watch further open up possibilities for a more political dialogue.

Facing the challenge to build a new consensus

Among the Latin American NGO directors interviewed, a consensus emerged on the need to achieve better levels of coordination among local NGOs, move forward in the formulation of a common agenda and launch a negotiating work group.

The study also compiled the following challenges to be faced in the near future, according to the consensual view of the interviewees:

- Concerted action on the part of southern NGOs sharing a strategic vision to build their own agenda.
- Shared agenda of northern and southern NGOs on the issues of democracy, civil rights and citizenship, human rights and decentralisation, to develop alliances and carry out campaigns.
- Institutionalisation of an ongoing dialogue group between northern and local NGOs.
- Important role of networks both national, such as ABONG, regional, such as ALOP and international, such as the International Forum for Capacity.

It must be clarified that, if the dialogue between North and South is to be fruitful, it cannot be confined to technical and operational aspects; it requires giving back consideration to concepts such as 'trust' and 'solidarity', and generating new views on development and international cooperation. Michael Edwards and David Hulme, drawing on the conclusions of the Second International NGO Conference, insisted that

*"Northern NGOs must define their role and responsibilities with more clarity and seriousness in the future. This involves going beyond modernisation in terms of strategic planning, management, monitoring and evaluation. It also implies establishing a substantive and horizontal dialogue with their counterparts in the South."*⁴

Notes

- 1 This chapter refers to a collective study conducted by Renata Villas-Bóas in Brazil, Carlos Benavente in Nicaragua, María Falla and Oscar Azmitia in Guatemala, and by Eduardo Ballón and Mariano Valderrama in Peru. Mariano Valderrama was in charge of the general coordination of the study.
- 2 Ian Smillie and Henny Helmich: *Non Governmental Organizations and Governments*. Paris: OECD, 1993.
- 3 *NGO Performance and Accountability*. London, Earthscan and Kumarian Press, 1996.
- 4 *NGO Performance and Accountability*, London. Earthscan and Kumarian Press, 1996.