REPORT FROM THE COMMISSION

on the implementation of Council Regulation (EC) No 443/97 of 3 March 1997 on operations to aid uprooted people in Asian and Latin American developing countries

Consolidated report for 1997-1999
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REPORT FROM THE COMMISSION

Introduction: refugees, displaced persons and returnees worldwide

This report has been drawn up in fulfilment of Article 12 of Council Regulation (EC) No 443/97 of 3 March 1997 on operations to aid uprooted people in Asian and Latin American developing countries.1 In view of its late drafting, it covers activities planned and implemented throughout the period covered by the Regulation, namely 1997-99.

According to the latest estimates by the United Nations High Commission for Refugees (UNHCR),2 there were 21.5 million uprooted people3 (refugees, returnees, displaced persons) in the world at the start of 1999, 5.5 million of them Asia. In Latin America, the same estimates suggest that political change and aid have reduced the numbers to no more than 100 000.

From 19844 to 1997 the Commission used an ad hoc budget heading with no legal basis to launch and fund projects for these people. Throughout those years the Commission drew up and published regular implementation reports.

Regulation (EC) No 443/97 entered into force on 3 March 1997. While allowing some flexibility, it defines the objectives of aid to uprooted people and distinguishes it from both humanitarian aid and rehabilitation and development aid. The development programmes financed take place before any real social policy or economic stability is possible.

The Regulation has enabled measures to be financed at every stage of the displacement process: aid to refugees or internally displaced persons, aid before or during repatriation and aid for the social and economic reintegration of returnees.

It has addressed the needs of people uprooted for a variety of reasons, be it prolonged internal conflict or the political and economic marginalisation of certain groups or minorities. In some places, the two situations exist side by side.

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1 Council Regulation (EC) No 443/97 of 3 March 1997 on operations to aid uprooted people in Asian and Latin American developing countries - OJ No 68, 8.3.1997, pp.1-4 – Art. 12 of Regulation n° 443/97: "After each budget year, the Commission shall submit to an annual report to the European Parliament and to the Council, summarising the operations financed in the course of that year and evaluating the implementation of this Regulation over that period. The summary shall in particular provide information about those with whom contracts have been concluded. The report shall also summarise any independent evaluations of specific operations."

2 UNHCR-Global Appeal 2000, December 1999

3 The Convention relating to the Status of Refugees of 28 July 1951 defines a refugee as any person who,"owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership in a particular social group, or political opinion, is outside the country of his nationality, and is unable to or, owing to such fear, is unwilling to avail himself of the protection of that country.” The term “displaced persons” refers to persons who, like refugees, flee their place of origin, but, unlike refugees, remain inside their country. A returnee is any person returning to his or her country of origin. For the purposes of this report, returnees are former exiles (who left for the reasons cited above). The year in which the European Parliament prompted the creation of the budget heading ”Aid towards self-sufficiency for refugees and displaced persons” in Asian and Latin American developing countries.
The circumstances that uprooted people in Asia and Latin America during the period in question are complex. In Asia they have mainly been the consequence of civil wars rooted in political or ethnic cleavages (Afghanistan, Burma, Cambodia, Sri Lanka). In Latin America too they are the result of protracted civil war.

There are various situations in which uprooted people need international aid:

i) refugees remaining in the country of first asylum;

ii) internally displaced persons having to cope away from their village and region of origin;

iii) returnees from abroad or other parts of the country;

iv) demobilised soldiers or fighters;

v) in Asia, people living in the vicinity of refugee camps in the country of first asylum, whose economic situation cannot be consistently worse than that of the refugees living among them;

vi) people still in their place of origin who need aid to survive if they are not to increase the numbers of refugees.

Since the operations financed take an average of two years, the implementation report covers some projects first financed before the reporting period, while others decided during the reporting period will largely be implemented in the years ahead.
1. THE REFUGEE ISSUE IN ASIA AND LATIN AMERICA

1.1. Overview of the situation in Asia

1.1.1. Afghanistan

There appears to be no immediate prospect of a solution to the political crisis that has beset Afghanistan since 1978.

Afghans remain the world's largest refugee group. Official UNHCR estimates suggest that there are still 1.2 million refugees in Pakistan and 1.4 million in Iran. A further 343,000 internally displaced persons or returnees are still reckoned to need external aid. Births and continuing migration mean that the real figures are likely to be much higher.

