

## **Programme funding of the non-governmental development organizations**

The programme funding of the non-governmental development organizations does not always comply with the parliamentary recommendations that had already been made concerning the former General Administration of Development Cooperation (AGCD, presently the Directorate General for Development or DGCD). In a recent audit, the Court of Audit concluded that clearer strategic objectives should be formulated and that the quality of the regulation and the controls by the Directorate could be improved.

In 1997, the special parliamentary committee made a number of recommendations regarding, in particular, the indirect bilateral co-operation through NGO's. A new statutory framework was also created for this form of cooperation. Since then, the budgetary means have increased constantly, from 42.141.000 euros in 1998 to 95.000.000 euros in 2005.

As part of its audit, the Court examined how the recommendations made by the parliamentary committee were followed up. It noticed that, in spite of the efforts already made, these recommendations were not yet optimally enforced.

No clear objective was assigned to the indirect bilateral development co-operation, hence the difficulty to evaluate whether the goal was reached as well as the impossibility to adequately adjust the policy. As a result, it is also not clear to what extent the subsidized programs are consistent with the policy followed by the authorities.

At the qualitative level, the regulation was not sufficiently thought through nor developed. As a result, it does not ensure legal safety and equality.

The NGO's abide relatively well by the statutory procedure for justifying how the subsidies were used. However, they do not always use them "as a good household head". Consequently, the Court made several suggestions towards making up for the problems. The Directorate promised that it would take the suggestions into consideration when adapting, as it plans to do, the regulation and the control mechanisms. The minister is also aware of the shortcomings in the legislation and announced a reform for 2007.

Finally, in the field of either organization or procedure, the internal audit system does not offer sufficient guarantees as to a legitimate use and justification of the subsidy. At the close of the audit, in 2004, the Directorate had already taken many initiatives aimed at improving the internal audit system. However, it is still too early to evaluate if those are enough to eliminate the shortcomings noted in the internal audit system.