

Weakness of fund-raising units, systems, and plans

Most of the National Societies in the region lack departments or offices with permanent staff devoted exclusively or partially to fund-raising. It is also very common that plans do not exist nor have systems or strategies been designed to raise funds. In some instances fund-raising has been considered the work of the Lady Volunteers' Unit, whose goodwill and yield are inadequate in a medium in which planning and the use of sophisticated marketing and publicity techniques are ever more necessary. The absence or weakness of standing fund-raising units in the organizational structure, together with plans of action, is at least surprising if we take into account that most of the Red Cross Societies, having realized the broad decline in their revenues, think the financial question one of their main concerns and one of the immediate action priorities for the future.

There are few exceptions to this worrisome situation. Among them are the Costa Rican Red Cross, which has a large department in its headquarters to manage the "Tico-Bingo" and other raffles, and the Mexican Red Cross with its National Fund-Raising Committee. Other experiments, which are just beginning or as yet have produced limited results, have taken place in some National Societies in South America: in Bolivia, external cooperation financed the salary of a fund-raising official, though so far there have been few results. In El Salvador, as in Bolivia, the Pilot Resource Development Program has been under way since 1992 with Federation support. Some National Societies have chosen to retain private companies to design and manage fund-raising campaigns, as has happened in Argentina and Uruguay, with varied results. In Argentina in particular, it became clear that this option carries the risk that companies verging on insolvency may endanger the public image and credibility of the Red Cross.

Given this situation, the establishment and consolidation of permanent fund-raising structures having their own staff and plans of action seems to be both an imperative and broad need through-

out the region to improve and consolidate the financial capacity of the Red Cross Societies.

Budgeting and financial control: a varied and uncertain panorama

There are differences among the region's National Societies as to budgeting and financial control. Some of them have serious problems such as weakness in their budgeting systems, lack of financial information, and weakness of control systems. Finally, it has been noted that no budgets of any kind are prepared in some cases.

Most of the National Societies regularly draw up annual, or in some cases biennial, budgets as part of their customary administration and internal control systems. Still, most such budgets are limited in coverage since they include only the headquarters and occasionally some of the most important branches. The administrative and financial autonomy of the branches is mentioned by many National Societies' central units as the chief cause of this, although the Study revealed other explanatory causes. Perhaps the two most important are the uncertainty of many local administrative systems and the lack of uniform and easily applied budgeting, disbursement, and auditing procedures which can be used in the branches.

In addition, with a few exceptions, budgets are not formulated for programs, which limits their usefulness as a financial analysis tool, especially for cost-benefit and so efficiency analysis. This explains the widespread lack of information about the real cost of services provided. An additional problem, which we have already noted, is the common lack of linkage and at times well-known inconsistency between budgets and action and/or development plans, which makes the latter documents irrelevant in terms of their effective application.

A certain number of National Societies do not draw up overall budgets but only partial statements or budgets or accounting systems confined to certain programs and services,

generally those which are most complex or subject to some kind of public accounting. It is also common for audited budgets and financial reports to be limited to those programs and services which receive financing from external cooperation due to foreign requirements.

In the area of financial information, it has also been noted that periodic and public balance sheets or financial reports are a customary practice in only some National Societies. Others do not provide the public with this kind of information because it is not adequately organized and systematized; this is related to both the inadequate facilities of some National Societies (limited staff, lack of data-processing equipment) and the absence of effective administration. In other cases, however, it is due to the belief that such information is confidential and should not be released except to the National Society's directing bodies. Whether for one reason or another, the lack of transparency often helps weaken the institution's credibility and also shows that some National Societies have not realized the close relationship between the results of fund-raising campaigns and information provided to the public about the good use of such funds.

