

Monitoring and Evaluation/Corporate Social Responsibility and International Development

18-19 May 2010, St Hugh's College Oxford

Full report

Not for quotation

Day One: Monitoring and Evaluation

Welcome and Introduction

The day opened with Dr Brian Pratt, INTRAC's Executive Director, welcoming the attendees¹, and giving an overview of the Forum meeting.

1. M&E Systems for Complex Organisations

Nigel Simister, INTRAC Associate

Nigel began by defining the key terms of his presentation. He defined a '**complex organisation**' as one working on different levels to achieve its goals, usually running projects and programmes across more than one country or region. While there is no uniform definition of M&E system, Nigel defined a good '**M&E system**' as a series of policies, practices and processes that enable the coherent and effective collection, analysis and use of monitoring and evaluation information.

Nigel stressed that there is no single 'right way' of designing an M&E system, but identified four key areas in designing a good M&E system:

1. Defining the scope and purpose of the M&E system
2. Clarifying goals and objectives
3. Identifying different levels
4. Selecting key focus areas

Firstly, it is crucial to make clear '**what is in and what is out**' of any M&E system. Nigel described that from his experience, the following components can be included:

1. **Always included** – objectives, baselines, indicators, tools and methodologies
2. **Sometimes included** – reporting, learning mechanisms, data storage
3. **Grey areas** - financial monitoring, planning systems, human resources systems

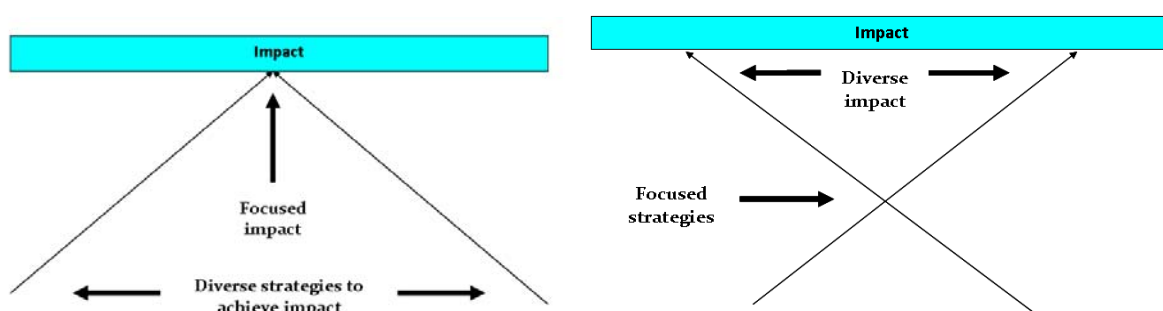
¹ NGO Forum Members, Guests and Visitors: Ivan Kent, CAFOD; Connell Foley, Concern Worldwide; Cecilie Bjørnskov-Johansen, Danchurch Aid; Martin Rosenkilde Pedersen, Danchurch Aid; Yvonne Es, Oxfam Novib; Marianne Bo Paludan Red Barnet (Save the Children Denmark) Neel Gammelgaard Red Barnet (Save the Children Denmark)

External Speakers: Nigel Simister, INTRAC Associate; Diarmid O'Sullivan, Global Witness; Vicky Brehm, Independent consultant; Mick Blowfield, Oxford University.

INTRAC: John Beauclerk, INTRAC Associate; Rosemary Preston, INTRAC Board; Geof Wood, INTRAC Board; Anne Garbutt, Ruth Judge, Rod MacLeod, Brian Pratt, Zoë Wilkinson, Ina Zharkevich.

When considering the purpose of the M&E system, different organisations' own purposes will influence the design of each system. Purposes might include accountability (upwards or downwards), control and supervision, learning, improving performance, improving communication, project management, providing evidence for advocacy, public relations and fundraising, resource allocation.

Secondly, **clear objectives and strategies** are important for creating a viable M&E system. These include the objectives or goals of an organisation; its projects and programmes; and its partners. This may require some thought for global organisations. The more 'traditional' approach to objectives and strategy - defined as the ability to maximise impact given the resources at disposal - is shown in the first diagram below. The Jubilee 2000 campaign was cited as an example of such an approach, with a clear idea of particular impact it wanted to achieve, and strategies for change. However, many global INGOs may have an approach more like the second diagram. The thing to note is that these different approaches will in turn, require very different approaches to M&E.



The third area to consider in designing an M&E system is to **identify different levels** of operation. These can include geographical levels (global, regional, country, programme, project), different levels of strategies, programmes or projects where M&E matters and where donors want to see results. According to Nigel, there is a lack of cross-cutting approaches to M&E – and many organisations' M&E systems actually resemble multiple M&E systems than a single coherent one.

Thus, when working on the fourth aspect of designing an M&E system, **selecting the focus area**, it is important to think about how much freedom the organisation is ready to give to different levels of the organisation – for instance, its country offices. Thus, 'the most critical decision you have to make at each level is how far to insist on common procedures and practices, and how far you should allow people at different levels of the organisation freedom to develop their own solutions in response to their own particular needs.'

Nigel stressed that it is important to select key focus areas of the M&E system. For instance, objectives, indicators, baselines, tools of information collection, participation, reports, use and analysis of data might all be technical and output areas for focus. In addition, the supporting processes for any M&E system are essential. It is the human information processes, such as training, supervision, informal reviews, information flows, feedback, non-threatening monitoring, that will make an M&E system stand or fail.

Nigel continued his presentation with concrete examples of the M&E systems. WaterAid UK which uses a fixed template of planning, reporting and setting objectives was contrasted to ActionAid's M&E system which is based around a clear ethos of downwards accountability. Whilst WaterAid's system is quite centralised and rigid, that of Action Aid has only core institutional requirements, and beneficiaries of its programmes are involved in the process of planning the system at all levels.

