

Is the way aid is disbursed through NGOs promoting a development practice that addresses chronic poverty well? An overview of an on-going research project.

Tina Wallace, Oxford Brooks University, U.K.
Jenny Chapman, Action Aid, U.K

Abstract

What have we learned during the last few decades of doing development about what works well for the poor in Africa? What works best for the poorest and most disadvantaged, especially those affected by HIV/AIDS, and gender discrimination? The paper will explore how current forms of funding through NGOs, and the many conditionalities around development aid, enhance or diminish the chances of addressing issues of chronic poverty in a continent that is getting poorer all the time.

Experience has shown that working with the very poor, in the past termed 'the poorest of the poor' by many NGOs, is complex, challenging and difficult. While academics and researchers have spent a lot of time trying to define and measure poverty and chronic poverty, they have usually focused on narrow monetary definitions of poverty. Much NGO experience has shown that the reality of poverty goes way beyond the economic; it is multi-dimensional. Poverty of voice (decision making and political representation), poverty of assets (including literacy and knowledge), weak social capital evidenced through limited or fractured associational life are all critical aspects of poverty and help to keep poor people poor. Over decades of working in contexts of dire poverty NGOs have learned that achieving positive change at this level is slow. The work needs to be multi-dimensional, taking into account complex micro level realities as well as the wider political and economic context. Involving people in their own development is important, but the more marginalised and unheard they are and the fewer rights they are able to claim, the harder it is to reach them, organise them and find ways to address their many problems. This work needs to be long term, results are precarious and often hard to see in the short term, battles need to be fought again and again to secure rights for the most disempowered and poorest in some cases against entrenched opposition. It requires dedication, patience, skilled practitioners and flexibility of approach.

Within the NGO and donor sectors there have been a fast changing array of development paradigms for addressing poverty. Policies and procedures for disbursing aid have also changed over time. How well do current aid management mechanisms and approaches support these positive ways of working with the poorest that have been identified largely through NGO experience on the ground? How well do they promote risk taking, participation, hearing voices usually ignored, long-term commitment? Where do current priorities lie?

This paper will explore these questions in a number of ways. First, it describes and analyses current aid flows and major funding trends, and discusses the

changing focus of aid from the state, to markets to privatisation and back now to 'enabling states'. The role of NGOs has been seen differently in each of these phases yet there remains a real lack of clear analysis about the specific niche of NGO work in addressing poverty. The importance of securing funding in times of declining aid flows and increasing competition mean, however, that NGOs often have to dance to the latest tunes, and changing donor demands- whether positive or negative for NGO work- are seen to have a major impact on UK NGO behaviour. Secondly the paper explores the changing conditionalities around funding for NGOs including new planning frameworks, tight monitoring and evaluation, reporting and budgeting requirements, and a focus on targets, outcomes and measurable indicators. Thirdly, the paper looks at the implications of other aid conditionalities, especially the changing fashions and focus of aid from service delivery to rights, from infrastructure to advocacy, from environment to gender to diversity to inclusion. These changing priorities may not be drawn from development experience of working with the poorest and may or may not support those NGOs trying to tackle problems at this level.

The paper draws on research undertaken in the UK with a range of NGOs. It argues that the current conditionalities of aid from donors, and the new public management paradigms promoted by trustees and chief executives, which fit well the new donor demands, push many NGOs to behave in ways unlikely to impact positively on chronic poverty. The chances of achieving real impact on chronic poverty appear remarkably low while the focus stays on upward accountability, rigid frameworks, and 'one size fits all' approaches. In spite of a commitment to participation and bottom up approaches, recognised as needed for sustainability, the focus is still on 'us' solving problems for 'them' (be they individuals, households, communities, or governments) and little trust is given to agencies in Africa. The new policies and procedures force NGOs to think short term, to focus on easily measurable changes and quick results. They are top-down and often ignore local cultural realities. They are risk averse and rely on concepts of change that are linear and predictable, while the complexities of chronic poverty are multi-dimensional.

Outline of the presentation:

1. Introduction to the research in three countries: UK, SA and Uganda
 - ~~///~~ Key research questions driving the research
 - ~~///~~ Research teams in each country
 - ~~///~~ Funders of the project
2. The broad aims/purposes of NGOs and donors working in development- what do they want to achieve through their funding and work?
3. The changing context for UK NGOs
 - ~~///~~ Changes in donor funding priorities and funding mechanisms
 - ~~///~~ Changing donor conditionalities
 - ~~///~~ New development thinking/approaches
4. Tracking aid through the aid chain