In 1999 the UNHCR oversaw the voluntary return of about 90,000 Afghans from Pakistan and 6,000 from Iran. A similar number returned with the help of Afghanistan's embassy in Teheran or the Iranian-backed Hezb e Wahadat, the country's main Shi'ite political party.

Though there is no official record of new arrivals (asylum seekers or economic migrants) or the numbers of Afghans born in Pakistan and Iran, the latter figure probably exceeds 150,000 a year. The most recent repatriation operation took place in the Taliban-controlled southern and eastern provinces, which are relatively calm. People have been far less keen to return to the northern, western and central provinces, where fighting continues.

Recession in Pakistan and Iran has also encouraged refugees to return to Afghanistan. Without a comprehensive political settlement to the conflict or a reconstruction programme, however, there is little scope for increasing the rate of return. Moreover, continued fighting is maintaining a steady flow of internally displaced persons away from the frontline.

1.1.2. Afghanistan/Pakistan

Pakistan, which has signed neither the 1951 Convention on refugees nor the 1967 Protocol thereto, has pursued its generous asylum policy for Afghan refugees (most of them Pathans), granting them freedom of movement and access to employment. The influx of the early 1980s was followed by another wave of Afghan refugees after the Taliban took Kabul in 1996. The fall of Mazar-I-Sharif in 1998 brought more refugees, most of them from ethnic minorities. A summer offensive by the Taliban saw this trend continue in 1999. Pakistan's new military government appears to have a similar attitude to the refugees. Yet the refugees are increasingly being blamed for the country's economic crisis and worsening economic and social conditions.

1.1.3. Afghanistan/Iran

The number of Afghan refugees in the Islamic Republic of Iran (most of them Tajiks and Hazars) has fallen from between 4.5 and 5 million at the height of the crisis in their country to 1.4 million today. Only a small proportion live in camps, the great majority having been integrated into local communities. Similarly, they have enjoyed access to Iran's public and social services for the past twenty years. However, the climate is increasingly in favour of the return of Afghan refugees. Iran and the UNHCR signed an agreement to facilitate the voluntary repatriation of Afghan refugees in February 1999.
1.1.4. Bangladesh/Myanmar

In 1991 and 1992 discrimination caused more than 250 000 Muslims to flee Rakhine State in northern Myanmar (Burma) for Bangladesh. Though most have now returned, about 22 500 continue to live under UNHCR protection in the two remaining camps pending a settlement. Myanmar halted the repatriation operation in August 1997. The process resumed on a very limited scale in November 1998. According to the UNHCR, only 600 people returned to Myanmar between November 1998 and September 1999.

The position of the returnees remains highly precarious because they are stateless and have no travel permits. They therefore remain in need of resettlement support and international protection.

1.1.5. Thailand/Myanmar

Most of the minorities living along Myanmar's frontier with Thailand have been in open rebellion against the military regime for years. In June 1998 the Thai government formally asked the UNHCR to help it cope with Karen and Karenni refugees from human rights abuses in Myanmar. These refugees were sheltering in camps along the frontier, which made them vulnerable to incursions by the Burmese armed forces. At the end of 1999 there were about 107 000 refugees in Thailand.

1.1.6. Bhutan/Nepal

It is unlikely that the 95 600 people living in camps in Nepal will be able to return home in the foreseeable future. This refugee problem dates back to 1990, when the Bhutanese authorities' announcement of a national integration policy scared citizens of Nepalese origin into fleeing southern Bhutan.

Despite several rounds of talks, the governments of Bhutan and Nepal have yet to reach an agreement permitting the refugees to return. The main sticking-point is checking that the refugees are actually Bhutanese nationals, there being no common frontier between the two countries and strong demographic pressure from their neighbours. However, recent progress offers some hope for a settlement in the near future. The refugees in the Jhapa and Morang districts of eastern Nepal remain dependent on international aid.

1.1.7. Sri Lanka

The war waged by the Sri Lankan authorities and the separatist Liberation Tigers of Tamil Eelam (LTTE) in the north of the island has claimed over 55 000 lives since 1983. The destruction has been such that thousands of Tamils have sought refuge in India or other parts of the island. The UNHCR reckons that there are about 800 000 internally displaced persons in Sri Lanka's northern provinces.