Nigel summarised the session with the idea that any M&E system should be attentive to four key balances. Firstly, the format of the M&E system needs common processes and practices whilst

also needing flexibility. Secondly, the balance between too many and too few focus areas should be sought. Thirdly, an M&E system needs to balance the needs of headquarters and field staff. Finally, a participatory approach in designing an M&E system is assumed to be a good thing, but needs to be balanced against the need for coherence in the system.

Discussion

The discussion started with the representative from DanChurchAid sharing their experiences, echoed later by Concern – that some parts of the organisation are trying to implement a cross-cutting approach to M&E, but others within the organisation are keen on a programme-specific approach since it is more likely to show concrete achievements and easily accessible data. The representative of CAFOD agreed that their headquarters often prefers more marketable data, focussing on stories about individuals from projects and programmes, rather than reports which synthesised country-level reports.

A comment from DanChurchAid highlighted the importance of using flexible and participatory approaches in designing an M&E system – and that one of the greatest challenges in designing an M&E system is a lack of ownership of the system on behalf of the field staff. Therefore it is important to involve them in the design process, preferably through face-to-face interaction. In their experience, design by email led to largely critical responses from field offices whereas visits to country offices usually prompted debates, which lead to a consensus.

This comment raised the question of the volume of resources which an organisation is willing to put into M&E, which resonates with the current academic debate on the necessity and value of the M&E system in development. Nigel added that the current international system is complex and requires decision making on the relations both with the donors and with the field – all of which should be put within one framework.

There was a comment from INTRAC that a lack of understanding of an M&E system is often a key reason behind failure of M&E. The UK's NHS (National Health Service) was given as an example of the organisation where the M&E system works because all the workers accept and understand it. DanChurchAid commented that in their experience understanding and ownership comes not from reading the documents but rather participation in its creation.

Nigel noted that while an elaborate M&E system is important, oversight of how the system works is key to its success. Thus, WaterAid had over a hundred pages of the details of the M&E system but what was lacking for the functioning M&E system was a clear, one or two-page explanation of the purpose and objectives of the M&E system. The session closed with the remark from Oxfam Novib on the importance of the accessibility of not just the process but also the information generated by an M&E system to different levels within our organisations.

2. Monitoring and Evaluation of Advocacy and Campaigning

Yvonne Es, Oxfam Novib

Yvonne started by explaining the context within which the M&E team of Oxfam Novib works: an increasing role of advocacy and campaigning across all areas of Oxfam both globally and in Novib. Despite this, the challenge remains of capturing key things about advocacy and campaigning.

The presentation was centred around two recent examples of commissioned evaluations: of the OI EPA², the Oxfam International campaign targeting the EU to influence trade rules defining its relations with ACP countries; and of the Oxfam Novib Global Programme which aims to 'support global civil society' by linking platforms at different levels – local, regional and global. The evaluations focussed on different elements of each programme: the process of implementation for

² Economic Partnership Agreements between the EU and African, Caribbean and Pacific countries

OI EPA, and issues of accountability and achievements in the Global Programme. The methods used for the OI EPA evaluation relied mostly on interviewing, producing a lot of qualitative data, whereas the GP evaluation was undertaken using mostly written communication and surveys, and thus also produced quantitative data.

The OI EPA campaign had ambitious objectives. In order to assess whether the campaign had achieved its objectives, the following questions were asked:

- Did the EU soften its position?
- Did the ACP countries increase their assertiveness?
- To what extent can Oxfam, or the NGO campaign, claim credit for any positive changes that did occur?
- What types of campaigning or advocacy activities were most/least effective?

The evaluation was conducted by an independent researcher who focussed on answering these questions by gathering and comparing data from sixteen countries in four regions, selected as key countries in the region and where Oxfam has a significant presence, and advocacy targets. Different stages of the campaign were evaluated by gathering and analysing data from: documentation, press coverage, expenditure, interviews, feedback workshops.

There were several limitations faced by the evaluation. Whilst the campaign was held up as a particularly 'well documented' campaign, it was found that a lot of reporting did not actually capture the evidence behind the statements in reports. Furthermore, since a lot of media work in Africa had been done through community radio rather than print media, it was difficult to capture a great deal of the media work that had been carried out. Expenditure was difficult to track due to the fact that one third of expenditure was spent in grant-giving to counterpart organisations, who did not necessarily earmark the funding clearly. Other limitations of the evaluation stemmed from the absence of baseline studies, incomplete records and the problem of attributing the change to Oxfam's role and the campaign. Another issue raised by this evaluation was whether there needs to be a balance between producing public reports to support transparency, and the centrality of confidentiality about the campaign strategies, especially in relation to advocacy targets.

The second programme evaluated was The Global Programme, which worked with counterpart organisations such as CIVICUS, Third World Network, Social Watch, World Social Forum, La Via Campesina, International Institution of Environment and Development, and others to try and strengthen global civil society. The evaluation covered the period of 2005-08, and looked at how 38 partners had performed in the in the 'Right to a Sustainable Livelihood' and the 'Right to be Heard' aims and considered Gender Justice as a cross-cutting issue. The main purpose of the evaluation was to report on achievements of the campaign and identify areas for improvement.