- ✍ Map the levels in the aid chain from UK donors to villagers in Uganda and SA
- ✍ Explore the process of accessing funding from local communities and CBOs to international funders
- ✍ Explore the process of selecting programmes, projects and agencies for donor support, the allocation of aid and the funding conditions tied to funding through strategic planning (block grants), through projects and through contracts
- ✍ Discuss the issues around implementation on the ground
- ✍ Track the systems of accountability for funding, especially the setting of impact indicators, tight financial and narrative reporting and the quest for demonstrable impact

5. Some emerging critical findings from the research

1. Introduction to the research

An international research team has been studying the relationship between UK donors and NGOs and their partners overseas in Uganda and South Africa to understand how NGOs negotiate changing management practices and donor conditionalities. As key examples of new management practices the research focused on rational management tools (logframes, monitoring and evaluation, indicators), strategic planning, and other donor conditionalities (eg gender, advocacy, rights and participation). The research has explored these issues at all levels of aid disbursement. As the research progressed it widened to explore how these tools shape the relationships between donors, UK NGOs and partners in SA and Uganda, exploring issues of power, identity and development practice.

The research, which started in 2000, is the first comprehensive attempt to understand and assess the impact of these changes in the way aid is disbursed. This presentation focuses on work in the UK where we have mapped the changing donor landscape and the impact of these ongoing changes on UK NGOs. Key research questions have been:

- ?? What are the current patterns of donor giving to UK NGOs?
- ?? Why are there proliferating systems & procedures?
- ?? What is informing them?
- ?? Who is assessing their relevance & effectiveness?
- ?? Do they promote the desired development goals?
- ?? How do they influence and shape relationships between organisations in the 'aid chain'?

In Uganda and South Africa we investigated how southern NGOs understand, receive and respond to or manipulate the demands that now accompany the release of money from the North. The research has analysed the impact of these changing management practices, and explored their potential contradictions with NGO claims of promoting local participation and empowerment of civil society.

The current research is phase two of a research project, started in 1995, which explored the reasons for the rise of the new management systems within NGOs

in the UK. This phase of work identified major shifts in the policies and procedures around development management of UK NGOs. It established that there was a growing standardisation of development management tools among donors and UK NGOs. A book called *Standardising Development* was published from this work in 1997.

The research is supported by DFID, Nuffield Foundation and ActionAid Uganda.

Research Team

The work has drawn from a number of contributors in each country:

South Africa

Core researchers, School of Development Studies, University of Natal

Lisa Bornstein

Terrence Smith

Annsilla Nyar

Isaivani Hyman

Other Contributors

Alan Kaplan of CDRA

Carol Ann Foulis of Olive

Catherine Ogunmefun

Dan Setsile

Vicki Tallis

Shelly Dill

Uganda

MISR

Patrick Mulindwa

Crispin Kintu

CDRN

John de Coninck

B Mboizi

Rosemary Adong

S Basemera

A Kasingye

A Nanfuka

ActionAid Uganda

Martin Kaleeba

Meenu Vadera

Independent

Juliet Kiguli

United Kingdom

Researchers, Oxford Brookes University

Tina Wallace

Jennifer Chapman

Advisory Panel

John Hailey, Oxford Brookes University

Maggie Baxter, Womankind

Dave Harding, Independent

Sarah Crowther, Swansea University

2. The broad aims/purposes of NGOs and donors working in development- what do they want to achieve through their funding and work?