At the same time about 140 000 displaced persons have returned to Jaffna, while others have made their way to the southern regions of Vavuniya and Mannar. The violence has also caused repeated population movements in the Vanni region and further departures for India. Since March 1999 another 20 000 people have been displaced.
1.1.8. Indonesia

Between voting for independence in August 1999's referendum and gaining that independence, over three-quarters of East Timor's people were displaced and over 70% of housing and public buildings destroyed. About 200 000 people have been expelled from East Timor and other regions of Indonesia. Half a million more reportedly fled to the mountains.

1.1.9. Cambodia

In the 1970s thousands of Cambodians fled the large-scale human rights violations of the Pol Pot regime for Thailand. Renewed fighting between government forces and the Kampuchean National Army (Khmer Rouge) in July 1997 displaced many and drove thousands of others over the Thai border.

Following the formation of a coalition between the government and the opposition in late 1998, the voluntary repatriation from Thailand of about 37 000 Cambodian refugees picked up speed, being completed in April 1999. The camps along the Thai border were then closed down. There remains, however, the problem of demobilising soldiers.

1.2. Overview of the situation in Latin America

1.2.1. Guatemala

Since the peace accords signed on 29 December 1996 put an end to a 36-year civil war, which left 100 000 dead, 30 000 "disappeared" and almost a million internally displaced persons or refugees, the process of resettling the uprooted and demobilised fighters has generated considerable needs.

1.2.2. Mexico

Recent years have seen steady progress towards a positive outcome for uprooted people in Mexico. The signing of peace agreements in Guatemala and a political will to integrate Guatemalan refugees wishing to remain in Mexico (a measure decreed by President Zedillo) brought the repatriation process to a close in July 1999 and ended Guatemalans' exile in Mexico.

Over 40 000 refugees returned to Guatemala, while 23 000 others opted for integration into Mexican society.⁵

In Chiapas the awkward political situation and the government's sensitivity about foreign interference have led the Commission to keep a low profile while continuing programmes to generate economic inputs and prepare Guatemalan refugees for return. Help for Mexicans displaced by the Zapatista conflict has been confined to strictly humanitarian assistance.

1.2.3. Nicaragua

Nicaragua is both the country where the conflict has been settled longest and that where spending under this budget heading has been highest (in 1997 and 1998).

⁵ About 2300 in the State of Quintana Roo, 9200 in Campeche and 12 400 in Chiapas. Note that over half are children born on Mexican soil and therefore entitled to choose Mexican nationality on reaching their majority.
Activities have been concentrated in the north of the country, once the theatre of the war, where aid and assistance for self-sufficiency have laid the foundations for reconciliation and rehabilitation.\(^6\)

Ten years after the signing of the peace agreements and two peaceful changes of government, Nicaragua is well on the way to political normalisation. The fact that some small armed groups remain accounts for the special attention given to the country.

1.2.4. *El Salvador*

The long process of national reconciliation and democratisation undertaken since January 1992’s peace agreements has been consolidated in recent years.

However, the definitive integration of displaced groups in the country has been impeded by the slow registration of land ownership, the difficulties of transferring social and production infrastructure from *asentamientos humanos* (human settlements) in Morazan and Chalatenango departments, and farm debt. These problems account for the projects financed under the Regulation for uprooted peoples.

1.2.5. *Honduras*

In 1992 the International Court of Justice in The Hague ruled in Honduras's favour in the "Bolsons" frontier dispute with El Salvador, confirming its sovereignty over the area.

The disputed area, which was a war zone in the Salvadorean conflict, now shelters some 4000 people of Salvadorean origin and former combatants of the FMLN. The Commission set up a project in 1994 to promote self-reliance and smooth the institutional transition.

In 1998 this initial project had to be supplemented by support for production, industrial development and the improvement of basic infrastructure, with due consideration for the area's very fragile environment.

2. IMPLEMENTATION OF AID FOR THE UPROOTED

2.1. Guidelines

To take account of the sheer diversity of situations experienced by uprooted people in Asia and Latin America, the Commission adopted the following guidelines for programmes financed under this instrument in the period 1997-99.

a) Some countries emerging from prolonged crises have seen peace processes enabling large numbers of refugees to return to their countries of origin. Examples include Nicaragua, El Salvador, Guatemala, Vietnam, Cambodia and Laos. In such cases activities under heading B7-212 have focused on the long-term resettlement of uprooted people, which entails a strategy of rehabilitation, development and cooperation with the governments concerned. Aid for uprooted people helps reinforce the peace process under way, stimulate production, create jobs and income and relaunch social services.

