

# Contents

Preface	7
Some new tendencies in the international cooperation of the Netherlands: An Introduction to Yearbook 2008 <i>Paul Hoebink</i>	9
<b>Forum</b>	
Dutch Africa Policy 1998-2006: What for? <i>Leo de Haan</i>	19
Knowledge on the Move. The Dutch debate on research for development <i>Henk Molenaar</i>	27
Shooting Spaghetti: Neo-Conservative Criticism of Development Assistance in the Netherlands <i>Paul Hoebink</i>	39
<b>Articles</b>	
Geographical choices of Dutch NGOs: orthodoxies and realities <i>Dirk-Jan Koch and Bart Loman</i>	51
Going Dutch in Aid: How do Dutch co-financing agencies relate with Southern NGOs? <i>Udan Fernando</i>	83
Enterprise Development Interventions by Dutch Development NGOs: Is there increased involvement of private sector actors and does that make a difference? <i>Bert Helmsing &amp; Peter Knorringa</i>	105
Linking, learning, and leaving: Dutch experiments promoting global citizen action <i>Veena Fox Parekh &amp; Kees Biekart</i>	129
Assessing interventions and change among presumed beneficiaries of 'development': a toppled perspective on impact evaluation <i>Ton Dietz and Sjoerd Zanen</i>	145

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Mission Impossible: UNAMID and the chances of it making a successful contribution to durable peace <i>Jaïr van der Lijn</i>	165
Clusters or Clutter: Structuring Humanitarian Space in Chad <i>Dirk Salomons &amp; Dennis Dijkzeul</i>	181
<b>Overviews</b>	
Development Cooperation of the Netherlands in 2007 <i>Paul Hoebink</i>	203
From 'licking wounds' to 'private initiatives' Dutch private development cooperation in 2007 <i>Lau Schulpen</i>	209
Business and Development in the Netherlands in 2007 <i>Francis Weyzig</i>	221

# Preface

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Editor  
April 2007



# Some new tendencies in the international cooperation of the Netherlands: An Introduction to Yearbook 2008

*Paul Hoebink*

2007 was a special year for Dutch international cooperation. The Netherlands not only were 'blessed' with a new government, Balkenende IV, and thus also a new Minister for Development Cooperation, Bert Koenders, the new cabinet also prepared its new policies by taking a 100 days reconnaissance period. In these 100 days the Millennium Development Goals (MDGs) had an important place, finally leading to the *Agreement of Schokland*.

2008 and 2009 and will be interesting years for Netherlands' international cooperation again. Several political parties are organising lecture series or preparing reports on the effectiveness of Dutch development cooperation. The two most important advisory bodies to the government, the Social Economic Council (SER) and the Scientific Council for Government Policy (WRR), are preparing reports on development cooperation. Several other organisations organised or will organise major conferences or seminar on subjects as 'Understanding Development Better' and the organisational structures of Dutch international cooperation. Debate is flourishing, although the content of these debates may often not be that deep or rather shallow, it shows the long-standing interest of Dutch citizens in international development and international cooperation.

New dimensions have been added in the last decade in Dutch international cooperation. First, private aid organisations and private initiatives in development assistance have been mushrooming more than ever before. Not only has the Dutch government in recent year extended its subsidies to private aid organisations, stimulated by international travel and other forms of globalisation tens of thousands of Dutch citizens are involved in small or larger initiatives to support orphanages, schools and hospitals in developing countries. In the mean time the debate on all these activities is also going on. Second, we have seen in the last decade a whole new series of partnerships being developed in international cooperation. In particular partnerships between private companies and all types of Third World solidarity organisations have been developed rapidly. Third, military intervention and peace keeping operations have brought more attention for 'fragile states' and the relation between diplomacy, defence and development, the so-called three Ds or Triple D or 3Ds. Last, all these new devel-

opments shed new lights also on the role of research and evaluation. For a long time, international and development cooperation have been described as a 'knowledge industry', but only in the last six to seven years we see this gradually developing in new initiatives and debates on the potential role of research and knowledge development. On all this four topics this NYIC dedicates some articles.

### **In the footsteps of private aid**

There are in the Netherlands most probably more than 9.000 private aid initiatives. Since the Netherlands counts 443 municipalities, it means that in average per municipality there are on average more than 20 small groups or individuals active in collecting and transferring money mostly to developing countries. International travel and tourism - together with the old morale of good neighbourship, solidarity and the 'embarrassment of riches' - have greatly enhanced this kind of do-gooders activism.<sup>1</sup> At the same time the debate on the effectiveness of private aid organisation and of NGO-programmes seems to have flawed.

Looking backward the 1990s seems to have been the heyday for the evaluation of private aid organisations and NGO-programmes. In the Netherlands we saw the so-called 'Impact Study' (1991) as one of the first major evaluations of NGO-activities in developing countries. It was followed by evaluations by the Overseas Development Institute, the Finnish evaluation unit and dissertations amongst others by Schulpen and Biekart.<sup>2</sup> All of these studies more or less concluded that private aid organisations were not that kind of superior or more effective aid organisations that they often are presumed to be. In this yearbook some other aspects of private development cooperation are highlighted.

Already in the 'Impact Study' there was criticism on the regional distribution of private aid. The steering committee of that evaluation indicated that Dutch NGOs in comparison to other NGOs in Europe spent much more in the richer countries in Latin America.<sup>3</sup> Koch and Loman go a step further and indicate in their article also that non-governmental agencies are playing an increasingly important role in development assistance. They stress that very often various assumptions are made concerning where development NGOs spend their resources, but that the veracity of these assumptions in general are never assessed. Based on a literature review and in-depth interviews, Koch and Loman then try to describe the potential determinants of allocation decisions for Dutch NGOs. To sustain this they use a new longitudinal dataset and apply a dynamic panel method to scrutinise these determinants. A case study of one Dutch aid organisations is presented at the end of their article.

Koch and Loman find that Dutch NGOs do not focus on the poorest countries. Only one of the top 10 per capita recipients over the last two decades is among the least developed countries. They assume that geographic choices made by Dutch NGOs are closely related to and influenced by those of the government. The figures reveal that the widespread assumption, fostered by Dutch NGOs themselves, that Dutch NGOs are more active in countries with poor governance is unfounded. Lastly, historical relations prove the most important determinant of geographic choices, casting doubt on their presumed flexibility. According to Koch and Loman, the case study of

Oxfam Novib corroborates most of these findings. It shows that Oxfam Novib was the only organisation to develop a formalised selection procedure for recipient countries, the results of which include a stronger focus on the poorest countries than other organisations. It also showed that senior management commitment and exogenous shocks influenced the determinants of geographical aid allocation.

There is next to the claim that NGOs are superior implementers of development programmes, a second claim that Northern private aid agencies relate with their Southern partners more effectively than the inefficient, costly and bureaucratic governmental agencies in the North. This of course is said to go back to shorter communication lines, better understanding and even relationships of friendship and partnership. Udan Fernando tries to share in his article the findings of his PhD research on the relationships between Sri Lankan NGOs and their funders, Dutch Co-Financing Agencies (CFAs), private aid organisations receiving large subsidies from the co-financing scheme of the Dutch government. He starts with presenting a brief overview of the history of these private aid organisations in Sri Lanka. It should be remembered, that the first public campaign in the 1960s in the Netherlands to raise money for NGOs by Oxfam Novib (then Novib) was for a Sri Lankan NGOs, Sarvodaya. Fernando then discusses the main findings along three themes. He at first focuses on the institutional level. He analyses how changes in the contexts of Sri Lanka and Netherlands influenced these relationships. Then he makes an analysis of how relationships are influenced at organisational and personal levels. Under the organisational analysis, he explains the different phases of relationships between the Dutch and Sri Lankan organisations and dynamics of same. At the personal level the analysis includes the discussion on the role of NGOs leaders, desk officers and the interaction between them.

Udan Fernando stresses that he did not attempt to compare the experience of Dutch CFAs in Sri Lanka with other countries. The findings therefore should be understood as a case taking into account the specificities of the Sri Lankan context, the specific relationships between the Sri Lankan NGOs and those staff of CFAs who were in charge of Sri Lanka or South Asia. The relationship between the two parties had gone through a great deal of change and many shifts over time. These changes have been driven by a combination of institutional, organisational and personal factors. He suggests that of late, the institutional factor exerted a great deal of influence on relationships. It arrives at a conclusion that the withdrawal process, that we have seen in recent years with regard to Sri Lanka, was completely driven by CFAs, with all decisions taken unilaterally, leaving little or no space for negotiation and consultation. But sometimes this was also because the relationship between a NGO-director and a desk-officer got sour.

Private initiatives of Dutch citizens in international cooperation take all kinds of forms and are based on a wide range of activities.<sup>†</sup> They fit in a wider international trend, but take some specific forms. Fox and Biekart state in their contribution to this yearbook also that Northern citizens are increasingly acting as global citizens, becoming more conscious of global problems, and hence seeing clearer the links between local issues and the international situation. In the Netherlands, some innovative projects seek to involve citizens directly into the process of international cooperation. In

their article they analyse three examples: Oxfam Novib's Reverse Development Co-operation, Linkis' small-scale private development initiatives, and the NCDO's Third Chamber, a citizens' advisory body to the Dutch Parliament. The paper examines to what extent these projects have the potential to offer progressive alternatives to mainstream development cooperation, and how they involve Dutch citizens in global citizen action.

### **Looking for new partnerships**

A tendency that has been supported by the new cabinet and by the new minister is to look for new partnerships in development. One could call that 'polderen', a neologist verb, that indicates the historical ways of consensus building in this flat country, by ways also to get all important social and economic actors on board. It certainly places the Netherlands itself in the middle of the debate on development cooperation and casts doubts if this fits well in the new international agenda of the Paris Declaration and demand-driven aid. A fact is that some of these partnerships, e.g. with private business, were very old but discontinued since the 1980s as a result of disastrous lack of efficiency and effectiveness of tied aid. They are revived now in new forms and it is probably a bit too early to throw it all away by labelling these new partnerships as supply driven aid.

Helmsing and Knorringa investigate whether Dutch NGOs increasingly involve private sector actors in their enterprise development interventions, and whether such increased involvement makes a difference. After an overview of changes in the policy area of enterprise development interventions, they present their findings from interviews with enterprise development specialists at 18 Dutch NGOs. They find that private sector involvement has increased, both with private sector actors in the Netherlands and in the South, and this has contributed to an increased market orientation, focusing more on opportunities than on problems, more on small and medium scale as compared to micro and survival businesses, and more on mainstream markets than on niches like Fair Trade.

They acknowledge that private sector actors have not become involved in NGO policy development and that these do not influence monitoring and evaluation systems. While most older and larger NGOs are more experienced in market building, some of the newer NGOs – among them private sector hybrids – focus on market participation. Helmsing and Knorringa see it as a challenge for the coming years is to organise and stimulate selective matches between these two complementary types of intervention skills. Developing such more systematic bridges between market building and market participation can in their eyes help to enhance the direct poverty reduction potential of enterprise development programmes by Dutch NGOs. Finally they express the hope that the increased involvement of private sector actors can facilitate building these bridges, especially when market participation specialists are willing and able to learn about opportunities and constraints in market building interventions, and vice versa.



### Research and evaluation

2007 saw also some intense debates on research programmes being funded by the Dutch government. It was instigated by a series of changes that the research department of the Ministry of Foreign Affairs brought into the funding of programmes and its advisory structures, and also by a critical evaluation report on the research programmes by the Evaluation Unit (IOB) of the Ministry of Foreign Affairs.<sup>5</sup> In the 1990s the Ministry tried to change the funding of research programmes to a certain extent in creating some programmes that were less supply and more demand driven. The Multi-annual Multidisciplinary Research Programmes were the new programmes that received special attention and also new money, but in fact budgets were rather limited; they were what Henk Molenaar in his article calls 'the core and flagship' of the research programme. What turned out, was that all these programmes did not show good results and a major deficiency of all of them was that research capacity building, e.g. through partnerships, was not an important and integral part of them.

What is more important, and that was not subject of the IOB-evaluation, is that the Ministry did not have a clear strategy on knowledge creation and management, neither on the knowledge itself needed or should need, neither on what partner countries needed and need, e.g. in the sectors in which the Netherlands cooperates with them. This has been only partly changed in the last years with the creation of the so-called IS-Academies, research cooperation on specific issues, with a series of academic institutes in the Netherlands, and the new research policy.

Henk Molenaar tries, as objective as possibly possible, to depict some of the heated debates that these changes created, sailing nicely between Scylla and Charybdis. He also outlines the new research policy and its background. And he concludes that the change in focus on local ownership in the early 1990s was necessary to correct programmes that seemed to be mainly in the interests of the Dutch research community, but also that a focus on locally owned, demand-led and location-specific research is no longer sufficient now. He emphasises that international research cooperation and development cooperation are moving in opposite directions and thus new inroads, new programme design and new methodologies are necessary.

### Security and development

In the official statements of the Dutch government on its foreign policy, one can read repeatedly behind the statement on the Dutch commitment to Europe and the European Union:

*'The Netherlands will continue making contributions to crisis management operations in 2009, in accordance with the approach that combines military activity with diplomatic efforts and development cooperation (the 3Ds: defence, development and diplomacy).'*<sup>6</sup>

Not only the new and present Minister for Development Cooperation adheres to this approach, also his predecessor tried – with not that much success – to play an active role in this field. Jan Pronk, for some time special envoy of the Secretary General for

Darfur was a 3Ds adherent *avant la letter*, far before it became known as such in his eight years period as minister for Development Cooperation in the nineties. He spent quite some time in conflict-stricken African countries to try to solve conflicts or to mediate. The new Labour Party Minister Bert Koenders follows, on this rocky path, his footsteps.

In 2004 the Ministry created a Stability Fund aimed at funding activities in the spheres of peace, security and development. In the first two years it funded some 122 projects already for €122 million, for the major part spent in the Great Lakes Region and to a lesser extent in the Horn of Africa and Afghanistan.<sup>7</sup> In later years the disbursements went up to €100 million, again for an important part spent in the same regions, partly via the World Bank and UNDP. Re-integration of ex-combatants, demobilisation, reconstruction, de-mining are among some of the major activities funded. Is it a drop in the ocean? The first evaluation called it a useful addition to existing instruments.