Application of financial control procedures and methods is often unsystematic since only a few Societies have statutory standing internal control and auditing organs. External audits performed by specialized companies are not uncommon, though in many cases they respond to exceptional situations and are not part of a National Society's regular administrative procedures. When they exist they are usually part of financial normalization or administrative rationalization which at various times have been an institutional response to accusations of bad management of funds and at others have been included in broader efforts to eliminate budgetary deficits or to bring about modernization and reform. Finally, some external audits are carried out by the public authorities or have been established as a method of budgetary control in external cooperation projects

Trends and realities in the composition of expenditures

The impact of the crisis on the revenues of the National Societies has often fallen directly on the structure and composition of expenditures. Although there are well-known deficits of information in this area for the reasons noted above, certain significant trends have been observed in recent years. In the first place, it should be noted that expenditures on staff have undergone significant increases in percentage terms in many of the National Societies, despite the fact that technicians and specialists are not paid high salaries and that there has been strong deterioration in such salaries in many National Societies which is similar to and sometimes more pronounced than in the country itself. Although salary expenditures have remained at a fairly low level in many National Societies, representing between a fifth and a third of total expenditures, they have increased in others until they account for 50% and in some instances have exceeded 60% of expenditures, which means that the resources available for operating expenses have fallen significantly as a proportion of total outlays.

A second noteworthy trend has been the increase in the proportion of expenditures on more complex and technical services such as hospitals, clinics, laboratories, blood banks, and ambulance services in those Societies which have this kind of service. The immediate cause has been the increase in the cost of the imported inputs this kind of service consumes in large volume (automotive spare parts, gasoline or diesel fuel, drugs and laboratory compounds, imported medical and hospital equipment, blood bank reagents), but this has made clear the problems entailed in a context of crisis in maintaining very costly services in which it is very difficult to make budget cuts. Paradoxically, the cuts have generally been concentrated in the operational expenses of other, less expensive programs or services which depend on local resources rather than imported, high-cost technology. This represents another of the trends in

expenditure in recent years, the gradual diminution of the proportion of expenditure on programs and services.

Reductions in spending have also concentrated on other budget items: investments, equipment and infrastructure maintenance, and contributions to branches. As we noted earlier, the investment budget in many countries has been met almost exclusively by contributions from international cooperation. As a result, infrastructure and equipment have clearly deteriorated when there has been little or no external cooperation. This is shown in antiquated vehicle fleets, equipment out of operation because of the inability to acquire spare parts, and buildings lacking in maintenance and repair whose neglected appearance helps worsen the institution's image. In some National Societies, which represent the most extreme cases, there are doubts about their capacity to provide adequate maintenance for equipment, buildings, and particularly large first-aid vehicle pools inherited from the strong international cooperation which supported them during the armed conflicts their countries experienced.

Finally, contributions to branches have plummeted; in various National Societies they are at most between 5% and 20%, and in other Societies they have disappeared completely. This has had various consequences. In the first place, the branches are now more than before forced to raise their own funds and rely on their own efforts alone in self-financing. This in itself is positive, but it must not be forgotten that the centrist nature of many Latin American states means that possibilities for raising funds locally are very limited. To the extent that the socio-economic environment is an important factor in determining the branches' ability to raise reve-

nues, the trend toward unequal development of the National Societies has become accentuated: branches in large communities or areas with high revenue levels have developed, while branches in poorer communities—paradoxically with greater needs in services for the most vulnerable—have weakened. This trend toward unequal development, in which headquarters and branches in large cities have obvious advantages, has accentuated the urban pattern which characterizes many National Societies. The disappearance of or decrease in funds for branches thus limits the redistributive role which the headquarters might play in favor of the weakest branches by channeling a greater proportion of resources to areas in which demands are greatest and the possibilities for mobilizing local resources are weakest in order to bring about a more balanced development pattern and effectively implement the Principle of solidarity in the National Society itself.

A final aspect to be noted as to the composition of expenditures is the increasing amount of the scale or quota going to the International Federation. The circumstance occurs that the less a National Society's budget (as in the English-speaking Caribbean) or the weaker its finances (as has occurred in some of the South American National Societies), the greater the burden of that scale. In this situation some Societies have come to face the dilemma of paying the scale or keeping specific services in operation, and today some National Societies are in arrears to the Federation. Others, though they have kept their quota payments current, have voiced their protests about a situation they believe unjust and contradictory.

