

Executive Summary: **Alternative Development Actors and Changes in the Aid Architecture**

24th – 25th May 2011, St. Anne's College, Oxford

Day One: **Alternative Development Actors**

1. The 'New Private Donors'

John Hailey, Independent Consultant

John's session gave commentary, critical insight and personal reflection about 'new private donors', highlighting the importance for INGOs of learning about, and engaging with, private donors. John emphasised that there is an extremely diverse range of 'private donors' whose sources of funds are varied and who use a variety of strategies and theories of change. However, these new donors do have a number of broadly common characteristics. They tend to be shaped by personal interests, are ambitious and optimistic, are subject to limited public scrutiny, draw on business thinking and language, often outsource their development work, and draw on very broad and diverse networks. The criticisms levelled at new private donors are also fairly generic, amongst which are a lack of transparency and dialogue, often due to 'money unwittingly acting as a bodyguard', and insufficient local contact and engagement.

John then reflected on his experiences of working with new donors. The positives included attitude, quality and commitment to intensive engagement. He weighed this against the potential problems, such as the destabilising effect of innovative investment, a lack of assessment regarding grantee capacity, and a failure to factor in appropriate timescales. He concluded with an outline of future directions in an era of growing philanthropy. INGOs will need to collaborate more with private donors; to do this, they need to show evidence of their successes and demonstrate that they can 'add value'. Foundations may need to become more transparent and employ better mechanisms to expose them to honest feedback and dialogue that gets past the 'body armour of money.'

The discussion that followed raised issues such as: donor engagement with grantee projects and issues of transparency and dialogue from both sides, the difficulties for INGOs in refusing donor money and the conflict of values this can cause, and whether the changes required from INGOs over the next few years represent an 'evolution or a revolution.'

2. Private Donor Perspective: Experiences of collaboration

Olivia Dix and Anne Aslett, Funders' Collaborative for Children: Malawi

Olivia and Anne's session focused on the work of the FCFC in Malawi, what was innovative about their approach, and their experience of working with traditional NGOs. The four organisations in the FCFC came up with a specific outcome where their interests met:

¹ **NGO Forum Members, Guests and Visitors:** Godefroid Nimbona, Cordaid; Marianne Bo Paludan, Save The Children Denmark (STCD); Susanne Kirk Christensen, STCD; Cecilie Bjornskov-Johansen, Danchurch Aid; Martin Rosenkilde-Pederson, Danchurch Aid; Piet Posthuma, ICCO; Daniel Jones, Christian Aid; Joern Lemvik, Bistandsnemnda, Norway. **External Speakers:** John Hailey, Independent Consultant; Olivia Dix, FCFC; Anne Aslett, FCFC; Mia Sorgenfrei, Independent Consultant. **INTRAC:** John Beauclerk, INTRAC Associate; Pat White, INTRAC Board; Rosemary Preston, INTRAC Board; Rachel Hayman, Rick James, Ruth Judge, Claire Moberly, Brian Pratt, Rhiannon Smith, Zoe Wilkinson.

improving the lives of vulnerable children in one district, through a 'surrounding the child' case management approach, capitalising on existing resources and assets. They felt the collaborative working was a good example of shared learning across foundations and a way of harnessing different skills.

The speakers highlighted some of the advantages for INGOs when working with foundations, notably the positive endorsement brought to an INGO by receiving private funding, and foundations' willingness to accept failure provided there is learning to be gained from it. However they also warned that NGOs may find foundations' 'hands-on', outcome-led approach more difficult to deal with. In terms of their experiences of working with NGOs, the positives included the local leverage and contact that INGOs have, but these seemed to be outweighed by negatives such as rigidity of INGO practices and systems, jargon, lack of authority delegation and problems with staff turnover and quality. The presentation concluded by commenting that if INGOs choose to seek funding foundations then they must also be prepared to engage in the process of working with foundations (beyond securing funding) and embrace a different model.

The discussion focused on issues such as the 'hands-on' engagement of foundations in shaping and implementing intervention, the risk to INGOs if they do not achieve the outcomes prescribed by foundations, and the 'we can fix it' approach adopted by foundations. Questions were also raised about the life-cycle of foundations, and why foundations work through INGOs and not local government or local INGOs.

3. 'Courting the Diaspora': Diaspora groups and the development industry

Ruth Judge, INTRAC

Ruth's session dealt with issues arising at the interface between diaspora groups and INGOs within the development industry; the interest in diaspora groups, the work being done with them and the critical questions this work raises. Interest in this area was catalysed by the scale of financial remittances which, if channelled effectively, may make for a useful development tool. While cultural proximity and identity-based motivation can make diaspora groups contribution to development more equitable and sustainable, these characteristics can also reinforce cultural divisions.