One of the most heart-breaking and continuing humanitarian 'disasters' is indeed the situation in Darfur and what everyone at least that I know is looking with disgrace, is the impotence (or is it the lack of will? Or both?), that the international community is showing in its ways to resolve it. In the last five to six years Darfur was high on the agenda of the summits of the African Union. From Gleneagles to Heiligenstadt it featured at the G-8 summits. If the length of discussions and the number of words that have been spiled on it, would have been translated in for ten per cent into action, human suffering might for a large extent have been ended. On January 1 2008 we saw a new initiative from the African Union. It replaced the 7,000 troops of the African Union Mission in the Sudan (AMIS), which was deployed after the so-called ceasefire and peace agreement of April 2004 and April 2005, by United Nations Hybrid Operation in Darfur (UNAMID). AMIS had been little successful and nearly collapsed in May 2007 by lack of money, and the African Union hoped that UNAMID would be in a better position to manage the conflict and as such to start reconstruction and development in Darfur.

Jair van der Lijn reviews in his article the factors that relate to success or failure for UNAMID and he concludes that they give little reason for optimism. He is convinced that the operation is will not likely to contribute to durable peace. He states – as a clear euphemism – that the parties are not 'very willing or sincere'. He sees the rebels too inexperienced and incapable and, above all, too splintered to negotiate. UNAMID is not part of a political process, and in the absence of such a process topped-off by a peace agreement, the operation can at best address the consequences of the conflict, not its causes. And he concludes: 'Whether this is likely to be done within the context of a long-term approach is too early to say'. From that, the next conclusion could be, that Darfur will stay high on the agendas of international bodies also in 2009 and 2010.

Humanitarian assistance has been heavily criticised in the last twenty years and sometimes this critique does not seem to help and situations seem to become even worse. This the case with emergency assistance as the evaluation of the assistance after the Tsunami disaster clearly indicated. But evaluations and independent studies of long-lasting emergencies, like civil wars and assistance to refugees, were equally criti-

cal. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) which was and is in itself a very important new coordinating body, had and has the nearly impossible task to control the wild amalgam of all kinds of organisations involved in humanitarian assistance.

But some good news is around. Dirk Salomons and Dennis Dijkzeul examine the new concept of humanitarian space and try to provide an empirical example of the concept, describing the humanitarian activities in Chad and in particular how they are coordinated through the cluster approach. Under humanitarian space involved actors try to create a 'cluster' of actors around each key sector of humanitarian action who would jointly take responsibility for that sector, both at the global level and in field operations. The idea was that this would lead to enhanced predictability, accountability and partnerships.

Their conclusions based on this case study are optimistic: the different partner organisations understand each other better, planning has improved, and there is clarity on the final responsibilities and standards in each cluster. They see also considerable enthusiasm within the country teams and among the NGOs to benefit from the enhanced structures and accountability offered by the cluster approach. Further improvements, they conclude, hinge on the level of support coming from the global clusters, from the donors, and from the senior staff at the country level. But let us for the moment share their enthusiasm and see that the cluster approach created more opportunities to work impartially, with priorities based on needs, and with improved access to those who have been most seriously affected by the violence and displacement. Then only one additional point has to be assessed: has it also changed the way organisations are working with victims and refugees or are they still 'imposing aid' as the devastating critique<sup>8</sup> on their work was summarised twenty years ago? There is still little evidence around, that this the case, that refugees are still treated first as victims and not as active human beings.

### Conclusion

This Yearbook also contains three annual overviews, as well as three articles on aid evaluation, the Dutch Africa policy and the critique from conservatives on Dutch development cooperation. Sjoerd Zaanen en Ton Dietz try to show that if the evaluation perspective is turned around, 'toppled' as they call it, can bring interesting new results in comparison with the 'old' approaches of evaluating. The discussion on the Dutch Africa policy, if there was one and if you could have one, got a new impetus with an ambitious evaluation of the Evaluation Unit (IOB) of the Ministry of Foreign Affairs.<sup>9</sup> Leo de Haan depicts the report and the debate that followed. In the last fifteen years the conservative right has spearheaded from time to time and steered by incidents the critique on (Dutch) development cooperation, mainly by criticising aid effectiveness in Africa. The article presents an overview of this 'debate'.

As stated in the introduction of this introduction 2008 and 2009 are even more promising with regard to the debates that might arise around international cooperation of the Netherlands. The Dutch presence in Uruzgan, Afghanistan, will certainly bring a debate on the possibilities and impossibilities of the 3Ds approach. Develop-

ment cooperation will draw special attention, because the most important advisory bodies of the Dutch government will study and advice on it. And more debates are planned. Far away from the 'polder', important changes are made in aid delivery and in cooperation with aid-receiving governments and among donors. Let us hope that the looking glasses are not turned around and focus on all what is living between the dikes, but will transcend that and indeed have an eye for the new, silent revolution in development cooperation, to produce results that help to make and end to poverty.

### Notes

- 1 Lau Schulpen sees these private initiatives as a new fourth channel of development cooperation next to the multilateral, bilateral and, what he calls, the 'civilateral' channel (in: Development in the 'Africa for beginners'. Dutch Private Initiatives in Ghana and Malawi. Nijmegen: CIDIN, 2007). Since also the civilateral channel consists of private aid organisations and since he brings philanthropists' foundations into the fourth channel (thus blurring a big and small divide), I can not but conclude that also all these private initiatives belong to the third, civilateral, channel and are not a thin apart. See: Lau Schulpen, Development in the 'Africa for beginners'. Dutch Private Initiatives in Ghana and Malawi. Nijmegen: CIDIN, 2007
- 2 For an overview of these studies see: Lau Schulpen and Paul Hoebink, Ontwikkelingssamenwerking via particuliere ontwikkelingsorganisaties – de MFOs in perspectief. In: L.Schulpen (red.). *Hulp in ontwikkeling. Bouwstenen voor de toekomst van internationale samenwerking*. Assen: Van Gorcum, 2001.
- 3 Stuurgroep Impactstudie Mede financieringsprogramma, *Betekenis van het Medefinancieringsprogramma: een verkenning*. Oegstgeest: GOM, 1991, Bijlage 2.
- 4 See also the articles in Tearbook 2008 of Lau Schulpen en Han Valk.
- 5 IOB, Evaluation of the Netherlands Research Policy 1992-2005. Experiences with a new approach in six countries: Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam. The Hague: Ministry of Foreign Affairs, IOB Evaluation, No. 304, May 2007
- 6 As to be found on the website of the Ministry: [www.minbuza.nl](http://www.minbuza.nl).
- 7 Bart Klem and Georg Frerks, Evaluation of the Stability Fund 2004-2005. The Hague, February 2007.
- 8 B.E.Harrel-Bond, *Imposing Aid: Emergency Assistance to Refugees*. Oxford: Oxford University Press 1986.
- 9 IOB, Het Nederlandse Afrikabeleid 1998-2006; evaluatie van de bilaterale samenwerking. Den Haag: Ministerie van Buitenlandse Zaken, IOB Evaluatie nr. 308, 2008.

# Forum



# Dutch Africa Policy 1998-2006: What for?

*Leo de Haan*<sup>1</sup>

A volume of some 500 pages of analysis and findings on Dutch aid to Africa<sup>2</sup> (600 if you include the appendices), a hefty report to parliament, an accompanying 11-page letter from the ministers responsible for foreign affairs and development cooperation outlining their responses to the report, a series of recommendations by the development industry in the Netherlands, and the comments and opinions of 400 participants in a one-day conference in Rotterdam: this year the Dutch Africa policy was in the minds of many people.

This article examines the recent evaluation of Dutch bilateral cooperation with Africa from 1998 to 2006 conducted by the Policy and Operations Evaluation Department at the Netherlands Ministry of Foreign Affairs (IOB). The evaluation was initiated following an agreement between the Minister for Development Cooperation and parliament in late 2004. It took an IOB team nearly two years to compile the report but, in typical Dutch style, it received little in the way of praise but was, above all, criticised by the international cooperation audience in the Netherlands. The critics included both ministers responsible for the policy. On closer examination, however, many commentators only used the report to formulate a few general remarks as a prelude to introducing their own subjects of concern<sup>3</sup>. This contribution pays tribute to the IOB's efforts by focusing on the methodological substance of the report, and then builds on that to enable a presentation of its main critique of Dutch development policy in Africa.

## **The IOB report**

We should start by acknowledging the perfect timing of the evaluation, at a point when development strategies on Africa are deadlocked and African societies are changing rapidly. The IOB's general mandate was to carry out an independent evaluation of all aspects of foreign policy. Usually, the minister gives a policy response on the basis of the reports the IOB sends to the Lower House of the Dutch Parliament. In 2004 the Minister for Development Cooperation promised the Parliamentary Permanent Committee on Foreign Affairs an evaluation of Dutch policy on Africa from 1998 onwards. In 1998, following a thorough policy review known in Dutch as the *Herijking*, foreign policy was officially integrated. As a result, development cooperation was no longer separate from general foreign policy and new forms of cooperation were pursued with

the Ministries of Finance and Defence. It also led to a reorganisation of the Ministry of Foreign Affairs and to budgets being allocated to individual embassies.

The evaluation was mainly limited to bilateral cooperation, which accounted for about a third of the annual ODA budget (€1.3 billion in 2006)<sup>4</sup>. Multilateral cooperation and Dutch cofinancing organisations were also allocated a third each. Sub-Saharan Africa was the most important recipient region in all three categories but certainly not the only one. Aid went to virtually all 48 Sub-Saharan African countries but mainly to fifteen partner countries, which received roughly two-thirds of the total budget in the evaluation period, and also to another nine non-partner countries.

The evaluation aimed to clarify the way Dutch Africa policy was shaped, how it was implemented, and what results could be expected. Regarding the design of the policy, the focus was on coherence in the field of poverty reduction, particularly regarding trade and agriculture, on the integration of development cooperation and peace and security, and on ownership, i.e. providing space for the recipient countries to set their own policy priorities. In terms of implementation, the emphasis lay on factual implementation and expenditure, whether an integrated application of policy instruments was based on problem analysis, whether the policy priorities of the recipient country played a role in selecting activities and, finally, whether coherent reinforcing measures were taken. As far as results were concerned, the evaluation concentrated on the extent to which activities were actually implemented and whether they created preconditions for poverty reduction, peace and security, contributed to poverty reduction, or reinforced local capacity. Finally, the evaluation focused on whether the results had been positively stimulated by the new integrated approach.

The evaluation consisted of a general reconstruction and analysis of policy developments and an assessment of expenditure over the 1998-2006 period, followed by a series of thirteen monographs on debt relief, general budget support, sectoral support, primary education, rural development, urban poverty, HIV/AIDS, good governance, the rule of law, conflict prevention and management, humanitarian assistance, and trade and coherence for flowers and cotton.

The degree to which the evaluation represented Dutch Africa policy as a whole is arguable. Despite the large number of sectors, themes and aid modalities included, sectors like energy, health and the environment were ignored or were only partially dealt with. The evaluation was limited to bilateral cooperation and excluded multilateral aid and cofinancing, though Dutch contributions to the WTO and European decision-making processes with respect to market access for cotton and flowers were included in the analysis of trade and coherence and cofinancing was addressed in a number of other monographs.<sup>5</sup> Geographically, only the first two studies (on policy objectives and expenditures) cover all the countries concerned, while each of thirteen monographs is devoted to a different set of countries. Three partner countries, accounting for only 4% of total expenditure, were not included at all, while five non-partner countries, which received about 30% of the total budget, were included, for obvious reasons.

Overall, the evaluation considered 50% of total current expenditure on bilateral aid in the 1998-2006 period, but again with variations per category. The evaluation of



general budget support analysed 85% of the expenditure in that category, 70% in the debt relief category and 45% in the humanitarian assistance category. All the other monographs fell below that percentage in their specific categories.

As a general justification for the methodology used in the evaluation, a brief explanation is given of the usual difficulties encountered with impact assessment, such as a lack of counterfactual evidence and problems of attribution. These were addressed with procedures of triangulation and with combinations of quantitative and qualitative analysis techniques. Following this general account, the report discusses the methodology applied for each of the separate monographs but these accounts only list the different sources from which data were collected, such as reports and interviews. Only in two or three cases are the methods and techniques of data collection or analysis clarified.

To summarise, it is clear that the IOB's evaluation of the Netherlands' Africa policy is a combination of 'old and new' in the sense that it is made up of both new and original fact-finding and analysis, and recapitulations and summaries of other evaluations, some conducted by foreign evaluation units.

### **The methodology reassessed**

The lion's share of the discussion following the report's publication concerned the pros and cons of Dutch aid to Africa, and the course it should take in the future. A conference in Rotterdam, timed to coincide with the report's release, was primarily an excuse to discuss opinions that were barely touched on in the report and that would probably emerge as prospective policies. The conference mainly looked ahead and hardly focused on the past, with only half of the workshops dealing with themes addressed in the evaluation. Astonishingly, little was said about the quality of the evaluation or about the solidity of its findings and recommendations. This is food for thought if one considers the ease with which comments are made and new avenues for aid are propagated. It is probably proof of the predominantly political nature of the arena in which the solidity of findings and arguments are of minor importance.

While being praised by some foreign commentators as a paragon of independent analysis and reflection<sup>6</sup> – which is unique in the field of development cooperation – the evaluation resembles a kind of meta study, combining information from previous evaluations with new data. In principle, such an approach is to be encouraged, although certain pitfalls must be avoided.

Normally a meta analysis makes use of a systematic framework that synthesises and compares past studies. Meta-studies are undertaken to extend and re-examine the results of available analysis, re-using data from earlier studies to produce more general results than those from earlier attempts. Quantitative meta-analysis places high demands on the quality of underlying studies, in terms of units of analysis, standard size, relevant means and standard deviations or correlations in order to compute the effect size. Usually meta-regression analysis is then applied to generate meaningful comparative results and statistical tests are subsequently carried out to assess effect sizes and the accuracy of the results. It is obvious that neither the nature of the earlier studies

underlying the IOB evaluation nor the new studies would allow for a quantitative meta-analysis. However, a meta-analysis of qualitative studies would follow the same replicable procedure and aim to produce a new interpretation.