THE ROLE OF EXTERNAL COOPERATION

The fact that the Red Cross Movement is based on a network of National Societies, which consult and coordinate with international nongovernmental organizations (the Federation and the ICRC), is unquestionably one of the Movement's great strengths and one of its most notable peculiarities in comparison to other national and international humanitarian organizations which are not composed of standing local organizations. The possibility of establishing ties of cooperation and support within this network, in crisis, emergency, or disaster situations, or of providing support for sustained institutional development effort is one of the most concrete manifestations of this strength.

During the 1980s the National Societies in Latin America and the Caribbean received increasing amounts of cooperation from the Red Cross Movement due to factors such as the recurrence of natural disasters, the domestic disturbances and armed conflicts which some countries experienced, and the economic and social crisis in general. As is well known, in some countries all these factors have occurred simultaneously, causing severe operational challenges to their respective Red Cross Societies. The clearest cases have perhaps been El Salvador, Haiti, and Nicaragua. In these and other instances, cooperation has served—often decisively—to strengthen the capacity for action and the organization itself of the Societies that have encountered the problems mentioned. It is worth noting in this regard that almost every National Society received large financial, technical, and material contributions channeled to the region through international cooperation during the past decade, although the real distribution of resources was not balanced. In sum, all this in good measure revalidates the Principles and logic of cooperation within the Movement and in practice makes a reality of the strength we mentioned above.

The Study found that cooperation, to the extent that it involves relationships among unequal members, resource transfers, vested inter-

ests, different perceptions and cultures, interventions, and projects in often critical situations, creates numerous problems which have at times limited its effectiveness, have had unwanted direct or indirect effects, and in sum have weakened one of the Movement's main strengths. In this section we will examine some of these problems, especially those found most significant on the basis of the Study's results, paying particular attention to those which still persist and are projected into the future.

Methods of cooperation in the Movement and the influence of bilateralism

In the Red Cross Movement's cooperation in general, and in that channeled to National Societies in Latin America and the Caribbean in particular, it is possible to distinguish three major methods of cooperation. First, that channeled through the Secretariat by means of appeals; second, that bilaterally between National Societies without participation by the Federation's Secretariat; and third and finally, that which the ICRC conducts with National Societies, especially those affected by a situation of armed conflict or serious political and social instability.

Bilateral cooperation, as the heading of this section suggests, has unquestionably been predominant in the region and especially in the sphere of "development assistance." As we have noted, this is because of the bilateral nature of appeals and the fact that most of the assistance and cooperation projects and activities, as well as a high proportion of cooperation funds (though it is difficult to estimate it precisely because information is scattered), has been identified and channeled directly from one National Society to another. As may be noted in the institutional analyses of each of the

Societies in the region, a great variety of programs and projects have been carried out using this method. Nevertheless, assistance to projects has been more common than comprehensive assistance to a National Society at large. In the latter case, certain interesting development programs of branches, as in El Salvador or Honduras, or the Bolivian Red Cross's "National Development Plan" would have to be cited.

Appeals resulting from disaster or emergency situations have historically been the predominant method of relief assistance by the Federation since development appeals have been undertaken only recently. The only exceptions are certain very recent development appeals and programs promoted by the Federation's Secretariat in the field of health or AIDS, the Pan Caribbean Program on Natural Disaster Prevention and Preparedness, the Pilot Resource Development Project, and our own Study of the Future of the Red Cross in Latin America and the Caribbean. Bilateral cooperation, in contrast, has focused in the development sphere on both institutional development and the development of programs and services. Accordingly, Latin America and the Caribbean do not differ from the patterns of cooperation in the Red Cross Movement to be seen in other parts of the world. The reconstruction programs which various National Societies have carried out after disasters, which have come about as a result of both relief appeals and bilateral agreements, and which have extended over several years and have resulted in a program of action in which relief and development are closely related, require special mention.

The most important relief appeals have been those stemming from the eruption of the Nevado del Ruiz volcano in Colombia in 1985, the earthquakes in Mexico City in 1985 and San Salvador in 1986, and Hurricane Gilbert in 1988, which assaulted Haiti and Jamaica, Hurricane Hugo, in 1989, which affected the Eastern Caribbean islands, and Hurricane Joan, in 1988, which attacked the Atlantic coast of Nicaragua. Many other appeals were caused by droughts and floods in Argentina, Bolivia, Ecuador, Paraguay, and other countries. The list of appeals resulting

from disasters of lesser magnitude than those mentioned above is very long because of the recurrence of natural disasters in the region.