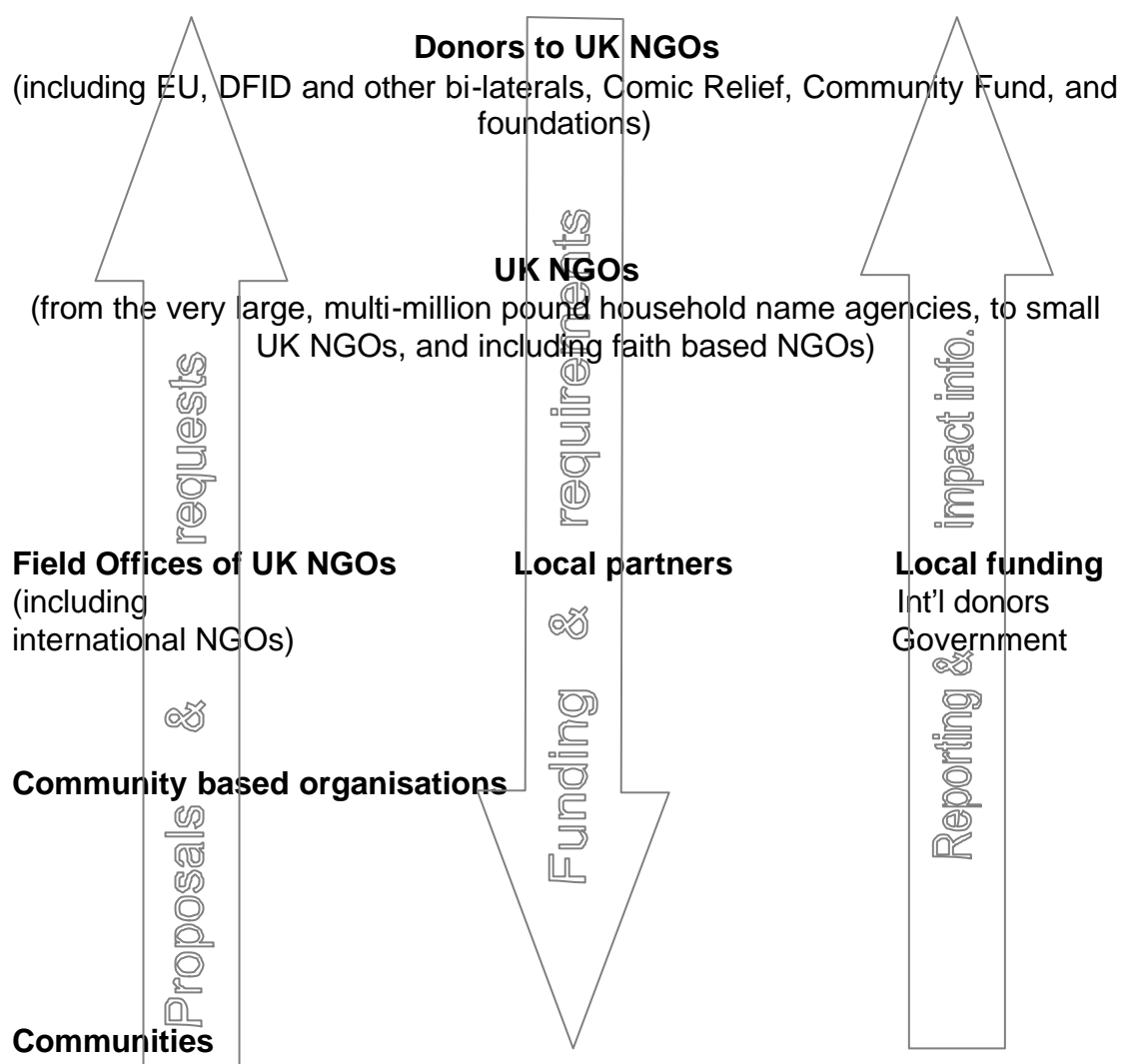
- Poverty reduction
- Sustainable development
- Good governance, including government accountability and local participation
- Strong Civil Society: input into formulating and monitoring policies and preventing corruption

3. The changing context for UK NGOs

- ?? Until recently there have been rising numbers of NGOs
- ?? There have been major shifts in funding: more money is going through governments via sector wide approaches or via budgets, there has also been a shift of funding towards to large and very large NGOs and away from small and medium ones
- ?? This adds up to reduced funds being available for UK NGOs to follow their own priorities and agendas
- ?? There is thus increasing competition for the funding that is available
- ?? Nearly all funding is tied to projects, jointly agreed strategic plans (for example in the Programme Partnership Agreements) or contracts where NGOs bid to secure contracts that reflect donor priorities.
- ?? These shifts have led to increased donor power
- ?? Increased conditionalities are becoming clear both around how funds are managed (results based management is very prevalent) and around approaches: projects are expected to show a wider influence through advocacy etc
- ?? There are unrealistic expectations of high impact from what are actually very short-term small projects or pieces of work in a complex situation of great need.
- ?? Tied to this is a focus on proving achievements.

4. Tracking aid through the aid chain

Mapping the aid chain and flows up and down the aid chain



Aid and information flows around this complex aid chain follow many different paths, each with their own conditions and requirements. However, it is broadly correct to say there are three main flows:

- ~~the~~ project/programme proposals and requests UP the aid chain
- ~~the~~ funding and funding requirements DOWN the aid chain
- ~~the~~ reporting and information on impact UP the aid chain

A) Generating project proposals

- ~~///~~ these are often generated through community activities, participation and collaboration
- ~~///~~ some are generated in NGO offices at the local level, as lack of prior funding precludes working with the community on generating proposals
- ~~///~~ proposals written up in English
- ~~///~~ as the proposals rise through each layer they are often 'corrected' or changed to fit the demands of the next level of the system
- ~~///~~ by the time a proposal reaches the donor it has usually been tailored by NGO staff- locally on in UK- to fit current donor requirements and priorities
- ~~///~~ the vast majority of proposals are now presented within a logframe
- ~~///~~ proposals as written and submitted are often quite divergent from the original concept and request