Meta-analysis is not just a synthesis of insights from previous studies. Qualitative meta-analysis also penetrates the theoretical and methodological points of departure of underlying studies, because their findings and conclusions depend on this and any comparison of these findings would otherwise only be illusory. Meta-analysis, quantitative or qualitative, involves research of previous research, and not just a synthesis of past results.

In this sense, the IOB's Africa evaluation as a whole is not a real meta-analysis and, with the wide variety of themes covered, this would not have been recommended in any case. In addition, some of the monographs – such as those on humanitarian aid and sectoral support – are simply summaries of recently completed evaluations or slightly extended studies. But the other monographs draw on earlier studies and are often even expanded on by additional data collection. It is surprising that no acknowledgment of the methods used in these monographs is available. As already noted, this should be part of the ABC of meta-analysis and its omission gives the impression that much of the study is more of a synthesis than anything else, though one would hope that there is more methodological substance behind it. Given the scope and ambition of the report, it would have been desirable if these methodologies had been made clear.

However, even with the information provided, questions about methodological solidity can still be raised. The evaluators address the extent to which the study represents Dutch Africa policy as a whole, although their conclusions are not clear. For example, is it admissible or a weakness that only the chapters on policy objectives and expenditures cover all the countries concerned, while each of the thirteen monographs covers a different set of countries, so that neither themes nor countries are covered comprehensively? The same applies to expenditure. Except for general budget support, debt relief and humanitarian assistance, all the monographs cover less than 45% of total expenditures. Is this a problem? Is there a standard to compare it with? In this respect the IOB leaves us in the dark.

The evaluation correctly emphasises the context in which development cooperation with Africa has taken place. The second chapter discusses economic, political and social trends on the continent. Comments on this chapter expressed concerns about, for example, the underexposure of Africa's economic growth, recession and position in the world economy and the impact of the policies of the Bretton Woods institutions or the Washington Consensus<sup>7</sup>. These comments may be justified but a much more important criticism is that this context is barely featured in the analysis. When attribution is addressed, the context would normally be the first factor to consider<sup>8</sup>, while the earlier discussion on meta-analysis also stresses the importance of clarifying the context in which earlier studies were carried out. This chapter would therefore be expected to offer, for example, country-specific contexts within which the conclusions of earlier studies and analyses of new data were placed.

The same goes for the following chapter, on Dutch policy in Africa. Although it is criticised for its lack of analysis of policy instruments to lay a solid foundation for the

evaluation<sup>9</sup> – which in fact turns out better than anticipated – the premises on which interventions are based are not discussed, let alone questioned. For example, without mentioning it explicitly, the evaluation clearly confirms that Dutch development policies complied with the Washington Consensus. They abandoned the developmental state in Africa that emerged in the 1960s and 1970s, discarding it as ineffective and inefficient because it was stranded in corruption, patronage and clientelism. All the development interventions in Africa that the IOB evaluates here are oriented towards the formation of a slimmed-down night-watchman state, the reinforcement of civil society and the functioning of economic markets.

The African state has had to become accountable and deal with donor funds efficiently as aid has been shifted from projects and programmes to budget support. However, donor funds turned out to be an important – sometimes the most important – resource and were, in fact, keeping the patronage system going. This is the principal reason why the ‘neo-patrimonial state’ has become such an important issue. To get out of the driver’s seat, donors needed accountable and efficient states that would do on their own what the donors wanted them to do anyway. However, most African states are considered to be neo-patrimonial and were thought to be doing different things with donor funds than the donors themselves wanted. The evaluation makes it clear that Dutch development policies with respect to Africa mesh perfectly with neo-liberal premises on the African state. Whatever one might think about the accuracy of this premise, the fact is that once again the evaluation made various recommendations about continuing established avenues of cooperation and following new directions. These cannot be formulated or assessed properly without a discussion about the underlying premises, as the example of the role of the state in Africa demonstrates. More generally, historical perspective and context, and analysis of supposed changes or continuity in policy goals, should have been an explicate point of departure.

### **Africa policy: What for?**

There is a catchphrase based on the acronyms of the various peacekeeping forces in former Yugoslavia: IFOR, SFOR, KFOR, What FOR? The same question could be applied to the Dutch Africa policy: what is it good for? For some this is a straightforward question with a simple answer: poverty alleviation is the ultimate goal of Dutch development cooperation, so in the final instance it is the contribution all the different themes make to poverty alleviation that should be assessed. Though this assumption is attractive in its simplicity, it is unrealistic. Dutch development cooperation, like the peacekeeping acronyms, has become a many-headed monster. Temporarily hidden by a façade of Millennium Development Goals, it consists of an inextricable set of strategies and concepts embedded in contradicting assumptions and theories. In isolation, some of these theories may indeed make sense as partial explanations of societal realities, and strategies based on them may be plausible as planning instruments. Taken together, however, it does not amount to much.

Take the famous 3Ds of development, diplomacy and defence. The IOB evaluation is positive about the way strategies for diplomacy, peace and security and emergency aid were organised in the Great Lakes Region and the Horn of Africa and concluded

that, by working together, they contributed to stabilisation in the region. However, it admits that it is hard to measure the impact of the various means employed. So far so good: the objective of the intervention was to contribute to security and stability in the region, and the IOB judged this as being at least partially successful. However, somehow there is always the explicit need to view a wider objective, in this case security and stability, as a necessary precondition to development. This is hardly contested politically, though historical models of development would not necessarily agree. However, the overriding point is that the precondition is satisfied by the development context, both in terms of budget and political mandate, in which it is formulated. Where Africa is concerned, the Dutch Minister for Development Cooperation wants a say in matters of security and has a sizeable budget to back up that claim. As a result, security and stability objectives need to be assessed in terms of development or poverty alleviation, which belong to a different field. The result is confusion, causing the IOB to criticise security and stability policies for failing to ensure a smooth transition to structural aid, which is supposed to achieve clear-cut development goals. What the IOB should have questioned is the compulsory link between stabilisation and development.

The same confusion is created with respect to interventions aimed at promoting the rule of law, such as the formulation of legislation, the training of legal experts and the construction of prisons. All are respectable goals and the interventions intended to achieve them were more or less successful. But the IOB criticises them for not devoting attention to superior goals, such as poverty alleviation and economic development. Conceptually, however, there is a tenuous link between promoting the rule of law on the one hand and poverty alleviation and economic development on the other hand. The same argument can be applied to humanitarian aid, which the IOB considers on the whole, relevant and effective but as not bridging the gap with structural aid.

Finally, coherence policies, for example the policies on cut flowers and cotton analysed in the evaluation, take as their point of departure the assumption that trade is more effective than aid. But effective in what sense? Trade liberalisation is supposed to trigger economic growth and may have a positive effect on poverty alleviation later on. Producers of certain agricultural commodities, such as cotton, may be poor but their incomes depend more on local market institutions than on access to international markets. While the evaluation appreciates efforts to strengthen the position of developing countries in trade negotiations and to improve their access to world markets, it found few positive effects on poverty alleviation. How realistic is that expectation?

Dutch policies on Africa are numerous and wide-ranging. Interventions and instruments to achieve their objectives sometimes have a weak theoretical foundation and linking them to 'development' or more specifically to 'poverty alleviation' becomes a questionable undertaking. It is high time that objectives in different spheres are acknowledged as intrinsically valuable without it being necessary to link them directly to development<sup>10</sup>. They include humanitarian assistance, security and stability, and coherence, and perhaps even good governance and debt cancellation. We should depart from the unrealistic assumption that everything should move in one 'development' direction, given that we are talking about different spheres, with different drivers, interests and objectives. For those who want to work on overall societal change, even in

that more realistic and less pretentious perspective, there are still more than enough issues of coherence and coordination left to worry about.

However, the final issue with respect to evaluating Dutch bilateral cooperation with Africa remains unresolved. Taken together, Dutch development cooperation can best be characterised as a chain of political arenas, extending from Dutch public opinion and policy-making to interventions in Africa, ranging from debt relief to the construction of prisons and schools. In all of these arenas, objectives and interventions are contested, compromised and subsequently passed on to the next arena. Policies on Africa formulated in the Netherlands are usually a compromise between the different views and interests of a multitude of actors. The original views themselves may not have been realistic and conceptually solid, but the compromise is above all political and therefore – most probably – conceptually even less solid. In subsequent arenas in Africa – national, regional and local – the policies are again contested and then adjusted or even completely restyled. The IOB Africa evaluation sometimes lifts a corner of the veil concealing these arenas, by elaborating on the deliberations of Dutch embassies. However, it usually discusses this issue in the neutral terms of options and choices, with the original Dutch policy objectives in mind. The rest of the chain and its political nature are underexposed. This would have been very useful for a real understanding of Dutch Africa policy, instead of simply leapfrogging directly to outcomes and impacts.

### Notes

- 1 Director of the African Studies Centre Leiden and professor in development of Sub-Saharan Africa at Leiden University
- 2 Het Nederlandse Afrikabeleid 1998-2006; evaluatie van de bilaterale samenwerking. IOB Evaluaties 308, Ministerie van Buitenlandse Zaken. Den Haag, 2008.
- 3 For example, in The Broker On Line (6 Feb. 2008) both Buhl and van Dijk pleaded for increased investments in agriculture and Nyamnjoh for eradicating cultural poverty, while in the workshop on fragile states at the February conference in Rotterdam representatives of NGOs pointed at the indispensable role of civil society organizations in building stability.
- 4 Nevertheless multilateral cooperation was included in number of monographs, for instance in general budget support, trade and coherence and the rule of law.
- 5 Het Nederlandse Afrikabeleid 1998-2006, p.51.
- 6 In The Broker On Line (6 Feb. 2008), Buhl, Ayittey, as well as Maxwell underpin the seriousness with which aid is assessed in the Netherlands and de Haan welcomes the attempt towards a meta-study.
- 7 Both Hoebink and Boer in The Broker On Line (6 Feb. 2008)
- 8 See als Ellis In The Broker On Line (6 Feb. 2008)
- 9 Again Hoebink in The Broker On Line (6 Feb. 2008)
- 10 see also Bieckmann & Dietz (Waartoe dient onze hulp?) in Vice Versa april 2008, p.8 and Dijkstra (Schuldkwijtschelding is goed, maar geen hulp) in Afrika ter discussie; het Afrikacongres 2008, bijdragen en uitkomsten. Ministerie van Buitenlandse Zaken. Den Haag, 2008.



# Knowledge on the Move

## The Dutch debate on research for development

Henk Molenaar<sup>1</sup>

At the crossroads of global and Dutch trends in research for development, the conference *Knowledge on the Move: Research for Development in a Globalising World* took place in The Hague from 26- 29 February 2008. Organised by NWO/WOTRO, Nuffic and ISS, the conference brought together a wide variety of international scholars and scientists, research donors, policymakers and development practitioners.<sup>2</sup> The context was set by the evaluation of DGIS' research policy between 1992 and 2005 by the Policy and Operations Evaluation Department (IOB) of the Ministry of Foreign Affairs.<sup>3</sup> In a sense the conference marked the end of an era in Dutch research for development policy and heralded the birth of a new one.

The conference kicked off with a seminar entitled *Good Ownership, Good Donorship in Research for Development* to discuss the IOB evaluation. Later in the day, there was a farewell dinner to formally mark the disbanding of the Netherlands Development Assistance Research Council (RAWOO) and to thank its former members. Both occasions were emotionally charged and this partly spilled over into the main conference.

The discussions took place within the wider context of global trends in the fields of international research cooperation and development cooperation. This combination of global and local dimensions gave the conference a unique charm, providing the Dutch debate with a wider podium and significance and infusing the conference with a sense of urgency and commitment. The result was vibrant and heated discussions, and a general feeling of expectation and a new spirit. Later this year a book is to be published capturing the full richness of the outcomes of the conference. This chapter, although touching briefly on the global context at the beginning and end, focuses specifically on the Dutch dimensions and reflects on the Dutch debate on research for development.

### Global context

The global context for development and international cooperation is rapidly changing. Poverty is taking on new forms and should no longer be approached as if it were confined to developing countries. Seen from a Northern perspective, the 'South' is no longer 'out there', geographically situated in developing countries. The so-called developed world increasingly faces problems which used to be associated with the Third

World. Loss of biodiversity, environmental degradation, migration and its effects on cultural identity, and many other global processes affect people worldwide. A 'Global South' is emerging, challenging the traditional conceptual framework of development cooperation based on a North-South divide.

Knowledge and innovation are increasingly recognised as basic ingredients for sustainable economic and social development. The growing knowledge intensity of markets and governance demands continuous investments in research and development and in the valorisation of knowledge. The strategic importance of research capacity and infrastructure, set within functioning knowledge and innovation systems, is growing.<sup>4</sup>

Within the OECD countries a lively policy debate is taking place on research and innovation.<sup>5</sup> Ambitious policy frameworks are being formulated and objectives set. In the upcoming economies, substantial investments are being made in science and technology and, as a result, countries like China, Brazil and India are rapidly gaining ground in the global economy. In Africa, awareness of the strategic importance of research and innovation is growing (for example in the context of the AU and NEPAD).<sup>6</sup> Yet, investments lag behind.

Unfortunately, capacity for research and innovation is fragmented and even deteriorating in many of the poorest developing countries. The effects of brain drain are devastating.<sup>7</sup> Worldwide, research and innovation capacity is being concentrated in institutes and centres of excellence in the North. In fact we can observe a process of knowledge resources being mobilised according to the needs of global markets, leading to them being concentrated in the hands of the dominant global market players. To take just one example, there are more African scientists and engineers employed in the United States than on the entire African continent.

We are witnessing a process of marginalisation and exclusion in terms of knowledge capacity. Deteriorating knowledge capacity means not only a reduced ability to produce new knowledge but also a reduced capacity to tap into and adjust knowledge from elsewhere. That makes countries dependent not only on external knowledge but also on foreign capabilities to adjust and apply that knowledge. In short, it undermines ownership and the capacity to develop a knowledge or research agenda independently.

Meanwhile, the landscape of science and research itself is changing.<sup>8</sup> Higher education is increasingly privatised and based on international partnerships.<sup>9</sup> Research takes place in the context of international networks and exchange, and increasingly beyond purely academic institutions. International access to research data, research results and information about institutes and funding possibilities requires the use of grids, open access facilities and information services.