Other areas and countries in the developing world, such as Asia and Africa, and especially the sub-Saharan area, have received a larger proportion of the Federation's relief assistance due to the larger number and enormous magnitude of disasters in those regions. In particular, the participation of Latin America and the Caribbean in the Federation's outlays was about 20% between 1988 and 1989. In 1990, although the absolute figures fell slightly, the region's participation fell to 10% because of the appearance of new priorities on the international scene such as the Persian Gulf and Eastern Europe. Most of the Societies in Latin America believe they have received an adequate response in terms of the level of assistance accorded their relief appeals. In the framework of the Study, moreover, the National Societies have generally voiced a great deal of agreement with the relief appeal system as such and its operation, which is considered flexible and effective.

The strong operational challenge underlying relief activities and the disbursement of funds from appeals resulting from the major disasters experienced by some countries have had various consequences for the National Societies. In most of the Societies which have experienced such situations, problems in absorbing and carrying out the assistance flowing from appeals have been a major stimulus to the organization and its members and structure in a process which earlier we called "shock learning." This has often led to restructuring of the organization and its activities which in the end benefited institutional development. Such is the case, as we saw, with the Colombian Red Cross.

A problem associated with relief appeals is the presence of Federation representatives to carry out evaluations of the needs on which appeals are based and to disburse funds in accordance with the Federation's operating and accounting procedures. Different appraisals have been made in this respect, especially from the viewpoint of the operating National Societ-

ies. Some Societies, especially those of lesser development and geographic coverage, believe it quite useful to have the technical assistance of experienced representatives in emergencies or rehabilitation and development projects. Other Societies consider such representatives counter-productive, however, alleging that the introduction of intermediary officials in the relations between a National Society and the Federation's Secretariat slows and makes communication between them difficult. In addition, complaints are often made about the difficulties foreign representatives have in adapting and their poor sensitivity to local cultures and peculiarities since in a high proportion of cases such representatives come from industrialized countries. In Latin America and the Caribbean, however, there has been a growing trend in recent years to have representatives from Societies in the region itself which have greater experience in this field. Without denigrating the importance of such observations, which are often justified by the facts, it has been observed that on many occasions they reflect National Societies' perception that foreign representatives represent foreign imposition and a constraint on their ability to operate. Accordingly, it should be noted that some Societies have expressly rejected the assignment of relief representatives to their countries. Finally, no less significant is the fact that relief representatives have more often been assigned than development representatives, despite the heavy needs and demands for technical assistance by many National Societies, which would justify that kind of representative in both the organizational development sphere and in programs and services.

Another problem with the technical assistance provided through representatives is their excessive rotation and short stay with Societies needing assistance. Over a year some National Societies receive several visits from representatives, whether from the Federation or donor National Societies, connected with different projects and activities as well as with very concrete and specific missions, all of very short duration. This obviously limits the effectiveness of cooperation

activities and is a demonstration of the problems in coordinating cooperation which exist in the Movement, as well as of the need to redefine the present functions of representatives and the context of cooperation in which such officials work more toward comprehensive development cooperation models.

The Federation's Secretariat has a very important role in the relief appeal system inasmuch as it evaluates needs and conveys appeals to all National Societies. In addition, disbursement of funds must be according to the procedures established and be closely monitored by the Federation. If a response is inadequate, among other reasons because a disaster has been little reported by the communication media, the Secretariat takes the initiative in soliciting or stimulating additional contributions. The underlying rationale of development appeals, as we note below, is similar, though activities of a different nature are involved.

It must be made clear, however, that although the appeal system at first glance suggests a multilateral model of cooperation, in essence it deals with a bilateral assistance mechanism. The fact that the system is based on voluntary contributions from National Societies instead of scaled obligatory contributions, added to the fact that operating and especially participating National Societies⁹ play a role as important or more so than the Federation's Secretariat itself in identifying and choosing projects and disbursing funds, shows that the Federation's appeal system is underpinned by a strong bilateral component.