During the evaluation it was found out that the original strategic documents and what had actually happened in the programmes didn't match. Therefore, evaluators undertook a reconstruction of 'theories of change' for the programme. Slide 20 in the powerpoint illustrates the theory of change for the whole Global Programme: how the mission statement, assumptions, strategies, target groups and results interact. Furthermore, central to this evaluation was identifying outcomes, which were defined as 'changes in other social actors'. Partner organisations were asked to identify between 5 to 10 significant outcomes, and these outcomes were verified by independent third parties. A huge volume of data was generated by this, and some patterns drawn across outcomes.

However, the substantial amount of work involved in reconstructing outcomes highlighted one of the biggest lessons presented by these two evaluations - the challenges of documenting results of campaigns, and the need for investing time in building the skills for M&E throughout different levels of a programme, and across different countries. Furthermore, in contrast to country evaluations when evaluations have a high level of counterpart involvement, both evaluations at this 'global level' were not participatory enough.

Discussion

The discussion was started with a question about how the process of trying to reconstruct objectives and outcomes seemed a big 'act of faith' – had it worked? Yvonne responded that it produced some interesting findings. One was that those who were working on different levels of the Global Programme could report greater change than those working on one or two levels, which raises the question of whether working on different levels can improve the effectiveness of the programme. Another interesting finding was that the livelihoods stream contributed to social and political participation even though it was not focussing on this issue specifically.

A question was asked about the quality of information gained by different methods. Yvonne answered that as there are different views of quality, the Global Programme scored higher on the Dutch Ministry's of Foreign Affairs terms, displaying clear criteria for what is considered a success, documenting every step. In the OI EPA evaluation the lens of evaluator is harder to trace.

This led to a discussion of the critical issues around the process of the evaluation, in particular the different perspectives internal and external evaluators will have – and the prior knowledge of internal evaluators as problematic. Yvonne confirmed that using external evaluators is a standard practice for Oxfam Novib. This stems from the concern about the sources of information and about the tendency of non-independent evaluations to err on the side of concluding success not failure. This is particularly important in the Netherlands where the Foreign Ministry has a strong position on wanting to see independent, high-quality evaluations.

In response to the role played by Ministry of Foreign Affairs in the M&E process, DanChurchAid pointed out that the Danish government does not check on 'quality' in such a step by step way but rather ensures that good systems are in place. Yvonne responded that the stricter efforts in the Netherlands were trying to stimulate a culture of paying attention to quality and submitting it to public scrutiny.

The dilemma of making evaluation reports public was discussed, and the need to balance transparency and confidentiality for those engaging in advocacy. CAFOD stated that they are in the beginning of this process, which has caused a sense of anxiety but also the feeling of movement in the right direction.

INTRAC noted that there is always a big background question about the purpose of evaluation: is it for an external audience or for learning? The fact that there is often a very specific purpose behind evaluation and that evaluators are given some direction, makes the evaluation process not neutral even if undertaken from an external position.

3. Monitoring and Evaluation: major issues facing our organisations

Discussion led by Yvonne Es, Oxfam Novib and Nigel Simister, INTRAC Associate

This session followed up on the issues raised by the previous two presentations on M&E, namely the centrality of ethos and purpose in an M&E system, tensions in implementing M&E between the headquarters and the field, lack of mechanisms of capturing good practice and the imperative of looking at the nature of organisation before designing a viable M&E system.

A comment was made by Save the Children Denmark on the lack of honesty in the design and implementation of many M&E systems. The concern was voiced that many M&E systems are motivated by being able to show progress on paper, but rather they should be honest about one's failures and successes. This view was endorsed by Nigel Simister who noted that some M&E systems are primarily motivated by instrumental concerns, especially fundraising, rather than learning or increasing accountability. He stated that in his opinion a clear ethos, culture and vision should run from head office down through the whole organisation to give M&E a clear purpose:

such as Action Aid's ethos of downward accountability. However, a member of the INTRAC Board questioned whether ethos always clarifies things, noting that rights-based approaches have been adopted in very complex ways that may not be understood throughout the organisation.

A representative from INTRAC argued that in contemporary development there is split between people coming from policy departments and those from programmes. Part of the problem therefore is that M&E systems are designed by people from policy departments rather than those 'activist' types expected to use the system. It was also noted that some of organisations, such as Amnesty International, lose staff because of complicated M&E systems: 'activist type' people do not want to spend a substantial amount of time on what they view as a bureaucratic activity. In response to this, Nigel stressed that before designing an M&E system it is important to see the nature of organisation and how it works, in order to avoid a top-down design of an M&E system.

An important issue raised by several members of the Forum concerned the costs of creating an M&E system versus the value it generates. Using a participatory approach implies going to the field offices, meeting the staff there and following up on discussions, which was generally felt to result in greater ownership of an M&E system and therefore a more effective system, but in reality be too time-consuming and costly and therefore not feasible for the majority of organisations. The fact that M&E looked like 'administration' costs to the public was noted. However, a representative of INTRAC who pointed out that DFID is planning to allow up to 10% of grants to be spent on M&E, and there was even talk of up to a 50% allocation for M&E in governance areas.

An interesting proposal was voiced by the representative of Concern to return to doing M&E at the level of individual projects, of setting context-specific objectives and avoiding compulsory reporting top-down instruments. A question was also raised about whether there should be a theory of change for each particular programme within organisations to increase understanding of impacts. A representative from Oxfam Novib spoke about a lack of the practice of capturing good experience of M&E systems. This resonated with a broader concern raised by the members of the Forum about general lack of learning in the development field from past experiences.

4. Members only session: Feedback from Review of INTRAC's research

Vicky Brehm, Independent Consultant, John Beauclerk, INTRAC Associate

The session, based on the preliminary findings from the strategic review currently being carried out by the speaker, raised a wide range of issues: the role of research in the overall strategy of INTRAC; the future composition of the research department; new areas of research as well as concrete proposals for designing a new research strategy.