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\(^6\) Nine similar projects jointly executed by the Commission and successive Nicaraguan governments (successively under the PRRN, MAS and the IDR) represent, when extensions are included, a Community commitment of the order of EUR 40 million.
b) Other countries, among them Sri Lanka, Myanmar and Afghanistan, are still suffering internal hostilities, violations of human rights and the fear of losing their cultural identity. In such countries the aim is to mitigate the impact of the conflict by financing operations of a stabilising nature.

Elsewhere the marginalisation of ethnic minorities has caused population movements. Examples include Bhutanese in south-east Nepal, Chakma in Bangladesh or Rohingya, Mon or Karen in Burma. Such situations warrant particular attention.

2.1.1. Asia

In Asia operations have been designed in the light of the (often volatile) situation on the ground and the process of protracted residence in camps, repatriation, resettlement and reintegration, which comprises the following stages:7

i) preparing for the return of refugees, with a particular emphasis on vocational training programmes aimed at helping refugees acquire skills relevant to their resettlement in their country of origin and their temporary integration into the economy of the host country; the emphasis is also on health services, and in particular mother-and-baby projects, and basic education;

ii) assisting repatriation by helping transport refugees, their goods and livestock and providing basic household goods;

iii) resettlement in the country of origin, which can involve reintegrating people into the social and economic fabric, supplying water, restarting production on a long-term basis, rehabilitating basic infrastructure (schools, wells, irrigation channels, secondary roads etc.), distributing seeds, granting loans to increase income and relaunching basic health and education services, including vocational training and outreach programmes.

Where possible, priority has been given to the most vulnerable groups: widows, families with no income, mothers and children and the handicapped.

2.1.2. Latin America

Since 19848 the Commission has, in addition to supporting political dialogue and peace through the Diálogo de San José,9 done much to assist and promote the self-sufficiency of people uprooted by armed conflict in Latin America.

Since 1989 in particular, in conjunction with the Esquipulas II agreement10 and in the framework of the Conferencia Internacional sobre los Refugiados Centromericanos

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7 The ALA Committee approved general guidelines for activities under budget heading B7-212 in 1998 and 1999 in April of those years.
8 The year in which the European Parliament prompted the creation of the budget heading "Aid towards self-sufficiency for refugees and displaced persons" in Asian and Latin American developing countries.
9 The San José Dialogue is a model process of political and economic coordination and cooperation. It is aimed at restoring peace and democracy in preparation for more equitable and sustainable development in a context of regional integration.
10 The peace initiative launched by the five Central American heads of state in 1987 at the behest of Costa Rican President and holder of the Nobel Peace Prize, Oscar Arias.
CIREFCA,\textsuperscript{11} there has been a massive expansion in the Community's activities in Central America (2 million beneficiaries and almost EUR 150 million in funding).

In this time the Commission has backed localised operations aimed at reconstructing the social fabric and reviving the tattered economies of former war zones.

From the early days of direct assistance to victims of the fighting, the focus of the Community programme has in recent years, with the restoration of peace, gradually shifted towards measures aimed at promoting self-sufficiency, reintegration into social and economic life and social cohesion.

The priorities for the period 1997-99 were to contribute to the Guatemalan peace process, the newest and perhaps the most complex in the region,\textsuperscript{12} and help consolidate the processes of reconciliation and social and economic development under way in El Salvador and Nicaragua.

This delicate task had to be performed in a difficult situation: the Central American countries continue to suffer serious structural problems.

The content of the aid has been geared to consolidating the efforts of the past ten years, acquiring all the while an increasingly regional, comprehensive dimension contrasting with the one-off operations of the past.

The main planks of the intervention strategy have been:

- to encourage the exploitation, consolidation and globalisation of past operations, with special emphasis on basic social services (health and education), in order to complete them in the best possible conditions and to promote the transfer of responsibilities to the competent national institutions;

- to promote economic revival and integration by means of technical assistance, supervised credit,\textsuperscript{13} agricultural diversification, organisation, creating non-agricultural jobs and, crucially, developing the recipients' commercial capabilities. In this area, priority has been given to the most vulnerable groups, such as widows and the war disabled;

- to guarantee a territorial approach, extending the benefits of this heading beyond the traditional beneficiaries to neighbouring or host communities living in what are sometimes even worse conditions, who cannot reasonably be excluded from the development processes being stimulated.