This offers new chances and opportunities for researchers in the least developed countries, but not necessarily in the interests of local development. In a sense, the internationalisation of research strengthens the pull factor of centres of excellence in the North (and increasingly in the upcoming countries). Although it may not actually cause brain drain, it pulls the orientation of researchers in developing countries towards international research agendas not necessarily geared to local development priorities. As a result of this international orientation, research is becoming less embed-



ded in the societal context. It is draining energy from national systems of innovation and weakening the valorisation of knowledge in local contexts. Not surprisingly, there is a marked lack of attention to research in the poverty reduction strategies of the least developed countries. Yet, these poverty reduction strategies are the very focus of international cooperation. The new aid architecture, as expressed in the Paris Declaration of 2005,<sup>10</sup> shapes donor harmonisation on the basis local ownership (alignment). Ownership of the recipient country takes the form of a national poverty reduction strategy spelling out the priorities for development investment and interventions.

As a consequence, international cooperation in the field of science and in the field of development moves in opposite directions, and research for development finds itself caught in between. This is noticeable not only in the lack of attention to research in poverty reduction strategies, but equally in the development policies of the donor countries. These policies are usually not evidence-based. At the same time, research agendas are not inspired by policy issues, thus making research less relevant. There is a noticeable gap between policymakers and researchers. As a consequence, research for development is in crisis. It is being torn apart by the moving landscapes of international research cooperation and development cooperation. Yet, there are signs that things are changing. There are many attempts to rethink or re-invent research for development.<sup>11</sup> At the same time, awareness of the importance of knowledge and research for development is once again starting to grow.<sup>12</sup>

### **Ownership and demand orientation: the research policy of the 1990s**

The *'Knowledge on the Move'* conference took place against the global backdrop of the above trends. Yet, a historical dimension that was specifically Dutch in nature was equally important. During the preparations for the conference, comparisons were already being made with two earlier conferences on research for development that took place in the city of Groningen in the Netherlands in 1989 and 1992. Several speakers, including Bert Koenders the Minister for Development Cooperation, explicitly referred to these 'Groningen conferences' in their contributions.

The 1989 conference *'Research and development cooperation – the role of the Netherlands'* played a seminal role in conceiving a new policy on research for development,<sup>13</sup> and the 1992 conference deepened understanding of some of the implications of the new approach.<sup>14</sup> One of the speakers at the 1989 conference was Jan Pronk, then a Member of Parliament but soon to become the Minister for Development Cooperation.

In 1990 Jan Pronk launched his ambitious policy in a white paper titled *'A World of Difference'*. The paper fully acknowledged the importance of scientific research in this document and research for development was even chosen as one of four priorities of the new policy. It stressed the importance of developing countries having their own research capacity, developing their own research agendas, and conducting their own research programmes. This was followed by the first Dutch white paper ever to lay out a fully elaborated strategy focusing specifically on research for development.<sup>15</sup> The core concepts of this strategy were research capacity building, Southern ownership and a demand orientation and they became the hallmarks of the Dutch approach for many years to come.<sup>16</sup>

These principles sprang directly from the first Groningen conference but were equally in line with recommendations formulated by RAWOO in 1989.<sup>17</sup> RAWOO, set up in 1977 to advise the Dutch government on research for development, was upgraded to the status of a sectoral council by royal decree in 1990. Its membership was widened to embrace representatives from developing countries. As the Director General for International Cooperation, Ruud Treffers, pointed out in his speech at the farewell dinner, RAWOO was unique in that the voice of the South literally had a place at the table. RAWOO thus became the embodiment of the principles of ownership and demand orientation that were central to the new policy.

The core and flagship of the new policy was the conception, formulation and of course implementation of the Multi-annual Multidisciplinary Research Programmes. The MMRPs took the principles of ownership and demand orientation to heart. They were locally managed, followed a demand-oriented research agenda based on the involvement and consultation of stakeholders (NGOs, policymakers, end-users), and focused on location-specific and multidisciplinary research. The new policy, and especially the MMRPs at its core, represented a clear paradigm shift. The new approach tried to make a clean break with the past in which research cooperation was supposedly heavily influenced by the agendas and interests of Dutch knowledge institutes. In the public debate accompanying the new policy this element was often highlighted and in the process the Dutch research community felt insulted. This remained a sensitive issue for many years.

Notwithstanding this paradigm shift, the new policy did not bring a radical change in funding arrangements. Many of the ongoing programs on research and capacity building continued far into the 1990s and beyond. According to the IOB,<sup>18</sup> from 1992 onwards research spending gradually increased until it reached a peak in 1997. After that a slow decline set in. Around 2005 annual expenditures had stabilised at around €10 million. Total expenditures on research in the 1992-2006 period amounted to roughly €600 million. Despite being the flagship of the new policy, the MMRPs, represented less than 10% of this amount.

These figures, however, refer to expenditures on activities classified 100% as 'research' in the Ministry's monitoring and registration system. When including a percentage for activities with a 'research component', the IOB estimates total expenditure at between €1 and 1.6 billion over this period. A more detailed analysis by the Ministry's Research Bureau for the years 2005 and 2006 resulted in a substantiated estimate of annual research expenditures of around €200 million (slightly more than 2% of total ODA spending) during these years, including expenditures made under the capacity building programmes for higher education.

Since 1992, important Dutch recipients of, or channels for, research (and capacity building) funding have included Nuffic, NWO/WOTRO, *Stichting Onderzoek Wereldvoedselvraagstukken*, *Stichting Tropenbos*, KIT, WUR, and many others. In terms of sectors, agricultural research has received by far the most funding, through support to the Consultative Group on International Agricultural Research (CGIAR), agricultural research in specific countries (Mali, Kenya, Tanzania), or other channels.

Equally sensitive, but less exposed to the wider public, was the introduction of the new policy within the Ministry itself. In the interest of local ownership and demand orientation, the MMRPs had to be shielded not only from the Dutch research commu-

nity but also from donors and policymakers, including the Dutch embassies. Backed by the then Minister Jan Pronk, the Research Bureau initiated MMRPs without involving, and even intentionally bypassing, the embassies. Notwithstanding these sensitivities, this policy on research for development was an example for quite a number of years of how to take ownership and demand orientation seriously. With the MMRPs as the embodiment of a new paradigm and RAWOO giving voice to Southern perspectives, the Dutch approach was seen by many as an example of good donorship. The approach was strongly political in acknowledging the power dimensions of international research cooperation. Its keenest advocates were those who were or had been involved in the Groningen conferences, RAWOO, the MMRPs, and the Research Bureau, although it also had fierce critics.

Given these strong positions, it is perhaps not surprising that the 2007 evaluation of the MMRPs undertaken by the IOB concluded that the principle of demand orientation had been applied dogmatically. Ria Brouwers, one of the authors of the evaluation report, referred to it as the 'holy grail' during the opening seminar *'Good Ownership, Good Donorship'*. The ideological inspiration of the early period had ossified over the years into received wisdom. Demand orientation and ownership had become articles of faith and political correctness.

It came as a shock to many in 2004 when the Deputy Director General for International Cooperation announced that the privileged and shielded position of the MMRPs was to come to an end and that the programmes should either be incorporated in the wider bilateral programmes or be phased out. When, in 2006, Minister for Development Cooperation Agnes van Ardenne decided to disband RAWOO, many saw this as a further step towards silencing the voice of the South. Some even dared to whisper that old scores had been settled and that the interests of the Dutch research community had been put back onto centre stage.

### **Towards a new policy: knowledge and innovation**

The real motive behind the decision on the MMRPs was that, because of the inviolable character of the programmes, the approach had not evolved along with the rest of the instruments and modalities of development cooperation. In the second half of the 1990s, decision-making responsibilities were decentralised to the embassies and the sector-wide approach was introduced. This was soon followed by a focus on national ownership in the form of poverty reduction strategies and growing attention for donor harmonisation. By contrast and despite their focus on ownership and demand orientation, the MMRPs essentially followed a traditional project model in which the terms were set by the Research Bureau.

This was clearly revealed during the course of the IOB evaluation. Interestingly, the IOB found that two important concepts that surfaced during the Groningen conferences neatly characterised the MMRPs. One of the keynote speakers at the 1989 conference, Enrique Ganuza, had reflected on demand orientation and stressed the heterogeneous character of demand. Jan Pronk was quick to capture the essence of this point by referring to the *'Ganuza dilemma'*, and the concept consequently entered the Dutch debate on research for development. The IOB found that the MMRPs had

struggled with this dilemma right from the start. Whose demand had to be taken into account? It transpired that although it played out differently in the various programmes, the Research Bureau actually had a hand in steering this choice. The Bureau heavily influenced who would be invited for consultations and which intermediary organisation would be chosen to host the research programme.

The other important concept was the 'development paradox' voiced by the late Lolle Nauta at the 1992 conference. This refers to the fundamental need for local actors to take the ownership of their development process into their own hands while lacking the capacity to do so. This renders them dependent on outside interventions of which they ideally should take charge. The IOB found that this paradox applied to the MMRPs, where the Research Bureau determined the meaning of ownership and decided on who to involve and who to leave aside. In this respect the IOB spoke of 'backseat driving', obviously a very sensitive criticism for all those involved in research policy in the 1990s. In his policy response to Parliament on the IOB evaluation in 2007, the new Minister for Development Cooperation Bert Koenders generalised the issue by referring to the inherent inequality of the donor-recipient relationship. One could argue that the MMRPs were an ultimate attempt to deny such inequality and to erase the role of the donor from the equation, only to find that donor influence resurfaced in dictating the terms of ownership and demand.

Whatever the case, by 2004 it was entirely clear that the MMRPs represented an outdated model of development cooperation, starkly contradicting the principles that were soon to be embraced in the Paris Declaration. As Bert Koenders stated it in his policy response: 'On the one hand, delegation to the missions and establishment of sectoral programmes were meant to ensure a demand-driven approach and local ownership. On the other hand, the country-specific research programmes in which a demand-driven approach and local ownership were considered to be of paramount importance continued to be financed and managed at a central level. ... Placing responsibility for the MMRPs inside the Ministry had become an anomaly in the new Dutch aid architecture. In this context it is hardly surprising that the Ministry's senior civil servants intervened in 2004 and insisted on a review of both the principles and the structure of research policy.'<sup>19</sup>

Hardly surprising indeed, yet it indicates that the formulation of the new policy did not spring from new political priorities and was not instigated by a widely carried public debate. Although consultations did take place, the main motives were internal to the Ministry and the way development cooperation was organised. Right from the outset, the mainstreaming of the research for development strategy and the alignment with the overall aid architecture were central objectives.

The formulation of the new approach started from a re-assessment of the role of research in development.<sup>20</sup> It was recognised that knowledge had become even more important as a precondition for development than it had been in the early 1990s. Moreover, there was a realisation that knowledge is produced by a variety of social actors, not only in academic circles. Consequently, the approach shifted from a relatively narrow focus on research to a wider focus on knowledge. Another new element was the emphasis on the *use* of knowledge rather than its production. This in fact became the central goal of the new strategy.

In this context, an important reflection was that, for knowledge to be used, the production of knowledge needs to be firmly embedded in social processes, in interactions between stakeholders (researchers, policymakers, entrepreneurs, NGOs, and other end-users). Such interactions enable knowledge needs to be identified, new knowledge to be created and conditions for the actual use of knowledge to be met. Consequently, strengthening knowledge and innovation systems became a central concern, to be integrated in all bilateral and thematic programmes. In this new strategy, therefore, the former emphasis on demand orientation and capacity development was not put aside, but took on a new and wider significance.

A further important new principle was to acknowledge that donors are very much an integral part of the social reality they want to change. It was stressed that DGIS itself is not and should not be external to such interactions but should freely interact with other players to understand knowledge needs and better comprehend how knowledge is created and under what conditions it can be used. Thus, knowledge management and the learning needs of DGIS itself (and the development cooperation sector more generally)<sup>21</sup> became part of the scope of the new policy.<sup>22</sup>

This obviously represented a radical shift away from the almost exclusive focus on local ownership and the shielding of research programmes from the influence of the Dutch missions or Dutch researchers that had characterised the MMRPs.<sup>23</sup> New activities were undertaken to encourage interest in knowledge and research within the embassies and the DGIS thematic departments. Several initiatives were developed to strengthen the interaction between researchers and policymakers at various levels within the Ministry. In this context, disbanding RAWOO was a logical step. A standing advisory committee no longer met the diverse new knowledge needs. In the perception of many, especially those who had embraced the body of thought associated with RAWOO and the policy of the 1990s, this focus on the internal knowledge needs of the Ministry was the most visible dimension of the new policy. The IOB even expressed the criticism that the new policy was predominantly internally oriented and neglected the need for research and research capacity in developing countries.

This perception, combined with the fact that the initiative to formulate the new policy had originated from senior civil servants rather than from the Minister, led to misgivings about the political status of the policy. Minister Van Ardenne had never shown a keen interest in the field of research, while parliament devoted scant attention to the white paper. Many felt that the new policy had not yet fully landed, that the public debate on the subject had been insufficient (especially regarding the decisions concerning the MMRPs and the disbanding of RAWOO) and that the subject had not received the political attention it deserved. In this context, the *Knowledge on the Move* conference was widely seen as an opportunity for a new start.

### **The conference**

Unavoidably, the sensitivities mentioned above surfaced during the conference, particularly during the opening seminar ‘*Good Ownership, Good Donorship*’, and resulted in heated discussions. Did the seminar symbolise the demise of MMRP thinking? If so,

was this to be welcomed or deplored? And what was to be salvaged from this wreckage of the demand-led approach?

When Jan Pronk, never shy to raise a controversial issue, hinted that the purpose of the IOB evaluation might have been to retrospectively legitimise the decision to stop the MMRPs, civilised pandemonium broke out. The implication was vehemently denied by those involved with the evaluation, and the IOB's criticism of the new policy was cited as proof that it had the interest of developing countries at heart. This sparked off an equally strong reaction from DGIS representatives who felt that the new policy was being shed in an entirely wrong light. Moreover, acrimonious words were spoken during the farewell dinner for RAWOO, especially by Dutch former RAWOO members.

This was all somewhat embarrassing for the Southern participants who had been involved in the MMRPs or in RAWOO. In a sense they were treated as a plaything in the internal Dutch debate. Representatives from other donors, on the other hand, rather enjoyed the spectacle. At the very least it became clear to all that the Dutch can be as direct and bluntly outspoken to one another as they can be to their partners abroad.