B) Funding

- ~~///~~ Not all funding is given for projects- though they are still a dominant form of funding for NGOs worldwide
- ~~///~~ Some funding is tied to global strategic plans (through partnership agreements) or to contracts which NGOs bid for and which follow the donor strategic priorities
- ~~///~~ Funding is agreed in line with each donor's priorities, strategies, principles, criteria and guidelines
- ~~///~~ Funding carries with it requirements for timetabled spending and accounting, and often extra conditions or requests for extra work are attached to the funding. Donors may change aspects of the project during the decision-making process around whether to fund the project
- ~~///~~ Proposals are often simplified and streamlined before and during the funding allocation stage, losing much of the complexity of the problems and needs of the communities needing the aid
- ~~///~~ Whatever the funding source, UK NGOs then pass on the funding to their offices/partners within their own funding disbursement frameworks, all with their own conditions for accounting, monitoring and evaluation and impact assessment

C) Conditionalities attached to funding outside the procedures of aid management

- ~~///~~ Funders have changing priorities as the focus of their interest shifts over time
- ~~///~~ Some of the critical changes in recent times that may adversely affect the ability of NGOs to reach the chronically poor include:
A shift away from service delivery; a decline in the focus on gender issues; and a rise in interest on advocacy, especially at national and international levels

D) Implementation of the work on the ground

This is an area where much less is required or laid out. While there are many manuals on working participatively, or with women, or around rights,

the actual complexities and requirements of doing development on the ground are not well explored within most NGOs. The front line staff are the lowest paid and often have least access to training and support. They are subject to multiple demands from above and have to find ways to work with CBOs and communities, whose original concepts have been much altered in the process of securing funding. The current aid management systems are coy about how to actually do development work in complex and difficult contexts. There is a huge gap in thinking, analysis and work on development practice, compared to all the work that is focused on securing and accounting for funds.

E) Some critical emerging findings

- ~~✍~~ The power relations play out at every level of the aid chain, and always favour the funder/or the player with the greatest access to external funding and information
- ~~✍~~ There are increasing conditions attached to aid. These are more often drawn from discussions and thinking based in the north and rarely on experience of development from the south. They are often experienced as oppressive by those trying to implement development work
- ~~✍~~ The tools that dominate the accessing and disbursing of funding are developed in the north and they are not neutral. They are embedded culturally and carry clear concepts and understandings of change. They are based on the new public management approach, and understand change as linear, logical, controllable and measurable. They are culturally specific in origin, and yet are applied in all contexts
- ~~✍~~ The tools are alien to many users. Teaching staff and partners to use them, and actually using them- especially around the generation of logframes and reporting against them- are time consuming and very demanding, especially as they have to be in English
- ~~✍~~ There is a great deal of fear and lack of transparency in the aid chain. Despite wanting their stories to be told, with very few exceptions, staff at every level of Southern NGOs and UK NGOs have only been prepared to engage openly with the research issues if they have been guaranteed anonymity. This runs counter to the claim of 'learning' being central to development work, as well as making writing up the research most challenging.

~~✍~~ What we have found is that

- ~~✍~~ These approaches have some serious effects on development practice
 - ~~✍~~ The tools are a condition of funding, and funders hold the most power and they are located far from the development needs and work. This system is inserted into a set of north-south relations that have a long history. They are not breaking with the past, but echo past relationships. In Africa these are often experienced as patronising, dominating, and at times racist
 - ~~✍~~ Relationships are far from those encapsulated in the concept of 'partnership' and are often quite negative
 - ~~✍~~ There is often a real loss of ownership of the work, or control over what and how things are done. While there are many wonderful

exceptions and some exciting examples of innovative and creative ways of generating proposals and implementing the work and accounting for it, these are often 'add ons' and not changing the frameworks within which people are having to function

- ~~✍~~ They are developing a dependent NGO sector, which will not help significantly in building the strong local civil society needed to monitor and counter-balance government and donor behaviour
 - ~~✍~~ The focus on short term impact is promoting short term thinking rather than the long term approaches needed to tackle social exclusion and deep poverty
- ~~✍~~ They do not appear to be helpful in promoting approaches to development which are capable of tackling complexity, deeply entrenched inequalities at all levels, and the meeting the needs of the chronically poor. More relevant approaches would include:
- ~~✍~~ Long term processes
 - ~~✍~~ Building strong local organisations able to work with poor people, listen and respond to them
 - ~~✍~~ Culturally relevant work
 - ~~✍~~ Diversity of response given the complexity and diversity of causes and consequences of poverty
 - ~~✍~~ Learning by doing, being open and not secretive, acknowledging problems and not claiming quick successes
 - ~~✍~~ Grappling with the challenges and demands of a development practice that really works with the complexities of changing options for the poor