\textsuperscript{11} A process launched by the UNHCR and the UNDP in 1989, which brought together, though fighting continued, Central America's heads of state heads, the international community and civil society to seek a practical solution to the population movements affecting the region. In five years the action plan received about EUR 450 million, most of it from the Commission and the Member States.

\textsuperscript{12} See joint declaration signed on 6 June 1997 by Foreign Minister Eduardo Stein and Commissioner Marín.

\textsuperscript{13} The credit fund has gradually become a key instrument in projects, multiplying the benefits of the resources available and promoting a "credit" culture among the beneficiaries that can bridge the gap between assistance and economic development.
2.2. Implementation

2.2.1. Grounds for the diversity of operations

Any analysis of the effectiveness of the operations financed must take account of the objectives laid down in the Regulation and the often difficult circumstances in which they were implemented.

As described above, the Commission has funded operations in countries where internal conflict persists, political and economic marginalisation continues and national reconciliation has made repatriation and permanent reintegration possible. These circumstances vary in their nature and intensity. They therefore demand a range of strategies, policies and appropriate technical responses. The implementation of projects in these conditions can also call for measures and responses specific to uncommon situations.

The successful implementation of projects depends largely, though not exclusively, on the degree of conflict and the process of national reconciliation. The scale of the damage to the country's economic and social fabric is another key factor.

The projects launched in the period 1997-1999 reflect the diversity of the problem of uprooted people in Asia and Latin America.

2.2.2. The resources available

For the first two years of the period covered by this report, budget resources for the two regions were grouped in a single heading (B7-2120). The budgetary authority split the heading in two for 1999 (B7-3020 for Asia and B7-3120 for Latin America).

a) Commitments

The below table breaks down commitments by region:

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<tr>
<td>Actual</td>
<td>€36 117 300</td>
<td>€37 623 600</td>
<td>€29 550 000</td>
<td>€20 860 000</td>
<td>€15 220 000</td>
<td>€20 715 000</td>
<td>€159 087 900</td>
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<tr>
<td>commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of budget</td>
<td>95.04</td>
<td>99</td>
<td>77.86</td>
<td>97.7</td>
<td>71.3</td>
<td>99.88</td>
<td>89.71</td>
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<tr>
<td>Budget</td>
<td>€38 000 000</td>
<td>€38 000 000</td>
<td>€37 950 000</td>
<td>€21 350 000</td>
<td>€21 350 000</td>
<td>€21 240 000</td>
<td>€177 890 000</td>
</tr>
</tbody>
</table>

Generally speaking, the commitment rate has been relatively high (almost 90%), though it dipped in 1998 for Latin America and 1999 for Asia. In 1997 and 1998 the Commission divided the allocation between the two regions. When the budgetary authority split the heading in 1999, the allocations remained the same.

The breakdown of funds between the regions shows the substantial percentage earmarked for Latin America. The Commission felt that Community aid could contribute to the peace process in the region. These efforts helped reintegrate uprooted people into economic and social life. This being so, the Commission has proposed no allocation for Latin America in the 2000 budget. In Asia conflict makes operations in support of self-sufficiency more difficult.
If account is taken of the numbers of people concerned, Latin America has received a far greater share of the funding. However, in Asia continuing conflict meant that Community funding could do no more than help people survive and prepare them for return sometime in the distant future. In Central America it was able to play a key role in a long-term solution to the problem in a new political order.

b) Payments

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<tbody>
<tr>
<td>Payments *</td>
<td>€27 978 666</td>
<td>€14 400 802</td>
<td>€0**</td>
<td>€13 564 861</td>
<td>€4 235 186</td>
<td>€0**</td>
</tr>
<tr>
<td>% of actual commitments</td>
<td>77.46</td>
<td>38.27</td>
<td>0</td>
<td>65.02</td>
<td>27.82</td>
<td>0</td>
</tr>
</tbody>
</table>
* to 7 January 2000

** Contracts unsigned at 15 February 2000.

c) Operations financed

Some 111 operations were financed during the period, 67 of them in Asia and 44 in Latin America. Grants averaged €1 433 200 per project. When broken down regionally, grants were larger on average in Asia (€1 542 252) than Latin America (€1 290 000) owing to differences in needs and conditions.