This first day of the conference may have cleared the air somewhat. Although some of the discussions spilled over into the next few days, these underlying sensitivities never dominated the conference as a whole. The main perspective was forward looking. The tone was set by Roda Hashad, former vice-chair of RAWOO, one time director of an institute implementing one of the MMRPs, and one of the keynote speakers of the main conference. She stressed that the particular modalities and instruments used in research collaboration and policy advice are less important than underlying values like international solidarity and a genuine commitment to alleviate the plight of the poor, a sentiment welcomed by all.

Moreover, the focus of the conference was so broad and varied, and the knowledge and experience represented in the participants was so rich and diversified, that the discussions could not possibly become bogged down in past ideological positions. It was generally felt that the field of research for development is so rich and complex that it cannot possibly be captured in a simplified opposition of demand-led versus supply-driven research collaboration. In fact, the discussions went way beyond the old stalemates of past Dutch debates.

During the remainder of the conference one issue remained of great interest to the Dutch participants: what position was Minister Bert Koenders going to take? Was he going to restore demand-led research and research capacity building to its former central position? Was he going to vitalise and politically legitimise the new policy? Or was he going to introduce a new focus and depart in new directions? When he took the floor during the closing session, Bert Koenders himself immediately raised expectations by stating that, for him, the conference represented a new start in research policy for development, the beginning of an era with new zeal. As mentioned above, he referred back to the Groningen conferences, stressing the historical context of the present debate. Moreover, he indicated that knowledge plays an essential role in all four central themes of his development policy and that he would intensify the focus on science and innovation.

One of the things he stressed was the key importance of knowledge for development policy. In fact, he said that, when he first took office, he was shocked at the limited attention devoted to knowledge and knowledge infrastructure at the Ministry of Foreign Affairs. He indicated the need for flexible knowledge exchange with a range of diverse networks and referred to the departmental knowledge management strategies. In this sense he legitimised the internal dimension of the new policy, but did not suggest in any way that it was to be the centrepiece of his approach. More important was the minister's focus on knowledge use and innovation. Although acknowledging the importance of articulating research demand, he clearly wished to give a central place to innovation systems, systems of interaction that involve but go way beyond research and research collaboration. Also in this respect he confirmed and vitalised the policy formulated in 2005: 'We no longer focus on research alone, but more broadly, on knowledge and innovation. This is easily said, but in reality it has been a long and – let's be honest – difficult process. We are now ready for a new era'.

And indeed, a number of new elements came to the fore. First of all, in line with his policy response to the IOB evaluation, Koenders indicated that attention to capacity building would be stepped up. However, he stressed that what he had in mind was to strengthen the capacity not of research in the narrow sense but of innovation systems. This entails building a critical mass of researchers and other skilled people, strengthening knowledge circulation, creating effective links between science, practice and policy, and supporting knowledge policies and the enabling environment. An entirely new element was the explicit attention for intellectual property rights. Koenders stressed that intellectual property rights should stimulate local creativity and innovation in developing countries. Knowledge that is relevant for development needs to be accessible and affordable, not locked up behind copyrights or patents. That is why he made a plea for open knowledge systems and wanted to stimulate inclusive decision-making with regard to intellectual property. A third new element, briefly touched upon in his speech, is attention for 'brain circulation', making migration contribute to upgrading skills and tapping the expertise of people living in the diaspora. This is consistent with his call to build open knowledge systems, which will be discussed shortly.

All in all, from the perspective of the Dutch debate, the *Knowledge on the Move* conference was quite memorable, not in the least because Minister Koenders rose to the occasion and gave his perspective on the way forward. Some of the old arguments have been laid to rest; others will no doubt resurface in future debates. Meanwhile the policy on research for development moves on and breaks new ground.

### **Dutch policies in a global context**

Let us turn our attention once again to global developments and ponder what all this may mean. What is the significance of these policy shifts from a global perspective? How adequate is Bert Koenders' response to the changing environments? What can we expect of his new era in research for development?

The policy of the 1990s was based on an acute analysis of global developments. For the first time in the history of Dutch development aid, the growing importance of knowledge was recognised. The extreme relevance of local capacity for research and

research agenda setting was understood and addressed. Since then the importance of knowledge has only grown. But knowledge, and knowledge-holders, have become more mobile. Knowledge is more readily available around the globe. Nevertheless, the effects of brain drain are weakening the knowledge capacity of developing countries.

Under these circumstances, and despite the fact that development cooperation nowadays has a much stronger focus on local ownership than in the early 1990s, a focus on locally owned, demand-led and location-specific research is no longer sufficient. There is no denying the global tendencies in mobilising knowledge and knowledge capacity. As indicated earlier, international research cooperation and development cooperation are moving in opposite directions. Does Bert Koenders' approach carry the promise of an adequate answer?

For one thing, he has not given up on capacity building. He wants to make knowledge arenas more inclusive and strengthen domestic capabilities to create, access, tap into, absorb, adapt, spread and use knowledge for development. And he wants to develop the capacity of innovation systems by strengthening the knowledge base, knowledge circulation and knowledge policies. Capacity development and ownership, therefore, remain important principles. At the same time, however, Koenders does realise that knowledge capacity is international in character and that knowledge is too mobile and too restless to be rooted and nurtured only in national contexts. For that reason he feels that creating open knowledge systems is more effective than enhancing the knowledge of individuals or building research centres. His attention to *brain circulation* is a case in point. Equally interesting is his stated support for regional and global networks, 'which exchange knowledge across borders and dig deep into local reality'.

The minister wants to align with excellent pro-poor research and innovation agendas, such as the AU/NEPAD consolidated plan of action for science and technology. He referred to this as 'the Paris agenda on the move'. This is intriguing in that it indicates that he is indeed aware of the fact that development cooperation in the field of research requires more than harmonisation and alignment at the national level. It displays an attempt to transcend the opposite movements of international research cooperation on the one hand and alignment under the Paris Declaration on the other.

He challenges knowledge institutes in the Netherlands to play their part in this global setting as members of international platforms and networks that promote effective research for development. In that respect he urges them to embrace an institutional policy on intellectual property rights that takes account of the importance of access to knowledge and freedom to operate for development purposes. He also advocates the opening up of the European Research Area to issues and researchers from the South, especially Africa. In doing this he gives new impetus to research for development and sets an ambitious agenda. It is an agenda that goes beyond his own strategies and programmes and calls upon both his European colleagues and Dutch knowledge and research institutes. It remains to be seen how effective his approach and how persuasive his call will turn out to be. However, it has already lent a new spirit to the Dutch debate.



## Notes

- 1 Henk Molenaar is executive director of WOTRO *Science for Global Development*, and in that capacity he was the convener of the conference. WOTRO is the division of the Dutch Research Council (*Nederlandse Organisatie voor Wetenschappelijk Onderzoek: NWO*) dealing with research for development. Before joining WOTRO, Molenaar worked at the Research & Communication Division of the Ministry of Foreign Affairs and was involved in developing the 2005 strategy on research for development. Trained as an anthropologist, Molenaar has spent over twenty years in development cooperation, both as researcher, practitioner and policy-maker.
- 2 See the list of participants (together with information on the programme, position paper, background documents and texts of speeches) on the website ([www.knowledgeonthemove.nl](http://www.knowledgeonthemove.nl)).
- 3 IOB, *Evaluation of the Netherlands Research Policy 1992-2005. Experiences with a new approach in six countries: Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam*, IOB Evaluation, No. 304, Summary, May 2007. The evaluation was coordinated by Fred van der Kraaij and Ria Brouwers.
- 4 InterAcademy Council, *Inventing a better future. A strategy for building worldwide capacities in science and technology*, IAC Report, January 2004; also L. Box & R. Engelhard (eds.), *Science and Technology Policy for Development, Dialogues at the Interface*, Anthem Press, London, 2006.
- 5 E.g. the activities of the OECD Global Science Forum ([www.oecd.org](http://www.oecd.org)).
- 6 African Ministerial Council of Science and Technology, *Africa's Science and Technology Consolidated Plan of Action*, AMCOST, 2005.
- 7 See for literature on the extent and effects of brain drain <http://www.scidev.net/en/science-and-innovation-policy/brain-drain>.
- 8 Ad Boeren & Gerrit Holtland (eds.), *A Changing Landscape. Making support to higher education and research in developing countries more effective, Conference proceedings and contributions*, The Hague, Nuffic, 2005.
- 9 On research partnerships in a development cooperation context see: RAWOO, *North-South Research Partnerships: Issues and Challenges*, The Hague, RAWOO Publication No. 22, 2001; Daniel Maselli, Jon-Adri Lys & Jacqueline Schmid, *Improving Impacts of Research Partnerships*, Swiss Commission for Research Partnerships with Developing Countries (KFPE), Berne, 2006; Paul Engel & Niels Keijzer, *Research Partnerships: who decides? Review of a design process*, ECDPM, 2006; Marc P. Lammerink, *Towards Improved Development-oriented Research Partnerships: Lessons from the Biodiversity Research Programme (BRP)*, Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA), Manila, 2006; Megan Bradley, *North-South Research Partnerships: Challenges, Responses and Trends*, IDRC, Canadian Partnership Working Paper No. 1, 2007.
- 10 OECD High Level Forum, *Paris Declaration on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results and Mutual Accountability*, Development Cooperation Directorate, 2005.
- 11 Lawrence Haddad & Caroline Knowles, *Reinventing Development Research*, Institute of Development Studies, Vol. 38, No. 2, March 2007.
- 12 As indicated e.g. by *Africa's Science and Technology Consolidated Plan of Action* by the African Ministerial Council of Science and Technology (AMCOST, 2005) and the *Study on National Research Systems. A Meta-Review. Draft Global Synthesis Report* by John Mouton & Roland Waas (UNESCO, 2008).
- 13 C. Schweigman & U.T. Bosma (eds.), *Research and development cooperation – the role of the Netherlands*, Amsterdam, 1990.
- 14 C. Schweigman & I.A. van der Werf (eds.), *Development-related research collaboration. A second look at the role of the Netherlands*, Royal Tropical Institute, Amsterdam, 1994.
- 15 Ministry of Foreign Affairs, *Research and Development. Policy Document of the Government of the Netherlands*, June, 1992.
- 16 See for a full description of the context and early history of the emerging new policy Appendices 5 and 6 (in Dutch only) of the evaluation report, available on the website [www.minbuza.nl/nl/organisatie/evaluatie](http://www.minbuza.nl/nl/organisatie/evaluatie).

- 17 RAWOO, *Het Advies inzake Excellerend onderzoek in Nederland van belang in het kader van ontwikkelingsamenwerking*, May 1989.
- 18 See the full Dutch version of the evaluation report *Evaluatie van de vernieuwing van het Nederlandse onderzoeksbeleid 1992-2005. Ervaring in zes landen: Bolivia, Ghana, Mali, Tanzania, Vietnam en Zuid-Afrika*, IOB evaluaties, No. 304, May 2007: 60-90; and Appendix 9 available on the website [www.minbuza.nl/nl/organisatie/evaluatie](http://www.minbuza.nl/nl/organisatie/evaluatie).
- 19 Response to the IOB evaluation of research policy, 1992-2005. Policy response sent to the House of Representatives of the States General, May 2007 (to be found i.e. on [www.knowledgeonthemove.nl](http://www.knowledgeonthemove.nl)).
- 20 *Research in Development. Policy Memorandum*, Ministry of Foreign Affairs, September 2005
- 21 Adding an entirely new dimension to the Ganuza dilemma: Henk Molenaar, 'Raising the veils of aid: Development and diversity', in: B. Haverkort & S. Rist (eds.), *Endogenous Development and Bio-cultural Diversity*, Kompas, Leusden, 2007: 389-399; Mike Powell, 'Which knowledge? Whose reality? An overview of knowledge used in the development sector', in: *Development in Practice*, Vol. 16, No. 67, November 2006: 518-532; Peter Utting (ed.), *Reclaiming Development Agendas. Knowledge, Power and International Policy Making*, UNRISD, 2006.
- 22 Caroline Wiedenhof & Henk Molenaar, 'One Never Knows. Research policy and knowledge management in Dutch development cooperation', *Knowledge Management for Development Journal*, Vol. 2, No. 3, 2006 ([www.km4dev.org/journal](http://www.km4dev.org/journal)).
- 23 Actually, the issue of learning and raising the quality of Dutch development policy was not lacking in the policy of the nineties, but it did not receive attention in the specific context of the MMRPs. See Leen Boer & Loek Box, *The tenuous interface: Policy makers, researchers, and user-publics: The case of the Netherlands' development cooperation*, Ministry of Foreign Affairs, Reprint Series Development Cooperation, No. 16, December 1994.

# Shooting Spaghetti: Neo-Conservative Criticism of Development Assistance in the Netherlands

*Paul Hoebink*

From time to time Dutch newspapers journalists or magazine opinion writers make impassioned pleas for development assistance to cease. Half a dozen neo-conservative authors have been trying to change the development cooperation mindset in the Netherlands for fifteen years or so. Thus far, they have failed due to the continuing high level of support for a substantial contribution to be made to international development cooperation, as demonstrated by general public surveys and ever-increasing donations to the 'charity market' of which development organisations have an undiminished share. The surveys repeatedly confirm the fact that a large proportion of people in the Netherlands want the current level of development assistance to be maintained or even increased, albeit that scepticism regarding the results of that aid is on the increase.

Why have the neo-conservative critics failed? What arguments do they use and why are these arguments so unpersuasive? What ammunition have they been firing at the bastion of Dutch support for development cooperation, which has remained steadfast for more than 35 years?<sup>1</sup> Can this ammunition be compared to the huge cannonballs the fleet of the Dutch East India Company used to sink many a Portuguese and British ship, or should it be compared to Italian pasta instead, feeble words covered in a multicoloured sauce?

## **Criticism of Dutch development cooperation**

Over the years, the criticism of, and the discussion on, Dutch development cooperation have come in waves. Generally speaking, you could say that the criticism and discussion were dominated by 'the progressives' until the beginning of the 1990s. After that, however, the 'neo-conservatives' prevailed in the little debate that there was. This resulted in changes in the content of the debate and, in a certain sense, in the tone.