This is particularly due to the nature and organizational characteristics of the Federation, which has a Secretariat whose functions are similar in nature to those of other humanitarian NGOs or the agencies and programs in the United Nations system, but because they are consultative and coordinating make it different from a true operational agency. This in turn is related to the sovereignty of National Societies and their complete autonomy in determining their activities—Principles which are one of the keystones of the Movement as an organization.

Various factors explain the Secretariat's limited role in the development sphere. One of the most important is the Federation's late entry into it. Only since the 1980s has development had a certain weight in the policies and operations of the Federation and its Secretariat, following on the activities of a small number of National Societies in which concern with development was a much earlier phenomenon.

For that reason, development appeals are a quite recent cooperation mechanism, inasmuch as they were not introduced by the Federation until 1989. This kind of appeal is designed to disseminate development cooperation proposals—which earlier had been transacted only bilaterally—among donors as widely as possible, systematize their presentation, and achieve better communication and coordination between operating and participating Societies and the Federation's Secretariat in their execution. There is some consensus about the advantages of this mechanism compared to the former situation, which was dominated by bilateralism and a lack of information and clarity about cooperation initiatives in the Federation as a whole. Such advantages are obscured, however, by the fact, in part because of its short existence, that this mechanism has been accompanied by problems which have limited its effectiveness and have caused it to be criticized by most of the region's National Societies, which since 1989 have been submitting projects for inclusion in successive appeals.

Among the problems are those resulting from the fact that some National Societies have shown little familiarity with the system and its operation and scope. This lack of knowledge becomes clear from the fact that at times it is mistakenly believed that the appearance of projects in an appeals document indicates that they have already been approved or at least have a guarantee of financing. Another problem has to do with the Secretariat's limited ability to promote an appeal, or concrete projects which are part of it, to donor Societies. All of this leads to the problem most felt by the National Societies and the one which leads to the greatest criticisms: lack of information about the status of a project, negotiations

conducted, and the reasons for lack of donor interest in it. Finally, the transmission of projects to units in Geneva is followed in most instances by a long and dispiriting period of silence and uncertainty which sometimes delays the work of the National Society affected.

As will be explained below, however, the most important constraint is lack of information about the context and precise criteria for establishing priorities for the development of National Societies. Because no clearly defined and ranked development priorities exist, it is difficult to identify the chief needs for assistance, the Societies most in need of support, or programs or spheres of action of greatest importance or relevance based on the situation in a National Society and its country. There is evidence that some of the programs and projects included in development appeals are of little relevance to the needs of the National Society's country. As an example, we will cite an AIDS prevention project in a country in which the incidence of that disease is very low, while cholera is becoming an endemic disease. Another significant example is a request for financing for rehabilitation works by a central headquarters of a National Society which nevertheless has abundant resources of its own and is simultaneously putting up a new building to house its emergency headquarters. It must be made clear that this constraint exists in both operating and participating Societies, which often finance projects whose pertinence may be questionable. To be effective, the criteria or priorities for cooperation would have an indicative value because the financing of projects in the last analysis depends on the willingness or availability of Societies with greater resources, given the essentially bilateral nature of this mechanism. Despite this merely indicative value, such criteria could allow better orientation of cooperation. Because of these problems and limitations, an appeal is in practice a "catalogue" of projects with little ability to motivate donors, mobilize resources, and particularly guide cooperation activities.

On this score, a final point has to do with other Federation assistance methods of less importance, such as food aid. Foodstuffs from the European Community's food aid programs are obtained through the Federation's office for liaison with the Commission of the European Communities. Excluding foodstuffs sent in answer to an emergency aid appeal, regular food aid has been provided to National Societies in both relatively less developed countries (Bolivia, Haiti, and some in Central America) and Societies which have conducted major food assistance programs for the poor, as in Chile and Uruguay. Some National Societies have called attention to the problems underlying this kind of aid. In the first place, some types of food do not match local customs and food habits. In the second, such programs are characterized by their extreme dependence on foreign assistance. If the aid stops or decreases, food programs cannot sustain themselves, which leads to a serious erosion of a National Society's image, solvency, and credibility.