Vicky started by outlining the reason for the review - that there is a dilemma about where INTRAC should continue doing primary research or whether, as changes in the external environment have made this more challenging. The overall position of INTRAC's research department and the dilemmas it faces is summarised on page 5 of 'Preliminary Research Review Findings' document.

Vicky then outlined what INTRAC's research role was felt to be, based on interviews with INTRAC staff and NGO Forum members undertaken the review process. There was an overall consensus that INTRAC serves as a facilitator of debates and a civil society analyst. INTRAC is viewed as a civil society watchdog which monitors trends and examines cross-cutting interests of the sector – for instance things like management structures of INGOs – and is a critical voice which provides a bridge between academia and practitioners.

In relation to the NGO Research Programme in particular, the review showed that there is a degree of satisfaction with the forum overall and that its meetings are seen as valuable. However, it was stressed that the variety of membership and the number of organisations involved in the Forum

was important, for both the group dynamic and the funding. There was also a sense that greater focus and follow up on INTRAC research was needed.

Vicky then outlined some particular suggestions that had emerged from her interviews, to be discussed:

1. Should there be a two-tier level of membership, with full members involved in a forum advisory group?
2. Should forum membership be widened and if so who would you want included?
3. Should members be more closely involved in setting the research agenda, and if so, how?
4. Should INTRAC have a role in commissioning research for members?
5. Should there be research seminars either in Oxford or in your organisations?

Discussion

The first issue raised during the discussion was the overall picture for this review. It was clarified that INTRAC has an overall 5 year strategy in place, dating from 2007, but that the research element of it needed to change due to the transformation of external environment. This review thus looked at the difference between research strategy and practice. Concern raised the point that there had been 'reviews' in the past – and questioned why there was an absence of a systematic evaluation of INTRAC research function and why a light-touch approach was being used again. A comment from Save the Children Denmark touched upon the discussion in the document about senior research managers, and noted that this was worrying, as the department should not be reliant on one individual.

A member of INTRAC Board said that there should be acknowledgement of the historical difficulty of establishing and sustaining a research centre. Furthermore there should be attention paid to ways in which research is done and its quality, including quality of writing. It was also noted that a review couldn't capture the views of people with a more detached view of INTRAC, such as practitioners around the world which would have shown a lot wider recognition of INTRAC research.

1. Should there be a two-tier level of membership, with full members involved in a forum advisory group?

The reasoning behind the idea of two-tier membership is that organisations involved in the Forum want different degrees of involvement – some want to set the research agenda whilst others want to just attend. Therefore having two tiers could reflect this and possibly widen the membership from the point of view of having different financial rates and lowering the financial barrier for some organisations.

This proposal was in general sceptically received by members. It was noted that although theoretically the idea of two levels of involvement was good, such an arrangement could be difficult to make financially sustainable in the long run since many non-full members might only want to pay £1,000-2,000 per year, making it very hard to make up for the £9,000 yearly contribution of the few full members. This led to a discussion of resources needed to sustain a research department and the importance of the staffing policies.

INTRAC further described the broader context within which its research department operates. It was pointed out that DFID provides big research grants to consortiums which are usually comprised of the universities. At the moment INTRAC is bidding for a research grant on fragile states as part of a consortium with Manchester University. Given the current context with development funding in general and research in particular, it is not realistic for the organisation to be an original research institution and that the composition of the research department will depend on the strategy chosen. Whilst concentrating on two or three research themes, INTRAC should focus on reinterpreting other sources and providing a critical view of the existing debates.

2. Should forum membership be widened and if so who would you want included?

The member of INTRAC Board put this question in the context of INTRAC's vision and history. INTRAC was originally set up to nurture the development of Northern NGOs but over the years its remit has expanded to be worldwide. INTRAC's initial role has continued to be carried out by the NGO Research Programme, however, widened membership is absolutely essential for its future and to match its current vision. It was also remarked that the creative use of INTRAC associates and their closer linkage with the research department could yield good results. On the question of wider membership, Save the Children Denmark suggested that rebranding of the Forum is vital for attracting new members, especially so in a time when the sector is rapidly changing and internal processes are consuming the attention of many organisations, for instance in Save the Children, their globalisation process. INTRAC noted that members' participation in inviting new members was crucial as it is an offer that comes from peer endorsement, rather than being a 'pitch'.

A critical issue raised by Concern was who represents INGOs at the NGO Forum members, i.e. why is there an absence of senior managers at the meetings, and how does it affect the profile of the initiative. There was a critical comment from Oxfam Novib that INTRAC needs to be more specific about its niche overall which would help it also to get funding from elsewhere and attract new members.

3. Member's involvement in setting agenda of research?

There was recognition of the importance for INTRAC to be able to set its own research priorities, maintaining its role as a trend-spotter and having the freedom to define areas of research, critical to contemporary development debates. However, Forum members also suggested that they should be more involved in the process of setting a research agenda and in particular that research carried out for the forum meetings should draw more on the practical work of the member organisations. For example, the paper on CSR could draw on the experience of the NGO Forum members in this field. Similarly, the presentation of Nigel Simister on M&E in complex organisations could be of more value to the NGO Forum members if it drew on their experience rather than the case-studies of Action Aid and others. There was also discussion that the idea of a homogenous research agenda that is partly assumed by the forum set up is rather problematic since members have different priorities, and issues of common concern may not be the issues of critical concern to each organisation.