In its early period, during the 1950s and 1960s, Dutch development cooperation was still a relatively undisputed field,<sup>2</sup> and the discussion was dominated by those who argued in favour of increasing the level of assistance. At the end of the 1960s, however, the first critics started to make their voices heard. The first major evaluation of development assistance by the Working Group led by Prof Jansen in 1968 severely criticised the involvement of the Dutch business community and also the Dutch volunteers organisations (SNV). Tying aid to contracts for Dutch businesses, which would

play a key role in Dutch development cooperation until the end of the 1980s, would remain the focus of disapproval over the years in leaflets and studies issued by the Third World movement, the Council of Churches, the Centre for Research on Multi-national Corporations (SOMO) and the Dutch Labour Party (PvdA).<sup>3</sup> A second target of criticism was the assistance provided to dictatorial regimes, or countries where human rights violations were known to be perpetrated. This criticism was expressed by a range of Third World organisations and country committees, and in Dutch parliament by members like Fred van der Spek of the Pacifist Socialist Party (PSP).

During that period, the Dutch Liberal Party (VVD) generally tended not to get involved in the debate. In the 1950s, the party regarded the provision of assistance as primarily related to the Cold War. Later, it did not support any increase in the level of aid but did advocate involving the business community, and agreed with the PvdA that there should be a state secretary for development cooperation rather than a minister. However, the liberals never really forced the issue, though the tone of the debate did become a lot more abrasive when Jan Pronk was minister during the 1970s (to liberals he continues to be - in the words of Gerry van der List - 'the man they loved to hate'). There was criticism of the selection of programme countries that received aid (*Elsevier* portrayed Pronk on its cover sporting a Castro cap and a Cuban cigar) and of what was referred to as 'meddling in internal politics'. VVD MP H.P.H. Waalkens called Pronk a 'neo-colonialist', although others preferred to interpret his actions as criticism of human rights violations. There was a reason for the VVD's lack of interest and of involvement in the debate. In the words of Gerry van der List, who was a researcher at the Telders Foundation at the time:

*'Development cooperation is not really an issue within the VVD. There are no fundamental debates on the matter and when the party was allowed (or rather had) to provide a minister, its only option was to put forward someone who was really not very knowledgeable.'*<sup>4</sup>

Moreover, in Van der List's opinion, in the second half of the 1980s, VVD MPs like Joris Voorhoeve, Frans Weisglas and Erica Terpstra 'demonstrated a lot more familiarity with the issues and more enthusiasm than predecessors like Waalkens'. In that period, the VVD fully approved the policy of Christian Democrat ministers like Jan de Koning and Piet Bukman.

The tone changed entirely when Frits Bolkestein became leader of the VVD. MPs like Terpstra and Weisglas found themselves on the losing side and the VVD suddenly argued in favour of a substantial cut in the aid budget,<sup>5</sup> a state secretary for development cooperation and disbanding of the development cooperation party committee. From October 1992 onwards, Bolkestein published articles in, for example, *NRC Handelsblad*, *Het Parool*, *Intermediair* and *De Volkskrant* advocating a moratorium on aid and a reduction in the levels of aid provided, and arguing against debt cancellation. This opened the floodgates for more radical ideas in favour of abolishing development aid completely, not only by politicians but also the 'odd professor', starting with university lecturer and Arabist scholar Hans Jansen (in 1996) and later professor by special appointment in the History of European Expansion, Piet Emmer (from 2003).

Other VVD MPs, including Hirsi Ali, Hans Labohm and Zolt Szabo, also started putting pen to paper. While the liberals generally advocated reducing the level of aid (to 0.7% of the Gross National Product) or, as in the case of Szabo, a withdrawal of grants to non-governmental organisations, the scholars who ventured outside their specialist fields tended to favour out-and-out abolition.

The debate was conducted in the newspapers and weeklies. Academics seem to prefer to steer clear of having their papers scrutinised by editors or specialist journals, given the subjective nature of their views. Rather than indicating a deeper insight into the results of development cooperation and development aid, their contributions signified a change in the social and political climate in which it had become *bon ton* to attack development cooperation, which was seen as a 'pet subject' of the left. After all, that deeper and more refined insight had gradually come about due to studies and evaluations by development institutions themselves and researchers.<sup>6</sup>

### **Arguments for, arguments against: the ammunition**

As far as Frits Bolkestein is concerned, it has to be said that his arguments were made in the context a much broader and refined overview of the factors which determine economic growth. This applied to his argument against debt cancellation and eventually also to his argument in favour of a moratorium on aid.<sup>7</sup> Regarding debt cancellation he said that 'financial assistance is not a sufficient condition for development'. He repeated this almost literally two years later ('Money alone is not sufficient for development') using the same example: Suriname. It is easy to agree with him, since even the VVD's greatest opponent, Jan Pronk, has always maintained that development assistance can, at best, only function as a catalyst.<sup>8</sup>

At least two aspects of Bolkestein's arguments are open to criticism.<sup>9</sup> In all of his texts, he refers approvingly to the World Bank report *The Challenge of Development*. The report identifies four important factors which supposedly have a major effect on economic development: a stable domestic economic policy, free internal competition, investments in the population (healthcare, education), and international free trade. Bolkestein concludes that, 'there is no mention here of development assistance'. It can be regarded, at the very least, as strange that Bolkestein uses the World Bank, the most important and largest international donor institution, to back up his claim. Unless, of course, Bolkestein thinks that the World Bank considers itself surplus to requirements. Surely one can assume that the World Bank, as the broader title of the report referred to by Bolkestein indicates,<sup>10</sup> also regards the role of external financing as very important; once again not as an all-determining factor but as a catalyst. Bolkestein is not the only one to refer repeatedly in this context to the 'miracles' of Southeast Asia, which supposedly all came about through liberalisation and by integration in the world market, and not through development assistance. The critics of aid, however, conveniently forget that South Korea and Taiwan received massive American support during the 1950s and 1960s and that Southeast Asian 'tigers' of the second generation, such as Indonesia and Thailand, received similarly massive support from Japan in the 1970s and 1980s. Aid can apparently lead to success after all. Or would that be jumping to conclusions?

The second point concerns the role of free internal competition and international free trade. It is, of course, not surprising that these factors play a major role in neo-conservative and liberal explanations of economic development. The question is, of course, where liberals and neo-conservatives expect to find them in Japan, South Korea or, even better, China(!). Economic development in all these countries has, of course, been managed much more strictly than it was in England or the United States but, even in the latter cases, there was never really any question of international free trade.<sup>11</sup> To his credit, Bolkestein does point this out and calls the West's attitude hypocritical. He also says that developing countries miss out on more export income due to trade restrictions than the amount they receive in aid. But that is as far as the criticism goes. The VVD and the neo-conservatives are often conspicuous by their absence in the entire debate on the coherence of development policy. What is more, is it not so that aid can play a role in facilitating access to markets?

Bolkestein does not end his arguments with a call to discontinue aid but with an appeal for reflection and an analysis of the façade and reality of development cooperation. The neo-conservatives from Leiden University are a great deal more radical. In '*De onzin van ontwikkelingshulp*' [The Nonsense of development assistance] lecturer in Arabic and Islamic studies Hans Jansen loses his way in a particularly confusing line of reasoning.<sup>12</sup> His colleague Piet Emmer is slightly more to-the-point but his essays and comments also bear witness to the fact that university dons sometimes also write drivel.<sup>13</sup> For example he claims, as Bolkestein did previously in what became a core issue of neo-conservative criticism, that 'the idea of giving poor countries money is born out of a feeling of guilt'. This suggests an extremely limited knowledge of the history of development cooperation: the aid provided from the 1950s on was shaped by political/strategic motives (the Cold War, the continuation of colonial oppression) and economic/commercial motives (export incentives, access to ports and airports, investment opportunities). Humanitarian and ethical motives were in third place but have gradually played a greater role. They are founded not so much on a feeling of guilt as the duty to show charity and Christian and social solidarity. The main argument for abolishing aid, that 'guilt is a bad counsellor', does not therefore hold water because Emmer cannot demonstrate how that feeling of guilt has influenced aid flows to countries, programmes and projects, let alone define its negative consequences for the effectiveness of assistance.<sup>14</sup>

Piet Emmer's second main argument is more interesting, namely that throughout history external financing has only been able to generate economic development 'in very exceptional circumstances'. He lists a series of successful examples ranging from the French reparation payments to Germany to transfer payments to Japan, Taiwan, South Korea and Southern China. As examples of failures he cites the money that Spain and Portugal earned from their colonies and the Netherlands' aid to Suriname after 1975. These examples alone ought to have caused Emmer to come to a more subtle conclusion on development aid.<sup>15</sup> After all, there are clearly instances in which external financing, including development aid, works, but also others where it clearly does not, or only partially. The debate should therefore really focus on the social and political circumstances in which external financing is successful or not in generating socioeconomic development. However, Emmer stops well short of that point.

Anyone who links the success or failure of external financing to the above comments on the reasons why aid is provided, ought really to qualify his judgement even more. A lot of aid has not been provided to generate socioeconomic development, and therefore cannot be judged by the extent to which it does or does not achieve that. Too much 'development aid' has indeed been wasted (due to political/strategic considerations) on installing and maintaining the position of leaders who played a role in the Cold War or who controlled considerable natural resources. The names of Mobutu Sese Seko and Ferdinand Marcos immediately spring to mind. This should not be used, however, to argue in favour of the total abolition of aid, but only against providing that type of 'wrong' assistance. And indeed again, the greatest failures as far as Dutch development projects are concerned date from the 1960s and 1970s, not because our feelings of guilt dominated or because Jan Pronk was in charge, but because our export interests were regarded as more important and aid was tied to the export of goods and services by Dutch companies. In many cases, there was no need for these goods and services and they were unsustainable for the countries in question, due to a lack of technicians and spare parts.<sup>16</sup> Fortunately, only a limited amount aid is still tied. However, once again, these failures are no basis for arguing in favour of abolishing development assistance as a whole, but rather for advocating that it be detached from our own self-interest wherever possible.

#### **Recent criticism by the VVD**

One of the most remarkable aspects of the critique of the Leiden-based scholars is the complete lack of references to sources and of a proper substantiation of their arguments. While Bolkestein did refer to arguments formulated by the World Bank and others (but not to the extensive literature on aid, including evaluations), Hans Jansen fails to provide any substantiation at all and Piet Emmer goes no further than a couple of references to British conservative Lord Peter Bauer.<sup>17</sup> For academics, this can certainly be regarded as striking, but the same can be said of someone who has worked for years at Clingendael (the Netherlands Institute of International Relations), or to a member of parliament who has been announcing for a whole year that he is going to write the definitive memorandum on development cooperation.

The VVD's tone regarding development cooperation has hardened considerably in recent years. That started during the budget debate in November 2003 when the then VVD MP and now famous Ayaan Hirsi Ali, who was briefly the party's development cooperation spokesperson, called Dutch development policy 'a complete failure'. She compared aid to Africa with 'issuing benefit payments to an alcoholic father with ten children' and also claimed that 'our money is keeping outright and semi-dictators in power'.<sup>18</sup> These hard-hitting remarks were based on a single source, a book by a high-ranking official at the Ministry of Foreign Affairs. During the debate in the parliament, Ayaan Hirsi Ali said, 'I refer again to the book by Roel van der Veen. Development aid has not been effective'. As a matter of fact, Van der Veen's controversial but very successful book only devotes one chapter to aid, that does not address its effectiveness.<sup>19</sup> The key problem with Hirsi Ali's argument is, of course, that she makes a direct link between all of Africa's problems and the presumed effectiveness of development assis-

tance. Aid is not a magic potion and if Hirsi Ali expected it to relieve Africa of all its trials and tribulations, then she must surely also believe in magic.<sup>20</sup> What is more, unlike that provided to Asia, Dutch aid in Africa was never provided to dictatorial regimes and aid ties were broken whenever dictators misbehaved (for example in Uganda and Kenya).

Hirsi Ali was not development cooperation spokesperson for long. She was succeeded by Zolt Szabo, which did nothing to improve the subtlety of the arguments. Szabo immediately proposed that grants to non-governmental development organisations like Oxfam-Novib be abolished, a view which he would repeat later in other articles.<sup>21</sup> He also announced that he was drawing up a memorandum in which Dutch development cooperation would be evaluated. The memorandum was published a year later and had the equally broad and ambitious title of 'Duurzame Armoede: 35 jaar Nederlands ontwikkelingsbeleid' [Sustainable Poverty: 35 years of Dutch development policy].<sup>22</sup> Well over thirty of the memorandum's 51 pages are taken up with short, one page analyses of the countries to which the Netherlands provides aid. These analyses add nothing to those of the Ministry of Foreign Affairs. Only eleven pages are devoted to the actual analysis of '35 years of Dutch development policy', and three of these are conclusions. The sources are two reports by the Telders Foundation, the article by Frits Bolkestein in the *Volkskrant*, a single report by the evaluation department of the Ministry (one of several hundred), and three other Dutch reports. Not one scientific and not one international publication. These reports are quoted on an extremely selective basis, with negative quotes being plucked at will, while positive findings are ignored.

Nevertheless, the memorandum's conclusions are weighty: 'Dutch development cooperation can be characterised as old politics. Established organisations with old priorities in a like-knows-like environment have demonstrated an inability to make a sustainable contribution to Third World development. The cause is a lack of creativity, awareness of the big picture, knowledge and skill in the field of economic development, daring, decisiveness and capacity for development'. You would expect a conclusion like this to be based on a thorough analysis of Dutch development organisations ten, or preferably twenty years ago, how they have indeed not changed and why they have remained so immutable and old-fashioned. This would be followed by an analysis of why these organisations employ such stupid people, who fail to keep up with changes in the world and who are far less intelligent than Zoltan Szabo.