ICRC cooperation and assistance requires special mention. This is essentially conducted within the limits established by International Humanitarian Law and its practical execution. In this framework the ICRC enjoys great autonomy—much more so than the Federation—in fixing its cooperation priorities, forms, and methods, and has large financial resources to use in the field. This autonomy also applies to relations with the National Society in the country where it operates and to the Federation as a whole. In countries where the ICRC, Federation, as well as other National Societies bilaterally, operate, this usually creates problems of operational coordination which must be solved in the field.

The ICRC's assistance to National Societies in countries where there are no armed conflicts or domestic disturbances usually focuses on the area of publicizing International Humanitarian Law. Most of the region's Societies esteem this assistance, despite the fact that it amounts to little in financial terms, because of its responsiveness and the few conditions the ICRC sets for granting it. We define "conditions" in this sense as require-

ments governing planning, counterpart funds, their disbursement, and evaluation which may accompany other kinds of assistance. Herein there is a well-known difference in relation to the valuation National Societies make with regard to the Federation's development appeals.

In countries where the ICRC's intervention has been more active due to domestic armed conflicts, as in El Salvador and Nicaragua, ICRC assistance to local National Societies has been very important in that it constitutes a sizable proportion of the funds of those Societies. In the two instances noted, this has been between 30% and 45% of the overall budget and has consisted of contributions in both cash and in kind (especially vehicles, automotive spare parts, and medical equipment). Such contributions have contributed to the strong growth or maintenance of the National Societies in question, but as we noted above they have at the same time made them quite dependent on external financing, as illustrated by the fact that when the ICRC leaves, the National Societies may change suddenly and thus traumatically from a financial boom situation to one of major shortages.

Main flows and channels of bilateral development assistance: poorly diversified cooperation

Despite the inadequacy of the data, an examination of bilateral cooperation in developing National Societies, from the viewpoints of both the type of projects and national patterns of relationship, shows little diversity, although the overall volume of cooperation has grown strongly. The first fact to be noted in this respect is the small number of National Societies which may be characterized as "major donors" to the region. In this category, because of the volume of aid and the number of projects implemented in recent years, have been—with no ranking implied—the Spanish Red Cross, the German Red Cross, the Nordic Societies together or separately (the Danish, Finnish, Icelandic,

Norwegian, and Swedish Red Crosses), and the American Red Cross. Although of lesser importance, other significant donors have been the Austrian, British, Canadian, Dutch, French, Japanese, Luxembourg, and Swiss Red Crosses.

The meager diversity of cooperation sources, a result of the small number of donors, is reinforced by the persistence of special ties in cooperation relationships between National Societies, which is a product of historical, cultural, and linguistic links (the former mother countries and their one-time colonies), or, in the case of the American Red Cross and to a lesser extent the Canadian Red Cross, geographic proximity and the orientation of their cooperation relationships more toward Latin America and the Caribbean than toward other geographic areas. There is accordingly, as should be stressed, a significant parallelism between the development cooperation of states and NGOs, which also consider historical ties and national interest when they establish development cooperation priorities. Here it must be noted that a significant portion of the cooperation funds from the donor National Societies cited above come from their respective Governments and are thus closely related to the priorities of their respective foreign policies.

In short, in the institutional analyses of the different National Societies the presence of the British Red Cross in the English-speaking Caribbean, the Spanish Red Cross throughout the region (although it has also promoted projects in the English-speaking Caribbean), the Dutch Red Cross in Suriname, and the French Red Cross in Haiti has been apparent. The most notable exception to this pattern is the Nordic Societies, whose major presence in the region, and especially in Central America, cannot be explained by historical or cultural reasons. As we noted, the American Red Cross also has a significant presence. Although to a greater or lesser extent its assistance has been channeled to almost all the National Societies, its presence is significant in a neighboring country, Mexico, with which there have been ever-closer ties, and in Societies in those countries in which for different reasons the United States as a state has had or has some kind

of presence or intervention, or national interests of special importance. In this vein we should note the assistance the American Red Cross has provided to the National Societies of El Salvador and Honduras, involved in activities resulting in one way or another from the Central American conflicts; to the Panamanian Red Cross, after the invasion of that country by U.S. troops, and the Haitian Red Cross in repatriating the Haitian boat people intercepted by the U.S. Coast Guard while fleeing to the United States. A characteristic feature of the American Red Cross's cooperation is the high number of fraternal relationships established between chapters of that National Society and National Societies in the English-speaking Caribbean, though only small-scale activities have been carried out through this kind of relationship, which is characterized by its decentralization from the donor's viewpoint.