The number of operations in each budget year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>41</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Latin America</td>
<td>27</td>
<td>11</td>
<td>6(^\text{14})</td>
</tr>
</tbody>
</table>

Given the continuing need, each operation, and many of them are still under way, follows on from earlier projects and is the subject of a contract or financing agreement with the partner implementing it. The signing of contracts for the 1998 budget year was delayed by the reorganisation of the Relex services and the writing into those contracts of tighter procedures. As a result contracts were not finalised until summer 1999.

This had knock-on effects on the signing of contracts for the 1999 budget year, which were not ready until the end of the year. Their signing was delayed until March 2000 by the need to verify whether the Commission was still empowered to sign them, Regulation (EC) No 443/97 having expired on 31 December 1999.

2.2.3. Contracting arrangements

Financing conditions for aid have been tailored to promoting the project's medium-term viability. Grant contracts have run for one to three years.

\(^{14}\) The 2001-04 multiannual regional programme comprises four components: a technical assistance component and three country components (Guatemala, Mexico and Nicaragua).
A contribution in cash or kind has been sought from the partners and, where possible, the beneficiary communities. Such "cofinancing" has been adapted to the means of the partners in question and the nature of the operation concerned. The Community has generally granted between 75% and 100% of the funding for each contract.

To make it easier to manage contracts, a decision was taken in 1998 to group certain projects under the umbrella of the UNHCR or an NGO consortium headed by the organisation signing the contract. In Asia this approach led to the creation of two NGO consortia and a major financing agreement with the UNHCR. This greatly reduced the number of projects financed in 1999 (down from 68 in 1997 to 14 in 1999).

2.2.4. Sectors of activity by region

a) Asia

In Asia resettlement aid has accounted for two thirds of commitments, though aid for repatriation and refugees in exile has been maintained. This is in part attributable to a fall in new arrivals and the departure of refugees. Repatriation continues at a low level. For instance, the repatriation of refugees to Afghanistan absorbed a considerable part of the budget in the period 1997-99.  

Commission aid has been focused on operations with a clearly defined geographical scope, the aim being to support resettlement (demining, farm rehabilitation and social programmes). The field of operations and the scale of aid have increased in Afghanistan as the concentration of fighting along a stable frontline has restored access to large areas of the country. However, political and security considerations have imposed a number of restrictions. Appropriate operations have nevertheless been carried out at local level in most regions of Afghanistan with large numbers of returnees.

The Commission has backed operations (most of them by the UNHCR) specifically promoting the rights of refugees and returnees (protection, amnesty, property rights). It has financed operations to protect the human rights of the beneficiary communities, and in particular such basic needs as food, water, shelter and access to health and education services. The operations financed have included demining and mine-awareness schemes, gender issues and support for property rights.

b) Latin America

Aid has been channelled to refugees, displaced persons, returnees and host communities. Considerable weight has been attached reconciliation and building peace. Where relevant, projects have been evaluated in terms of their contribution to preventing conflict. Particular account has been taken of the ethnic and political balance.

At every stage of the project cycle the participatory approach has been emphasised as a key strategy guideline for promoting reconciliation and peace. It has also been central to the design and viability of projects. Note, however, that security conditions, the attitude of the local authorities and cultural and social obstacles have not always been conducive to such an approach. Access to communities that have experienced violent conflict, political oppression and displacement can be a tricky business.

The period 1997-99 saw the funding of operations in horizontal sectors (demining, drinking water, education) and measures to rehabilitate specific sectors (agriculture, community organisation, social welfare). This is shown by the sectoral breakdown.

2.2.5. Partners

Projects are implemented by partners possessing the requisite operational and management capacities and a very good knowledge of the situation on the ground.

a) European and local NGOs are favoured partners by virtue of their specific knowledge of the needs of the target communities and their capacity to deliver aid in difficult circumstances, without the authorisation of the authorities or the armed forces and where security cannot be totally guaranteed. They play a key role in meeting people's basic needs.

b) By virtue of its international mandate to protect refugees, the UNHCR is also a favoured partner. It is chosen for specific solo operations or for operations complementing those of other European or local partners.

On rare occasions operations have been implemented by other international organisations, e.g. UNOCHA.

c) Operations have also been carried out by the host government, especially in Latin America. Projects are carried out under financing agreements signed with the governments of beneficiary or host countries. In such cases a project management unit (PMU) comprising a European and a national codirector is responsible for the execution of activities.