This conclusion is backed up by a second: 'It is shocking to ascertain that the Ministry of Foreign Affairs has no data on the percentage of development funding that is lost due to corruption, despite the fact that the VVD has asked for the relevant figures to be presented to the Lower House on a number of occasions'. The VVD can, of course, ask what it wants but the fact that corruption always takes place behind a cloud of secrecy probably makes it extremely difficult, if not impossible, for the Ministry of Foreign Affairs to provide any clarity on this matter. Does the VVD know how much government money is lost due to corruption in a very corrupt country such as the Netherlands (see, for example, the revelations around the investigation into the construction sector)? However, the VVD clearly does claim to know the figures for development cooperation: 'Estimates indicate a percentage between 10 and 50%,



which is equivalent to an amount of between 400 million and 2 billion euros in Dutch tax money each year'. The standard term in developing countries for corrupt politicians is always 'Mr 10%'. 50% would therefore seem to be on the high side, to put it mildly. Furthermore, between 10% and 50% is a very wide margin and reflects a certain lack of precision. Anyone hoping to find any more proof for the corruption figures presented by Szabo in this memorandum will be disappointed. Neither is there any source or calculation which might verify them. Similar comments can be made without hesitation about the other sixteen conclusions, which all lead us to one final conclusion about the memorandum: it is a disappointing 'much ado about nothing'. The third member of this alliance is Hans Labohm, an official at the Ministry of Foreign Affairs and a long-time employee at Clingendael. Labohm has previously suggested that it is taboo in the Netherlands to discuss the issues of whether aid helps. He repeats these views in a new publication,<sup>23</sup> in which he adopts the role of a lonely *Don Quixote* who, feeling abandoned by all and sundry, trots up the hill to expose false ideas. You almost want to call out to him, 'Hans, it's alright, there are dozens of reports and books on aid and development cooperation. It's ok to get hold of them and say what you like about them'. Unfortunately, Labohm never makes it that far. Anyone who advocates the abolition of development cooperation (and take note here, issue is no longer purely the abolition of aid) ought to provide comprehensive evidence that aid has failed. However, Labohm devotes a meagre two pages to what ought to be the key point of the argument, concluding with the following statement:

*'What we can establish is that liberalisation has been the most important factor for success in countries which have been most successful as regards development, such as the Asian Tigers, China and more recently India as well. Development aid played an inferior role.'*

We are not going to comment here on where Labohm sees liberalisation in authoritarian regimes like Taiwan, South Korea and China. However, what he really should have analysed in his argument in favour of the blanket abolition of development cooperation is why the role played by aid is inferior and what kind of role it actually did play. Instead, Labohm gets bogged down in a stale discussion of 'state dirigisme' without indicating the role aid or development cooperation played in it. The discussion is old hat because, since the second half of the 1980s, every analysis of the Asian 'miracles' has indicated that they were and are linked to a high level of state dirigisme, which is entirely at odds with the old free trade argument of people like Deepak Lal quoted by Labohm.

Labohm is similarly eclectic when it comes to his other sources. For example, the Kenyan economist James Shikwati, who argues that aid should be stopped, has become popular in a short space of time on all kinds of extremely right-wing websites. This has led to a full-blown web-based discussion in Germany.<sup>24</sup> However, Shikwati is something of an unguided missile with little more to his name than a few papers on the web and who has never performed any serious scientific research. His main argument is based on African nationalism ('Africa was alright until the Westerners arrived... and Western politicians, businessmen and experts are still ruining things...'), but it is mixed up with a tinge of Western market thinking, to the tune of 'leave us

Africans alone, we are quite capable of doing things on our own and the free world market will do the rest'. Shikwati is a doubtful ally in arguments to abolish development cooperation, since his views on development assistance are as out-dated as they are curious.<sup>25</sup>

### Conclusions

The criticism from progressive quarters during the 1970s and 1980s was characterised by implementing studies, writing well thought-out reports and articles, and following the international debate, including within organisations like the OECD Development Assistance Committee and the World Bank. By comparison, the neo-conservative criticism of Dutch and international aid and development cooperation is fairly listless, lacking any serious study to back it up, knowledge of current debates, or the will and desire to find out about and understand the fascinating world of development cooperation. In short, by Dutch standards this criticism lacks any serious focus inspired by our typical Calvinistic diligence, thoroughness and precision. It is casual and therefore extremely superficial. It makes no serious use of the plethora of sources, and claims a great deal without backing it up with any real substance.

There is no avoiding the conclusion therefore that the half a dozen neo-conservative critics of development aid are either unable or unwilling to use live ammunition. All they can manage is to fire off a few blanks and even those fall wide of the target. The sad thing is that Dutch newspapers and magazines accepted and published these criticisms. These days it would seem that having an opinion, certainly when it concerns cultural baggage with its presumed roots in the 1960s, is a great deal more important than providing any arguments to substantiate it.

### Notes

- 1 Dutch development cooperation started 59 years ago but public enquiries have only been held since the beginning of the 1970s.
- 2 As a first illustration: the Labour Party (PvdA) and liberals (VVD) were in complete agreement in 1965 that the appointment - for the first time - of a Minister for Development Assistance would be an unnecessary concession to the Catholic Party (KVP). Minister Theo Bot, the proposed candidate for the function and father of the later Minister of Foreign Affairs Bernard Bot, was seen as weak and not fit for the function. Both parties were of the opinion that a state secretary was sufficient to do this new job.
- 3 This is reflected by between ten and fifteen publications of *Nederlandse ontwikkelingshulp in dienst van kapitaalsbelangen* (Tijdschrift voor Anti-Imperialisme Scholing, no.1, June 1973) up to and including *Wie helpt wie? Ontwikkelingshulp aan het Nederlandse bedrijfsleven* (Amsterdam: SOMO, 1992).
- 4 The minister in question was Eegje Schoo. G.A. van der List, Al te goed is buurmans gek. De houding van de VVD ten aanzien van ontwikkelingssamenwerking, *Internationale Spectator*, Vol. 69, no. 4, April 1995. See also his dissertation: *De Macht van het Idee. De VVD en het Nederlandse buitenlandse beleid 1948-1994*. Leiden: DWSO Press, 1995. The Telders Foundation is the VVD's scientific bureau.
- 5 In the shadow cabinet budget which the VVD submitted in 1992. Before then, the VVD had been in favour of maintaining the 1.5% norm (of the Net National Income) which was applicable at

- the time: 'VVD plan anticipates substantial cutbacks in development assistance', *De Volkskrant*, 7 October 1992.
- 6 In the Netherlands that particularly concerned the evaluations by the evaluation unit IOV (now the IOB). For a detailed overview, see: P. Hoebink, *Geven is Nemen: De Nederlandse ontwikkelingshulp aan Tanzania en Sri Lanka*. Nijmegen: St. Derde Wereld Publikaties, 1988.
  - 7 F. Bolkestein, Kwijtschelding ontwikkelingsgeld beloond falen, in: *NRC Handelsblad*, 1 October 1992; F. Bolkestein, Ontwikkelingshulp is toe aan moratorium, in: *De Volkskrant*, 6 December 1995. See also his speech during the debate with Jan Pronk at the ISS 17 May 1993, printed as: Oude wijn in nieuwe zakken, in: F. Bolkestein, *Het heft in handen – essays*, Amsterdam: Prometheus, 1996, pp.100-106. And: F. Bolkestein, Wisselende kansen. Het verschuivende zwaartepunt van de wereldeconomie, in: *Intermediair*, 29<sup>e</sup> Vol. No. 20, 21 May 1993.
  - 8 Jan Pronk et al., *Catalysing Development? A Debate on Aid*. Oxford Blackwell, 2004. See in particular his opening article.
  - 9 My response to Bolkestein's article includes more points than referred to here: P. Hoebink, Bolkestein voert hulpdebat met oogkleppen op, in: *De Volkskrant*, 8 February 1995.
  - 10 The Evolving Role of the World Bank: Helping to meet the Challenge of Development, Sarwar Lateef (ed.), Washington: World Bank, 1995.
  - 11 For the United States see for example: A.E.Eckes, *Opening America's Market: U.S. Foreign Trade Policy since 1776*. Chapel Hill; University of North Carolina Press, 1995.
  - 12 HP/De Tijd, 16 August 1996. An article as long as this chapter would be required to quote and refute all of Jansen's absurd arguments. One of his most ridiculous claims was that improving the incomes of the poorest would only result in men spending more money on women: 'It was, of course, madness to spend Western tax money on men in the Third World who would then be able to satisfy their polygamous urges'. His article is no more than a litany full of these sorts of rash comments.
  - 13 P. Emmer, Schaf ontwikkelingshulp af., in: *NRC Handelsblad*, 9 February 2003; P. Emmer, Stop met ontwikkelingshulp, in: *NRC Handelsblad*, 2 February 2007. See also the interview with Piet Emmer in *Internationale Samenwerking*, October 2003.
  - 14 I referred to this in detail in a discussion with Emmer on the CreDes Congress entitled 'Ontwikkelingshulp: een bodemloze put?', Groningen 11 March 2004.
  - 15 See also my response to his first article: Weg met karikaturen over hulp, in: *NRC Handelsblad*, 13 March 2003.
  - 16 The reports of the evaluation unit (IOV) of the Ministry of Foreign Affairs of the end of the seventies and beginning of the nineties provide ample evidence for that. See also: Hoebink (1988).
  - 17 In the title to his response to Emmer's most recent essay Abdullah A. Mohamoud therefore rightly states: 'Betoog Emmer ontbeert harde bewijzen' in: *NRC Handelsblad*, 13 February 2007.
  - 18 *NRC Handelsblad*, 18 November 2003; *Trouw*, 18 November 2003; *De Gelderlander*, 18 November 2003.
  - 19 R. van der Veen, *Afrika: Van Koude Oorlog naar de 21 eeuw*. Amsterdam: KIT Publishers, 2002. This book was also controversial because of its very weak economic analysis (chapter 2) and the extremely minor role attributed to the very erroneous recommendations of the IMF and the World Bank in Africa's weak economic development.
  - 20 See my responses to her statement: P. Hoebink, Hirsi Ali gelooft in toveren, in: *De Volkskrant*, 22 November 2003; and: P. Hoebink, Ontwikkelingshulp als toverdrank tegen alle kwalen, in: *De Gelderlander*, 22 November 2003. See also the response to that by Ayaan Hirsi Ali and Hans Labohm: Taboes maken hulp niet affectiever, in: *De Volkskrant*, 27 November 2003; and: Taboe op discussie over hulp moet verdwijnen, in: *De Gelderlander*, 28 November 2003. Lastly, see my response to that: Ayaan Hirsi Ali blijft in toveren geloven, in: *De Gelderlander*, 4 December 2003.
  - 21 For example: Z. Szabo, Stop subsidiëring van inefficiënte ontwikkelingsclubs, in: *De Gelderlander*, 21 May 2005.

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- 22 Z. Szabo, *Duurzame Armoede. 35 jaar Nederlands ontwikkelingsbeleid*. The Hague: VVD Parliamentary Party, November 2004. The 35 years referred to is perhaps the greatest mystery of this memorandum since, in 2004, the Netherlands had been providing development assistance for exactly 55 years.
  - 23 H. Labohm, Schaf de ontwikkelingshulp af! In: M. Berger e.a., *Verboden Toespraken. Vijf lezingen die de Nederlandse minister van buitenlandse zaken niet zal houden*. The Hague: Clingendael, 2007, pp.23-32.
  - 24 See for example his arguments in *Neon* 'Bitte nicht helfen', 1. January 2006 and the response to this by the German Ministry of Development Cooperation in the same edition: 'Wen alles so einfach wäre', *Neon*, 20 December 2005 (on the Internet), which followed his interview in *Der Spiegel*, 4 July 2005.
  - 25 For example, he accuses Western donors of having provided assistance to dictators like Idi Amin, Mengistu and Pol Pot despite the fact all three in fact received no Western aid once they had come to power.

# Articles



# Geographical choices of Dutch NGOs: orthodoxies and realities

*Dirk-Jan Koch & Bart Loman<sup>1</sup>*

## Summary

Non-governmental organisations are playing an increasingly important role in development aid. Although assumptions are often made about their geographical choices of aid allocation, the veracity of these assumptions has not been assessed. Based on a literature review and in-depth interviews, this paper describes possible determinants of allocation decisions by Dutch NGOs. Making use of a new longitudinal dataset, it applies a dynamic panel method to scrutinise these determinants. The paper concludes with a case study of one organisation.

The paper concludes that Dutch NGOs do not focus on the poorest countries. Only one of the top 10 per capita recipients over the last two decades is among the least developed countries. The geographical choices made by Dutch NGOs are closely related to and influenced by those of the government. These choices show that the widespread assumption that NGOs are more active in countries with poor governance is unfounded. Historical relations prove to be the most important determinant of geographical choices, casting doubt on their presumed flexibility. The case study of Oxfam Novib corroborates most of these findings. Oxfam Novib is the only organisation to develop a formalised selection procedure for recipient countries, the results of which include a stronger focus on the poorest countries than other organisations. It also showed that senior management commitment and exogenous shocks influenced the determinants of geographical aid allocation.

Keywords: aid allocation, NGO, Netherlands, geography of aid, Oxfam, poverty-focus

JEL classification: O20

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## Introduction

According to Tvedt (1998:1), the 1980s can be considered 'the NGO decade in development'. The World Bank (1995) calculated that NGO aid increased tenfold between 1970 and 1985, channelling around US\$7.6 billion into developing countries in 1992. NGOs had become 'major players in the field of international development' (ibid, 16). The most recent figures show that the top 100 NGOs are now estimated to be spending up to US\$12 billion annually (Koch, 2005, own calculation). NGOs are believed to have a comparative advantage over bilateral aid and other donors (Carroll, 1992; Fowler, 1988). For instance, NGOs are expected to be more committed to alleviating poverty and therefore to targeting the poorest countries. They are also considered to be truly autonomous from government influences, enabling them to provide aid regardless of the geo-strategic interest of bilateral donors. However, these advantages have also been dismissed as unfounded by scholars. According to Robbins (2002:129), NGOs increasingly risk 'becoming so dependent on governments that they have been co-opted and their independence threatened'. Furthermore, Bebbington (2004) casts doubt on the assumption that NGOs focus on the poorest countries and sections of society.

Limited research has been performed on the actual distribution of NGO aid at international level.<sup>2</sup> This is surprising, since it could provide insight into some of the assumptions concerning NGOs' comparative advantage. Only recently, large-scale country-level research by Nancy and Yontcheva (2006:16) concluded that European NGOs 'seem relatively immune to strategic interests and seem to keep their promise of being advocates of the poor and vulnerable'. However, research by Dreher, Mölders and Nunnenkamp (2007:19) contradicts this statement in the case of Sweden, stating that 'quantitative results (...) speak against a stronger poverty orientation of the allocation of NGO aid'.

This paper contributes to this discussion by identifying and analysing the determinants of the geographical choices made by Dutch NGOs. By geographical choices, we specifically mean choices between countries, and not choices within countries. While recognising that the latter are also relevant, we decided to focus on choices between countries, as less research is available on this topic.