Overall, a consensus was reached that there should be more dynamic relationship between the process of INTRAC research and the experience of the Forum members. It was agreed by INTRAC that with its trend-spotting role they should do more in terms of circulating ideas, seeking member case-studies, seeking more feedback, reporting and following up on things. Some positive examples of engaging NGO Forum members in INTRAC research were cited. These included the members' case study group in INTRAC's partnership research, and member involvement in research, as in the research on counter-terrorism and civil society in which two NGO Forum members, ICCO and Cordaid, played an important role.

4. Should INTRAC have a role in commissioning research for members?

This idea reflected the possibility of INTRAC as moving towards a role to commission research for the members in the areas in which INTRAC does not have core expertise, such as water, health, climate change. However, the proposal was seen as problematic due to a number of reasons: the lack of real demand for such a 'middle man' role, and strict international procurement roles in some of the organisations.

5. Should there be research seminars either in Oxford or in your organisations?

In terms of research dissemination, it was suggested that INTRAC might present the findings of its research using in-house seminars where two or three member organisations and guests would come together to participate in a one-day research seminar. The idea of such a research 'roadshow' was positively received by all members, and also seen as a potential way to attract new members. Save the Children Denmark remarked that some of the themes of forum meetings could

be of interest to the internal Danish NGO Forum where INTRAC could make a half-day presentation on themes such as INGO management structures or M&E.

5. Members only session: Next cycle of the NGO Research Programme

Ruth Judge, INTRAC and John Beauclerk, INTRAC Associate

This session was based on the draft proposal for the next cycle of the NGO Research Programme, which discussed key strengths and challenges of the programme, and encouraged discussion amongst members about the future to feed into the official proposal, expected at the end of June. Ruth started the presentation by outlining major strengths of the Forum. In a rapidly changing world and sector, it was felt that most INGOs do not have time to analyse the complex external environment within which they have to operate. In this context, the NGO Research Programme offers an intentional, regular space for members to come together and exchange ideas, and shape the agenda for research that addresses members' common concerns. The forum set-up allows research to assess strategic NGO issues from a broader perspective than would be possible from within any one NGO. Biannual forum meetings, as well as larger seminar and conference events will remain a central hub of the future NGO Forum programme. Other key aspects of membership, which INTRAC hopes to improve in the next cycle, include expanding the benefits of the forum membership from beyond these meetings and ensuring member organisations as a whole benefit from constructive visits and improved access to, and sharing of, resources throughout the year.

In the next cycle of the NGO Research Programme it is expected that INTRAC's research department will continue to focus on several broad themes that constitute its particular strengths: supporting civil society, monitoring the architecture of aid, M&E, and capacity development and managing change, and members were invited to discuss sub-topics within these themes that would be of particular interest to them. It was noted that key to INTRAC's identity is looking at a broad range of themes from an independent critical perspective – thus responding to relevant issues in the sector and seeing things in a broader perspective. The presentation then discussed the growing strength of INTRAC communication strategies. Two key points highlighted were, firstly INTRAC new website which has made a great wealth of resources very easy to download, and which has already started to host online practitioner learning groups. Secondly, INTRAC recently confirmed takeover of the editorship of the journal *Development in Practice* which will give INTRAC access to the latest thinking and practice from practitioners from around the world, and boost INTRAC's research outreach and profile immensely.

Ruth went on to outline what the last cycle of the NGO Research Programme achieved. Major research themes covered over the last years which ranged from the impact of counterterrorism measures on civil society to faith based organisations and to monitoring the aid effectiveness debates. The research programme specifically funded: 6 biannual meetings; 9 issues of ONTRAC translated into 5 different languages were disseminated in printed and electronic form to a great range of development practitioners; member visits and seminars. The research programme has also been a central part of setting the agenda for INTRAC's overall research, providing the impetus for many briefing papers and shaping conferences and workshops. Overall in the last 3 years INTRAC has produced 15 Briefing Papers, 25 Praxis Notes and 6 books, with a further book currently in pre-production.

The presentation was concluded by discussion of the challenges faced by the NGO Research Forum and ways to tackle them. The questions of: the overall research strategy of INTRAC, the issue of attendance of forum meetings, the problem of expanding the membership base of the NGO Research Forum, and the importance of ensure the benefits of membership stretch beyond the meetings throughout the year.

Discussion

It was felt that the discussion in the previous session had covered the questions that were raised about INTRAC's research strategy and membership. Therefore discussion centred around outlining possible future research themes for the next cycle. These included:

1. **Theories of change:** In relation to both social change and organisational change. What is the thinking behind the theories? What ideas have inspired civil society organisations? What kind of change has been envisioned? Is it possible to unravel these in relation to M&E?
2. **Monitoring of aid architecture:** Harmonisation and alignment of aid. What are the real on-the-ground implications for civil society organisations? Who has won and who has lost as a result of this change? Is it possible to monitor the process of harmonisation and alignment? Is someone doing this at the moment?
3. **The impact of official donor policies on civil society in the North and South:** What happens to INGOs in the North when the governments stop funding it? What areas of civil society work do governments in the South support? What are the coping strategies of civil society in the view of donor withdrawal? Are there invisible conditionalities imposed by donors on NGOs?
4. **Civil society in middle income countries:** What are the implications of donor withdrawal for civil society in middle-income countries? What is left behind and what is in the danger of disappearing in the civil society sector? What are the local government's policies towards civil society? What strategies are adopted by civil society organisations in order to survive? Is there a positive side to this process, such as renewed independence of civil society?
5. **Evolving roles of civil society:** What is the relationship between the North and the South? And **shrinking space for civil society:** adoption of stricter legislation in Southern countries and counter-terrorism policies for civil society in the South.
6. **Emergence of 'precariat' and advanced marginality** in the North and South.