At the same time, the poorly diversified pattern of cooperation is reinforced by the concentration of development cooperation activities of some of the chief donors in specific fields of activity and in specific countries or areas. This specialization in cooperation seems to be a product of both the strategic orientations of the donors and their own specialization. Such is the case, for example, with the Nordic Societies in Central America, which focus on blood programs, or the relief and first-aid programs of the American Red Cross, such as the "3,000 Series." Only a few important donors, such as the Nordic Societies taken individually, and the Spanish and German Red Crosses, show a very diversified pattern of cooperation in which we find a broad variety of activities, fields of operation, and recipients.

Finally, it must be noted that most cooperation and assistance activities have been conducted within the Movement since cooperation by other international agencies has been slight or focused, though in some instances quite important. A special case, already noted, has been assistance from the European Community channeled through the Federation or a few National Societies of the Community's member

states. Here cooperation with the agencies in the United Nations system, especially those that have related fields of action or a strong presence in the region such as UNICEF, UNDP, UNFPA, PAHO/WHO, and WFP, has been extremely limited or nonexistent. As we noted, it has conducted a few successful refugee programs in Costa Rica and Honduras with UNHCR. As for the bilateral cooperation agencies in the developed countries, and excluding programs conducted by the National Societies in those countries, there has been very little cooperation. The U.S. Agency for International Development (USAID), whether directly or through its Office of Foreign Disaster Assistance (OFDA-AID), has been the only bilateral agency with which various Societies have established relationships. Cooperation by this agency and the American NGOs close to USAID, such as Friends of the Americas, has at times been the subject of controversy and has negatively affected the image of the National Societies involved. This is due to USAID's priorities, which because it is part of the Department of state have generally been subordinate to the national interests and security of the United States. In some cases, moreover, projects have had delicate social and political overtones, such as assistance in Nicaraguan refugee camps in areas near the *contra* bases in Honduras or administration of the displaced persons camp at Albrook Base housing former residents of the El Chorrillo district in Panama City which was destroyed in the U.S. invasion of Panama.

Another important exception, though a very localized one, is that of donor National Societies which have conducted cooperation projects in various Latin American countries with agencies other than the National Red Cross Society of the country, whether an NGO or the Government, as counterpart. This has been true of the Swiss Red Cross in various countries and the Spanish Red Cross in Bolivia (though in the latter case the Bolivian Red Cross is gradually joining the project). In most instances these have been social development projects in fields not usually entered by the National Societies of the region. This method of cooperation is still subject to the ap-

proval of the operating National Society, as established in the "Principles and Norms governing development cooperation" approved by the Executive Council in October 1990.

Unequal capacity to mobilize and absorb cooperation

There are marked differences in the technical and operational capacity of the National Societies in the region in carrying out each and all of the steps in a cooperation project (identification of the project, analysis of its feasibility, planning, promotion, direction, administration, follow-up, and evaluation). Generally speaking, these differences are determined by the degree of an operating National Society's development, but more specifically by the existence or absence of units within its technical and professional staff specializing in project planning, evaluation, and operational execution. This kind of unit (project offices, international cooperation departments, or planning departments) has been established by only a few National Societies, including those that have been the main recipients of cooperation such as the Costa Rican and Salvadoran Red Crosses. In most, by contrast, cooperation is the responsibility of other, nonspecialized departments or of senior managers, who tend to attach less importance to the technical aspects of cooperation. The situation is different in the English-speaking Caribbean, though the effects are similar: because of the small size of those National Societies, their technical and professional staff is in many instances limited to one or two persons with many responsibilities and duties. Here we must also note the significant lack of information about cooperation possibilities and units which characterizes many National Societies. Organizational shortcomings and weaknesses in this field, in sum, are a significant hindrance to broader and more diversified and professional cooperation.