Partners are chosen according to the situation, the aim being to finance the most capable and reliable partners in a country or region:

i) Asia

In Afghanistan, there being no government partner, funding international and national NGOs has been the best option. Operations by some UN agencies have also been successfully financed, in sectors such as agriculture and demining.

ii) Latin America

The new political order in Central America has warranted substantial government participation, while continuing to involve NGOs (which achieved so much during the war years) and guaranteeing genuine participation by the beneficiaries and other sectors of civil society.

Aid in Central America is now geared to supporting a far smaller number of more integrated projects. Their implementing structures ensure that the government assumes its responsibilities, that the beneficiaries are involved in the design, programming and execution of the project and that consultation is beefed up.
2.3. Coordination

2.3.1. Internal coordination

To further enhance consistency and potential synergies with other Commission aid instruments (and in particular food aid, aid in support of food security and emergency humanitarian aid), the different Commission departments involved devised a common approach.\(^{16}\) This approach has been supplemented by interdepartmental communications on the ground (coordination office/delegations) and at headquarters. Consultation of all Commission departments involved in aid to uprooted people is guaranteed by the permanent inter-service group (PISG) chaired by ECHO and including all the directorates-general concerned. A common strategy has been developed in Afghanistan.

2.3.2. Coordination and liaison with other donors

The Commission has convened coordination meetings and been an active participant in many forums for coordinating aid to uprooted people. Coordination has taken place at two levels:

- at national level, between the Commission, the Member States and other international donors (UN);
- at international level, in the Afghan Support Group set up by the Dutch development minister, Mr Pronk, which has been bringing together the main international donors for Afghanistan twice a year since April 1997.

2.4. Supervision and management of programmes by the Commission

The appraisal and management of programmes and projects have complied with Article 9 of the Regulation, which provides for the evaluation of projects, financial procedures and contracting procedures. The Commission has followed the procedures laid down in Article 9(3) of the Regulation and submitted projects of more than EUR 2 million for the opinion of the ALA Committee.

2.4.1. Supervision and monitoring

Projects are supervised from Commission headquarters and the Delegations. For the purposes of maintaining technical supervision of projects, three technical coordination offices have been maintained or opened in the Pakistani city of Peshawar (to monitor projects in Afghanistan, Pakistan and Iran), Guatemala and El Salvador (to monitor projects in Central America. These offices are intended to inspect projects under way and help the Commission identify areas for future action.

In Pakistan the technical coordination office responsible has received EUR 810 000 in funding over three years (July 1997-July 2000).\(^{17}\) Two-year contracts worth EUR 1 990 000 were signed for the two Latin American offices in 1998.\(^{18}\) They are set to expire on 31 December 2000.

\(^{16}\) COM(96)153: Communication from the Commission to the Council and the European Parliament on linking relief, rehabilitation and development (LRRD).

\(^{17}\) It comprises a European technical consultant and ten local support staff.

\(^{18}\) They comprise two European technical consultants and ten local support staff.
2.4.2. **Review of projects by the Commission**

a) Asia

In July 1997 DG IB and ECHO carried out a joint evaluation of aid to Sri Lanka. The report found that the Community projects had generally met the needs of the target population and been implemented efficiently.

In March 1998 DG IB and ECHO jointly reviewed the UNHCR programme for Rohingya refugees returning to Burma or remaining in Bangladesh (Cox’s Bazaar).

While emphasising the broadly positive results of the operations carried out in Bangladesh, the mission highlighted the need for the UNHCR, which was considering pulling out, to maintain its presence in the region and to step up its protection for the Rohingyas. In Burma the Commission's support for the UNHCR repatriation programme has contributed to the return of Rohingya communities from Bangladesh.

A joint Commission/SIDA mission in June 1997 inspected projects financed by the Commission and carried out by the Swedish Committee for Afghanistan (project B7-2120/97/707), especially in the fields of education and health. The mission emphasised the quality of the activities and the difficult operating conditions (political instability, power vacuum), but felt that operations had been spread over too wide an area in response to local pressures.

b) Latin America

Twice-yearly missions by the official responsible for the programme at Commission headquarters (DG Relex) and, since the establishment of the SCR, the official responsible for the execution of programmes have permitted regular monitoring of operations, including field inspections.

2.5. Review of operations, including findings of evaluations by outside experts

i) Asia

a) An external mission carried out in 1998 covered the fund run by the government of Laos with European technical assistance for Laotian returnees from Thailand. The experts concluded that the programme had generally failed to achieve the objective of re-integrating returnees into the local economy, just as it had failed to strengthen the provincial authorities’ capacity to re-integrate returnees. In terms of social re-integration, however, it had helped meet the most pressing needs of returnees from Thailand. It has also helped foster a consensus in the administration on the repatriation of refugees.

b) In June and July 1997 assistance for refugees, returnees and displaced persons in Sri Lanka was reviewed and a study carried out of future needs.