In terms of the process of carrying out research, there were concrete suggestions about a closer engagement of the NGO Forum members in carrying out research. These included making a case-study group and using the experience and networks of the members in the research process. At the stage of research dissemination, in-house presentations, research 'roadshows' were felt to be an exciting prospect to widen research dissemination within member organisations and to prospective new members.

Day Two: Corporate Social Responsibility and International Development

1. INTRAC's forthcoming briefing paper: 'From Corporate Social Responsibility to Corporate Accountability'

Ruth Judge and Ina Zharkevich, INTRAC

Ruth and Ina outlined their draft briefing paper, which gives an overview of the debates in the field of corporate social responsibility. The session started with a brief discussion of where the debate has moved from. Whereas in the early 1990s the debate around CSR centred on environmental issues, labour rights, health and safety regulations, at the moment, community development, poverty alleviation, taxation and corruption feature higher on the CSR agenda. In the 1990s business was largely seen as a villain by civil society, who adopted a highly critical position towards corporations, but now engagement has shifted to greater collaboration and partnerships between NGOs and business.

What is clear is that all of the biggest transnational corporations (TNC) have some forms of CSR reporting and they increasingly market themselves as actors in global development. For instance, Nestle tries to position itself as an active actor in global development, working for the good of beneficiaries in the developing world in areas such as water, nutrition and rural development. CSR is presented by these TNCs as fitting the 'business case' – where expanding the markets for their products in the developing world is compatible with bringing benefits to the poor in terms of economic development. Furthermore, many corporations CSR engagement is more akin to philanthropy. For instance, Chevron donates substantial funds to the Global Fund to Fight AIDS, Malaria and Tuberculosis, whilst having adopted the language of development in its work, claiming 'partnership' with the communities it works in. Does this type of involvement make business more responsible or does it distract business from more difficult issues such as transparency of oil contracts and responsible taxation? Or is CSR just a PR strategy for TNCs?

One of the critical issues raised was the financial power of the corporations and its implications for global governance. The revenue of Royal Dutch Shell in 2009 was \$458.4 billion, whilst the GDP of Tajikistan in 2009 was only \$5.13 billion, i.e. just over 1% of Shell's annual revenue. The budget of the UN is 0.5% of Shell's revenue. In the light of the huge discrepancy between financial resources wielded by the corporations and most of the nation-states, it is important to consider the bigger question about the role of business in global development, and its prospective role as a major development player.

One of the key issues raised by the presentation was the role of the state in regulating business. Should we expect that corporations acting in the pursuit of self-interest will care about the public good? How do CSR policies of the major corporations sit with the corporate lobbying against compulsory regulation and stricter taxation policies? The notable limitations of the self-regulatory approach to CSR have shifted civil society campaigning from corporate social responsibility to corporate accountability. NGOs no longer focus primarily on lobbying the corporations but rather the state, not on environmental issues but on accountability, transparency and sustainability. This is illustrated by the emergence of initiatives such as Extractive Industries Transparency Initiative and Publish What You Pay and new multi-stakeholder forums such as Better Sugarcane Initiative and Better Cotton Initiative.

The presentation concluded with a discussion of the rise of the idea of 'philanthrocapitalism' and continuing questions about the future of the NGO–business relationship. It was argued that relying on creative capitalism, self-regulation of individual corporations and the market to solve the problems of development is dangerous. It was also pointed out that reconsidering the relationship between business and NGOs will be crucial for the future of CSR. Will corporations become the

major development donor and, perhaps, global development actor in future? How will civil society sector respond to this change?

Discussion

INTRAC started the discussion by noting that Simon Heap, formerly at INTRAC, had carried out research on CSR in the late 1990s. The research focused on the NGO relationship with business, whereas now the emphasis is on state control of the commercial sector. What is the role of the state in an age when in the words of British Petroleum CEO corporations are the only viable transnational actors on par with the US Army? The speaker from Global Witness responded by arguing that the sovereign state is still powerful and that even the biggest corporations in the poorest countries have to receive 'yes' from the government in order to operate there. Moreover, in some of the states, Nigeria being one example, oil companies are working to tackle corrupt governments. Ina responded with a further example of the state role in regulating business. It is not a coincidence that Nordic corporations act much more responsibly both in the Global North and South than corporations either from the US or the rest of Europe: Nordic countries have the most advanced corporate legislation in the world.

There was a comment from INTRAC that the criticisms of CSR downplay the successes achieved so far. The fact that CSR is taken seriously by corporations shows a considerable move forward from the 1990s. And whilst it is true that civil society can do a lot more to make corporations more accountable, this is not a case of an either/or choice between CSR and corporate accountability but rather should inspire further efforts of civil society. A comment from Save the Children Denmark echoed this, agreeing that the debate should not be on such defensive terms, but work within the reality of how we can use engagement with business in the best possible way.

A member of the INTRAC Board raised a question about whether business is located within or outside civil society. He also argued that the emergence of taxation and corruption issues on the CSR agenda is connected with the fact that corruption is associated with a high transaction cost and therefore business is interested to be part of the civil society endeavour to clean up business. It was also stressed that the role of the state should be to provide an incentive for business to adopt CSR measures rather than make stringent legislation only.

Members of the NGO Forum were interested in the ways of engaging with business without compromising their values, in the problem of the selection of the corporations for future partnerships. DanChurchAid spoke about their experience of engaging in CSR issues. It has been pointed out that it is difficult to balance fundraising needs with working on substantive CSR policies. For example, Karlsberg Cambodia approached DanChurchAid with the intention of getting a CSR partnership. DanChurchAid wanted to them to support work with the 'beer girls' who are used to serve beer in the beer gardens. However, Karlsberg made it clear that they would support this programme only if other breweries were involved, highlighting the problem of whether corporations adopt a responsible behaviour at the expense of its comparative advantage.