Work with diaspora groups includes facilitating and harnessing remittances, 'brain circulation', capacity building within migrant development organisations, and strengthening dialogue among diaspora groups and between them, INGOs and governments. There is a huge diversity in different diaspora-led initiatives, which makes generalising about developmental impact difficult. Challenges include public – and indeed INGOs - sentiment towards migration, which frames migration as a development failure rather than solution, a perceived lack of professionalism and accompanying tensions in what capacity building for diaspora groups should look like, and more research needed into the impact of various groups on development in their host and home countries.

The discussion that followed centred on the precise definition of 'diaspora', the developmental impact of migrant networks, whether they always 'add value', and the political problems inherent in supporting migrant or diaspora groups.

4. INGO Perspective: Cordaid's engagement with migrant networks

Godefroid Nimbona, Cordaid

Godefroid's session gave an overview of Cordaid's extensive work with various diaspora groups and migrant networks, stressing the importance of this work in light of increased worldwide mobility and the current impact of migration on communities globally. Godefroid

added that migrant networks can be seen as agents for development and the positive role they could play should be recognised.

The main areas of Cordaid's work with migrant networks includes poverty alleviation in the global south, Global Communities of Change, Linking and Learning, the Cordaid Domestic Programme, Lobbying and Advocacy, capacity building, knowledge centres on migration and the Dutch Migrants Consortium. He concluded by highlighting the importance of working with and supporting migrant networks as development actors.

The discussion addressed: who do migrant networks represent and do they speak for a majority? Are migrant groups a source of new funding for INGOs? Who benefits from remittances? Should bilateral links be made between NGOs and migrant organisations in their home countries? Other topics of discussion involved the nature of remittance money, the generational aspect of remittances and the developmental impact of groups with 'cultural proximity'.

5. 'The road to Busan': Aid effectiveness update

Rachel Hayman, INTRAC

Rachel's session outlined debates around Aid Effectiveness in the run up to the 4th High Level Forum on Aid Effectiveness in Busan (South Korea) in November 2011: the progress made, the issues raised and what the future might hold. Phase One of the evaluation of the Paris Declaration on Aid Effectiveness (conducted in 2008) had focused on the implementation of the Paris Declaration, with the conclusion that insufficient progress had been made. Phase Two, which is underway, has seen a shift towards an evaluation of impacts, outcomes and results although the overall findings are expected to be similar to those of Phase One.

She explored three debates in aid effectiveness: the difficulties inherent in attributing results and therefore determining effectiveness; the shift in focus around budget support evaluations from socio-economic impact towards the plausible contribution of budget support to creating a conducive policy environment; and new thinking around political and policy conditionality, notably regarding accountability between state and society. The Busan forum is likely to be focused on 'value for money', 'results', methodological shifts, and how new aid actors engage with aid effectiveness issues. It remains to be seen whether Busan will reaffirm old principles or find new ones, and whether any tangible change in aid approaches will come out of Busan.

The discussion which followed raised questions such as: how do we enhance accountability when so many governments repress civil society? Is civil society seen as homogenous in aid effectiveness debates? What are donors willing to sign up to in terms of aid effectiveness? Is budget support still the best instrument to deliver aid and development goals?

6. Improving Aid Effectiveness through Capacity Development Support to Civil Society

Mia Sorgenfrei, Independent Consultant

Mia's session focused on capacity development by and to civil society organisations: donor briefs and initiatives, recent developments in capacity development support, the role of CSOs, and the implications for donors in terms of aid effectiveness. She stressed that there is a large gap between rhetoric and practice concerning capacity development for a variety of reasons, but capacity development is not a top priority. Donor agencies need to focus on quality not results to give capacity development enough time to develop, and recognise that any change is progress.

Positive developments in capacity development support include more comprehensive, systematic capacity development approaches, the recognition of capacity development as a long term process to be integrated in programme work and a willingness to increase the use of local capacity development support providers. However Mia also mentioned problems such as a lack of capacity development support providers in the global south (due to strict transparency criteria), limited efforts to measure CSO impact on capacity development processes and limited CSO capacity. Therefore, there should be an increased focus on creating enabling environments in order to provide capacity development support for CSOs, 'results' should be replaced with 'process indicators', and the place of capacity development in a radically changing aid environment should be justified.

Although there was general agreement with Mia about the importance and significance of capacity development support to CSOs, there was also scepticism over whether there have actually been any significant shifts in thinking recently. Other issues discussed were the primary role of CSOs (e.g. service delivery), the shift towards development effectiveness in the 'post-aid' debate and a lack of in-house capacity among INGOs to provide capacity development support.

7. Future Directions for INTRAC Research and the NGO Forum

Discussion with Rachel Hayman, INTRAC

This session provided more of an introduction to Rachel as the new Head of Research, a brief introduction of Forum members and discussion of topics to take forward in the future. Details of this are available for NGO Forum members in the Full Report.