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19 See the report on the June 1997 mission by Mr Luxen, Mr Pehrsson and Mr Öström
21 See report of December 1998 by the team comprising Mr Recter, Mr Lothe, Mr Olding and Ms Chamtamh.
22 Mission by Mr John Wilding.
c) In November 1997 the programme financed by DG IB and implemented by the non-
governmental Danish Committee for Aid to Afghan Refugees (DACAAR) was
evaluated. Acknowledging the high technical quality of projects and DACAAR's
efforts to develop an integrated approach in the agricultural sector, the report
proposes that the project be continued.\textsuperscript{23}

d) In November 1997 a team visited eastern Afghanistan, in particular to evaluate the
impact of programmes financed by the Commission, identify needs and select
strategic and sectoral priorities for the future. The main conclusion of their report is
that aid remains important to a country suffering chronic political instability. It notes
the direct impact of the Commission's contribution on the relaunch of activities in the
target regions, and in particular demining, farming, irrigation and rehabilitation. The
report proposes establishing a strong and unified management presence in
Afghanistan to increase the impact and visibility of Community action.\textsuperscript{24}

e) Other operations were reviewed in the period 1997-99 by independent experts paid
out of the project budgets.\textsuperscript{25} Projects for which funding was committed in 1998, but
for which agreements were not signed until 1999, will be evaluated in 2000.

ii) Latin America

Supervised by the relevant Commission Delegations, the two independent experts responsible
for field coordination have monitored operations.

The Proyecto de apoyo a la integración definitiva de los refugiados guatemaltecos en los
Estados de Campeche y Quintana Roo, México was subjected to an independent external
evaluation before the proposal for stage II of the project was put to the ALA Committee for
financing under the 2001-04 multiannual programme.

3. CONCLUSIONS

The following lessons can be drawn from the 1997-99 budget years:

a) The funding available is adequate to the needs of uprooted people.

b) Operations in Asia and Latin America reflect real needs and the scope for improving
the situation.

c) The number of Commission staff assigned to implement the operations remains
insufficient and necessitate recourse to outside consultants, who have provided
crucial and effective assistance with identification, monitoring and evaluation.

d) Organisational and procedural changes account for the delays described in this
report.

\textsuperscript{23} Report of 1998 by Mr Glensvig.
\textsuperscript{24} See mission report of January 1998 by Mr MacCall and Mr Wilding
\textsuperscript{25} Projects AFG/B7-2120/1B/97/0319, AFG/B7-2120/1B/97/0174, AFG/B7-2120/1B/97/0625, AFG/B7-
2120/1B/97/0324 See SEC (2000) 934 – 30/05/2000
Preparing and managing numerous contracts imposes a considerable workload on the Commission. Matters have been further complicated by a shortage of staff, the reorganisation of the Commission's departments during the period in question and the introduction of new administrative procedures aimed at reducing the risks inherent in working with NGOs and cutting the workload at the payment and financial control stages (the requirement by NGOs to provide a financial security for projects over EUR 1 million, formation of consortia, etc.).

These new procedures have led to delays in the finalisation of contracts for projects financed from the 1998 budget and brought many requests for riders to adapt projects under way to the change in circumstances. It was not until the second half of 1999 that all contracts for 1998 commitments had been signed. Contracts committed from the 1999 budget were signed in March 2000.

This budget heading has, however, contributed substantially towards meeting basic needs of uprooted people in Asia and Latin America that could not be met by humanitarian aid. The implementation of the Regulation has been highly encouraging from the standpoint of annual commitments and the issue of uprooted people. The budget allocations have reflected both the numbers of uprooted people and the context, scale and nature of their needs. Programme design and project selection have taken account of the determining factors and causes of problems (aid, repatriation, reintegration). They have taken account of the nature of the conflict, the policies of the host government, the operating environment, the order of sectoral priorities and the management and implementing capacities of the partner agencies. Greater complementarity between operations should make it easier to keep track of the issues, programme management and absorption capacities on the ground. Priority has been given to the beneficiaries and the implementation of programmes, which accounts for the delays in the presentation of this activity report.

In short, the Regulation has generally been complied with.