The concluding remarks concerned the question of why NGOs engage with business. Is the civil society sector honest enough about the reasons behind its involvement with the corporations: whether they are driven by fundraising or ethical motivations? Questions remain over whether these motivations are compatible or not. What are the new ways for civil society to engage with business? Should civil society take a move in organising a forum of multi-stakeholders involving business, state and civil society?

2. Do multi-stakeholder governance initiatives actually work? The case of the Extractive Industries Transparency Initiative

Diarmid O'Sullivan, Global Witness

Diarmid started by giving some background information about Global Witness. This UK-based NGO attempts to expose corrupt exploitation of natural resources and international trade systems, and drives campaigns to end impunity, human rights and environmental abuses in resource-linked conflicts. Diarmid went on to give a brief introduction to Extractive Industries Transparency Initiative (EITI). EITI was formed in 2002. The first country to be involved was Angola, a conflict-affected state rich in mineral resources, noted for bad governance and high levels of corruption. Global Witness started a campaign to urge western corporations to disclose the amounts of money being paid to and from themselves and the governments of the countries they worked in, to increase levels of transparency. British Petroleum (BP) responded positively and disclosed financial data which caused a threat from Angola government to end the BP contract. Thus, the first lesson learned by EITI was that individual efforts are risky: there is a need for collective action. As a result of the first campaign in Angola, the Publish What You Pay group was formed. It was funded by George Soros, Global Witness and the British Government. The aim of the group was to encourage companies to disclose the flow of the legitimate payment from companies to governments, and for the governments to publish what they receive. The idea was to match these two reports through an independent review.

EITI is a multi-stakeholder initiative. The board, which is chaired by the founder of Transparency International, consists of 20 members – five from each stakeholder group of: supporting countries; implementing countries; private sector; and civil society. The important thing about this set-up is that it enshrines a power of veto for any one group of stakeholders including civil society, and pushes the group towards working for consensus. The secretariat of the initiative is based in Norway. The World Bank and Global Witness are the main institutional supporters of EITI. The International Advisory group includes DFID, oil and mining multinational companies, and UK NGOs.

EITI is based on twelve broad principles that set out a general vision of why transparency is crucial. Around these principles are rules which set the mechanisms for disclosure of the financial data. One of the rules is that countries that join EITI should reach compliance with agreed standards of transparency within two years. Whilst there is no legal consequence following the failure to comply with EITI rules, it involves a reputational risk for the country in question. Since many of the states that have joined EITI are aid dependent and conflict-affected states, it is in their interest to preserve a good image in the international arena to maintain donor funding. Some middle-income countries such as Azerbaijan join in order to improve their reputation in the area of corruption. Norway, the only EITI country from the global North, participates in the initiative because it believes that expecting other countries to follow stringent regulations obliges one to fulfil them in the first place. This is a very important gesture on behalf of the Norwegian government, as the EITI is often regarded by the Southern governments as a northern initiative that imposes stringent regulations, rather Norway's participation strengthens its position as a global initiative.

The involvement of TNCs in the EITI is similarly explained by the reputational risk, especially in the light of the scandals with Enron, Shell and others – so the EITI is a positive example of the power of reputation in pushing corporations to change their behaviour. The interesting thing, however, is that EITI is not a purely voluntary initiative, but rather is a hybrid voluntary–mandatory initiative. It is voluntary only at the state level: once the state joins it, all the companies operating in this country must comply with the scheme.

Diarmid concluded the presentation with the discussion of the major achievements and challenges faced by EITI. One of the major challenges is that the vast majority of countries have so far failed to comply with the requirements of the initiative within the timeframe of two years. Thus, 18 out of 22 countries have not reached the deadline of 9 March this year: only Nigeria and Azerbaijan have

achieved compliance with the reporting procedures. Another problematic issue is the low quality of reports submitted by many governments. However, even when the quality is high, as in case of Nigeria, reporting is only the first step towards resolving problems in practice. It is clear that EITI does not have the power to transform resource governance. However, it has been successful in making TNCs more transparent in terms of their financial operations in the developing world, and hopefully lays the basis for a debate about issues like whether the levels of tax paid are fair. Furthermore, EITI has legitimised the discourse of transparency and laid the foundation for other initiatives guided by similar missions.

Discussion

The session was started by the discussion of the role of the World Bank in EITI as a funder and champion of EITI. It went on to discuss the possible collusion between companies and governments and bribery within these institutions. It was noted that the EITI does not make claims to eliminate bribery and corruption but rather reduce its scope. For example, EITI reports from Kazakhstan showed a discrepancy of \$50 million and led to investigations, showing that EITI indirectly contributes to tracking corruption.

It was remarked that one of the positive side effects of EITI is enabling the governments to budget more transparently. The speaker added that it is not within the remit of EITI to improve or track the spending of governments but that what EITI does is to monitor money going in and out – in a process of auditing by multiple stakeholders. EITI also encourages transparency debates which at times might lead to unexpected consequences. Thus, after the comparing the percentage of revenue paid by oil companies in Ghana with elsewhere in Africa, the Ghanaian government declared that it was not satisfied with the terms of contracts.

Another issue raised was the geographical spread of EITI. One of the notable feature of the EITI is the prevalence of countries from West Africa and the absence of those from Latin America, with the exception of Peru. This was explained by the fact that the African countries have an incentive to engage in order to have a good image in the eyes of donors and investors. Latin American countries refrain from joining the initiative because they view EITI as a Northern instrument being imposed on them. This comment was discussed further – does EITI being perceived as a Northern initiative further the interests of countries in remaining non-transparent and non-accountable? Finally, it was stressed that participation and successful implementation of the rules of EITI almost entirely depends on the political will of the government in question.

3. Current Debates on Corporate Social Responsibility

Mick Blowfield, Smith School of Enterprise and the Environment, Oxford University

Mick started by stating that only a decade ago business could be seen as a passive 'block' without a mandate for social change, which needed to be criticised by development actors to change its standards. Thus, in the late 1980s when Nike was accused of poor working conditions in its factories in the South, the corporation declared that its sole responsibility lay in economics. In this light, the change in corporate behaviour achieved over the decade can be seen as impressive.

Mick stressed that corporations try to make their business more responsible for two reasons: value motivation which guides social enterprise and materiality motivation which guides successful corporations. The outcome of the initiatives driven by different motivations is often similar – profitable enterprise that tries to redress inequalities in society. However, it is important to bear in mind that even if corporations adopt CSR policies, the tenets underlying their existence remain intact. These tenets or 'parameters of possibility', include companies continuing positions on the:

- right to make profit
- universal good of free trade
- supremacy of private property

- commoditisation of things including labour
- superiority of markets in determining price and value
- privileging of companies as citizens and moral entities

According to Mick, it is not the role of business to define what should be done but rather society itself should define what it sees as global justice. Mick urged us not to be surprised if CSR itself didn't challenge these 'parameters of possibility'. Private property rights are a striking example of this. The corporation might own resources, ranging from land to oil, in a country or area where there property was owned collectively. The profit is therefore generated through alienation of what was once owned collectively. However, one parameter which has been renegotiated recently is the superiority of markets in determining price and value, showing that there is some scope for challenge of these parameters if it comes from a broad enough societal base.

Mick noted that CSR debate and policies have substantively changed. The example of Nestle was given as a corporation that has adopted a CSR programme with a focus on nutrition, water and rural development. Similarly, CSR debates on labour issues no longer focuses on child labour or freedom of association but rather the rights of contractual workers and gender aspects of employment, and there has been a positive shift in issues around trade unions and collaboration with supply chains. There is also now a whole range of CSR initiatives inspired by a similar methodology that try to go beyond a narrow focus of the early 1990s: Extractive Industries Transparency Initiative, Sustainable Palm Oil Initiative, and Better Sugar Cane Initiative.

Mick then discussed the idea that there is a new sense of orthodoxy which accompanies most CSR programmes. These include partnerships, stakeholder engagement, and responsibility in supply chains. Whilst these are the moves in the right direction, what matters is the way in which these are implemented. For instance, 'stakeholder' language can reflect an exercise of power rather than partner engagement. Fairtrade has also become one of the mainstream initiatives adopted by corporations as diverse as Marks and Spencer, Cadbury and Nestle. However, research currently being carried by Mick shows that fairtrade, if only a certification process, can have ambivalent effects and even worsen the situation of the farmers, in the example of his research into tea growers in Kenya.

A further trend in the corporate sector is CSR reporting viewed as a way of being accountable. 80% of the top 500 corporations publish CSR reports. However, Mick argued that what we should question what business is really accountable for – and looked at three different views of the role of business:

- **Business as a development tool** - how business was previously seen.
Business creates wealth, generates employment, and produces goods and services that people require. However, business retains the right to lay out the people, to produce goods and services that are detrimental to people.
- **Business as a power tool** - the position we are currently in.
Business recognises and makes decisions based on its relationship to poverty/development.
- **Business as a development agent** - we are not yet at this stage.
Business consciously strives to deliver and be held to account for its development actions.

Mick continued by remarking that there are areas in which corporate standards are not exemplary, especially in the area of taxation. However, he argued that it is society's remit to define what standards should be adopted. A positive development in the corporate field is that there has been a large degree of incremental learning over the past years. For instance, Cadbury has learned from anti-child labour campaign targeted against it and has started thinking about the societal and community dimensions of its work.

The challenge for NGOs as they go forward is think about which ideas of development they try and influence corporations with - the danger is that NGOs get locked into either being too defensive or just becoming the provider of 'simple solutions' for business, such as Fairtrade. However, they should aim to understand what is going on and what the major challenges for business are, stay ahead of the game and push the development agenda that will provide the complex solution to these complex issues.

Discussion

The discussion was started by DanChurchAid who raised a question about the role of NGOs in CSR. The speaker replied that a decade ago NGOs were afraid to be co-opted by corporations. Whilst these fears were founded to a certain degree, Mick proposed to reframe the debate and look at businesses being co-opted by development discourse. The question is, which type of development discourse are they co-opted into? Areas that NGOs should pay attention to are: entrepreneurship as businesses' response to the current development process; poverty and globalisation; and whether the paradigm of development promoted is about 'opportunities' or redistribution of wealth.

Save the Children Denmark then raise the issue of ways for NGOs to engage in future. It was suggested that the future engagement of NGOs with business will depend on the ability of NGOs to maintain a critical eye on the business agenda. If NGOs become 'guide dogs' for business, and start paying attention to prospective problems such as demographic change, inequality of wealth distribution, climate change, NGOs might preserve their ability to navigate different worlds and become brokers of understanding.

There was debate about casualisation of labour and whether corporations would be able to respond to this challenge. Whilst there are signs of the emergence of 'precariat' in both the North and South, there is hope that corporations will in future address this issue: companies such as Timberland and Nike have already started this process. The session concluded with a discussion on whether self-regulatory measures are sufficient to bring about change in corporate behaviour. It was noted that implementation of CSR measures often depends on specific factors in various countries and industries, and that in the absence of global governance in a globalised world many of the initiatives are facing challenges.