There are two major reasons for selecting Dutch NGOs to study determinants of NGO-aid allocation. Firstly, no previous research on this subject has ever been conducted on this scale in the Netherlands. We compiled a unique detailed dataset of Dutch NGO aid from 1989 to 2005, which made this research possible. Secondly, the Dutch civil society programme is one of the largest (>US\$700 million annually) and oldest (1965) in the world.

This paper is structured as follows. The first section describes the key features of the Dutch cofinancing system for development NGOs, including their geographical characteristics. The second section identifies and contextualises potential determinants for country aid allocation by means of a literature review and in-depth interviews. The third section uses a quantitative analysis to rigorously test these determinants. The



final section presents a case study of one of the NGOs, with the aim being to identify major mediating factors which actually influence those potential determinants.

### **Methodology**

This paper applies a Q-squared approach to single out a social phenomenon. This method was primarily developed for poverty research, but its interesting mix of qualitative and quantitative aspects were a source of inspiration for this research (Kanbur, 2005).

After an analysis of the Dutch setting in the first part of this paper, the second part is qualitative and enables us to discover the probable determinants of country aid allocation by Dutch NGOs. One central element of this qualitative research is the use of open-ended questions within unstructured surveys of non-random samples. Chambers (2005) argues that one of the advantages of qualitative methods is that they enable us to generate testable hypotheses. We interviewed 16 decision-makers at the main Dutch development NGOs. The elements touched upon during the interviews were compiled on the basis of a review of relevant literature. The decision-makers were involved in the NGOs' geographical choices between 1965 and 2005. They included managers and ex-managers at all four large development NGOs, former heads of the Ministry of Foreign Affairs' Civil Society Unit and former high-level civil servants at the ministry. In addition, interviews were held with external stakeholders employed by the NGOs as researchers or consultants. A full list of interviewees is included in annex A.

The third part of the paper is quantitative and enables us to test the drivers that emerged during the second part on the basis of a structured analysis. Kanbur (2005) states that quantitative analysis enables an assessment of causal relationships and changes over time. We use advanced statistical techniques developed by Nancy and Yontcheva (2005) at the International Monetary Fund to test the causality of relations. We compiled a longitudinal dataset of aid allocation of the largest Dutch NGOs to all recipient countries between 1989 and 2005. The source of these data was the OECD/DAC International Development Statistics and the annual reports of the NGOs. The sole legally binding constraint on NGOs in their aid allocation decisions was that they should spend it in DAC countries. For this reason, only countries that were on the DAC list at any time during the research period are included in the sample (N = 121). An overview of the summary statistics of the variables used in this section is included in annex B.

The final part of this paper is a largely qualitative and descriptive case study. It uses interviews and supporting materials to examine which mediating factors can explain why the potential determinants were found to have a substantial impact on the geographical choices in some instances and not in others. In line with Ravallion (2005), a case study is considered superior in comparing the results of quantitative methods to experiences 'on the ground'. This approach aims to exploit fully the comparative advantages of the various research methods. It draws heavily on the experience of the Q-squared approach. We selected Oxfam Novib as a case study for various reasons.<sup>3</sup> Firstly, Oxfam Novib was the first Dutch organisation to develop a formalised selec-

tion system for their 'core' countries. Secondly, it is the largest Dutch development NGO in terms of adherents and budget. Lastly, the director of Oxfam Novib claimed during presentations of the preliminary quantitative findings that they did not apply to her organisation. This case study combines an analysis of relevant internal documents from the organisations and in-depth interviews with stakeholders. Findings regarding Oxfam Novib are thus not necessarily representative of the geographical decisions of Dutch NGOs in general, and deviations from the general pattern will be highlighted.

### **Part 1: the Dutch setting**

#### *Background to the Dutch cofinancing system*

This part of the paper describes Dutch governmental support for NGOs and offers an insight into the geographical allocation decisions of the four largest Dutch NGOs.

The Dutch cofinancing system has displayed a high degree of continuity in terms of the NGOs receiving subsidies. The government started funding three NGOs in 1965. These organisations reflected the divisions within Dutch society: Cebemo was a catholic organisation, ICCO was its protestant equivalent, Oxfam Novib (called Novib at that time) was secular and social democratic. Very occasionally, the Dutch government added another organisation to the list, such as the humanistic HIVOS in 1977 and the child-oriented Plan Nederland in 1999. The main objective of the system in the early years was 'social justice and self reliance' (Schulpen, 1997). Since 1992, it has been the structural alleviation of poverty.

The cofinancing system has steadily increased in size during its 40-year existence. For the entire period covered by this research (1989-2005), a legally fixed percentage of Dutch aid has been allocated to the cofinancing organisations. This rose steadily from 4% in the 1970s to 11% at the beginning of the 21st century. The level of Dutch aid was pegged to the Netherlands' GDP, which also grew continuously during this period. Therefore, the total growth in the Dutch cofinancing programme was phenomenal. It increased from 2.4 million euros (nominal prices) in 1965 to 418 million euros in 2005 (Schulpen, 2007). Government funding accounted for around 85% of the total income of the organisations. Interestingly, the government did not decide on the division of the funding between the organisations. Instead, until 2002, the organisations themselves could decide on how the funds should be divided. Since 2002, an external advisory committee has judged the quality of the proposals and the amounts funding organisations receive. In addition to the formal cofinancing system, the Ministry of Foreign Affairs formalised many other relationships with smaller thematic Dutch NGOs in 2003. Allocations to these NGOs had been low, but have risen steadily in recent years: in this sample to about 80 million euros annually.

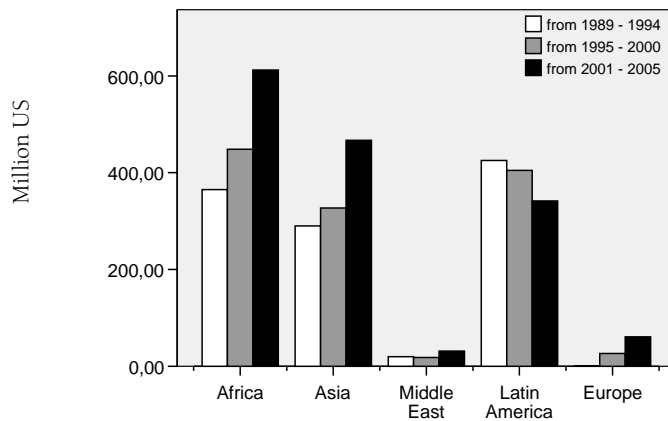
In the 1980s and 1990s, the Dutch government moved from project to programme funding, and from programme funding to institutional funding. This heralded the emergence of the 'Dutch model of cofinancing'. This model was considered internationally unique because it provided long-term financing based on a general agreement, ex-post accountability, supervision from a distance and autonomous decision-making (Boesen, in Steering Committee, 2002). Dutch organisations therefore have a long his-

tory of full legal autonomy in their country aid allocation decisions and have, in their own opinion, maintained a high degree of autonomy in their activities (German and Randel, 1999).

*The allocation of Dutch NGO aid in the dataset*

Our quantitative research on Dutch NGOs covers the period from 1989 to 2005. During this period, these NGOs spent US\$3,838 million (real prices – 2000 levels) received from the Dutch government on development assistance. On top of that, the Dutch government spent US\$20,694 million (real prices – 2000 levels) in developing countries during the same period. The budgets for both of these aid distribution channels rose during this period. Figure 1 indicates the distribution of NGO aid across four regions over three periods (early 1990s, late 1990s, and early 2000s).

Figure 1 Geographical distribution of the four largest Dutch NGOs from 1989–2005



This geographical distribution of aid shows some changes over the period. The NGOs in our dataset decreased their spending in Latin America. This was a response to criticisms in the late 1980s that they were spending too much in the region (Steering Committee, 1991). Spending in other regions, notably Africa, increased. Whereas, in the early 1990s, most aid went to Latin America, by the start of the third millennium this had shifted to Africa and Asia. However, over the entire period, the most aid per country went to Latin America (on average more than US\$50 million for all countries).

Table 1 shows the leading recipients of Dutch NGO aid in the 1989 to 2005 period, per capita and in total, based on our dataset.

Table 1: leading recipients of total Dutch NGO aid (constant US dollars) 1989-2005

NGO aid per capita (total)		Total NGO aid (million)	
Country	Dollars	Country	Dollars
Suriname	23.9	India	372.7
Belize	22.5	Brazil	235.5
Nicaragua	16.7	Peru	199.1
Bolivia	15.7	South Africa	166.2
West Bank and Gaza	12.6	Philippines	152.3
Botswana	11.3	Bolivia	131.7
Guinea-Bissau	10.2	Bangladesh	125.9
Albania	9.6	Tanzania	101.3
El Salvador	8.9	Indonesia	95.6
Peru	7.8	Uganda	94.5

The NGO aid per capita list contains a high number of small Latin American countries, such as Belize, Nicaragua, Bolivia and El Salvador. The former Dutch colony of Suriname tops the list with the average person 'receiving' an average of 23.9 dollars from Dutch NGOs during the period under investigation. The list contains one country from the Middle East (West Bank and Gaza), one from Europe (Albania) and two from Africa (Guinea-Bissau and Botswana). Guinea-Bissau is the only country on the list which qualifies as a Least Developed Country according to DAC criteria (in the first published DAC list in 1996 as well as in 2005). The list of countries that receive most in absolute terms in table 1 looks different, with populous countries like India and Brazil at the top. This list also shows a more equitable spread of countries across regions; four Asian countries (India, the Philippines, Bangladesh and Bolivia), three Latin American countries (Brazil, Peru and Bolivia) and three African countries (South Africa, Tanzania and Uganda). Only three of these recipients are Least Developed Countries (Bangladesh, Tanzania and Uganda). Annex C shows a breakdown of the leading recipients for three different periods (including Least Developed Country status).

## Part 2: A qualitative scan of determinants

### *Literature review*

The literature on NGOs provides a plethora of factors which could or should influence NGOs' decisions regarding which countries to provide aid to. Four of these factors recur most frequently: poverty levels, governance, the preferences of the back donors, and path-dependent processes.

These factors consistently came up during the interviews, despite the use of open-ended questions to allow other factors to surface. Even though interviewees from time to time used different wording to describe which factors influenced their geographical choices, they often referred to one of the four factors outlined above. For instance, a

number of interviewees used the term 'absorption capacity', by which they meant the ability of local partners to use development finance effectively. This absorption capacity is at least partly the result of a path-dependent process, since past involvement by Northern NGOs enhances the 'absorption capacity' of local actors. Another argument that interviewees from various organisations mentioned was the 'added value of our organisation in a country' and the 'possibility to make a difference'. When asked in more detail about how their organisation put these abstract concepts into practice, they often referred to the 'quality of the partner portfolio'. This is at least partly a result of past involvement by NGOs and thus relates to the notion of path-dependency, as well as to the particular expertise of the staff within the organisations. Two organisations stated that they pay attention to the presence of other organisations, and were more inclined to stay in countries where few other NGOs were active. As a result, although not all the considerations that were considered relevant by multiple NGOs are included in the analysis, the four potential determinants cover determinants that were both highlighted in the literature and mentioned by the majority of organisations.

Some factors only appeared important for a single organisation. For instance, interviewees from one organisation claimed that the selection of countries was based partly on the ability of local organisations to contribute to international lobby objectives. Meanwhile, interviewees from another other organisation stressed the influence of the Dutch constituency on country allocation decisions. In addition, organisations all have their specific thematic priorities and these are a potential determinant of geographical choices. If an organisation focuses heavily on post-conflict reconciliation and reconstruction, this is likely to influence their geographical choices. Whilst recognising that these are potentially important determinants, we consider them to be organisation-specific aspects and do not include them in this part of the paper because we are aiming to establish determinants that apply to all organisations. This does not hold for the last part of the article, which discusses specific factors relating to Oxfam Novib, our case study.

#### *Poverty levels*

It is widely assumed that NGOs gear their efforts towards the poor and the needy (Tendler, 1982). Whilst many bilateral donors are inclined to allocate their resources according to strategic preferences (Alesina and Dollar, 2000), NGOs are assumed to target poor and vulnerable countries. As mentioned in the introduction, while Nancy and Yontcheva (2006) conclude that NGOs are poverty-oriented, their finding is contradicted by research by Dreher *et al.* (2007) and Koch (2006). Given these contrasting conclusions, the geographical allocation of NGOs cannot be analysed without taking their poverty focus into consideration.

During the interviews, Dutch NGOs indicated that 'needs' have always been one of the primary criteria in country-selection processes. They had various ways of putting this into practice. One organisation indicated that, in the 1970s and 1980s, it focused on poor target groups in countries regardless of their income level, and started to work with income indicators only later, beginning with per capita GDP and later shifting to Social Watch's Capabilities Index. Others claim to use the Human Development Index

or the percentage of people living below the poverty line. Another organisation claimed to use relative, rather than absolute, measures of poverty. Substantial differences came to light in the way organisations applied these indicators. One NGO periodically organised formal screenings of its country portfolio, systematically using these indicators. Other organisations had informal bargaining systems for country allocations in which these indicators only played a minor role, for instance when desk officers decided to make use of them to substantiate their budget claims. However, one organisation categorically refused to use national-level poverty statistics as a selection criterion for a country, as 'our background and expertise are neither to work directly with the poorest segments in a society, nor with the poorest societies.'

### *Governance*

The second potential determinant of geographical choices is the quality of governance in recipient countries. Various scholars and institutes have concluded that NGO aid has a comparative advantage in countries with low levels of democratic governance (Steering Committee, 2002; Fowler and Biekart, 1996; Blair in Helmich *et al.*, 1998; Edwards and Hulme, 1997), and that more NGO aid should consequently go to those countries. The World Bank publication 'Assessing Aid' was the first to propagate the notion that government-to-government aid should only go to countries that already had good governance. As the World Bank puts it:

*[i]n highly distorted environments the government is failing to provide supportive policies and effective services. That is why government-to-government financial transfers produce poor results. Effective aid in such an environment often involves supporting civil society to pressure the government to change or to take service provision directly into its own hands (or to do both)*  
(1998, p. 104)

Dutch policy documents argue along similar lines: '[i]n cases of bad governance, bilateral aid relationships are often underdeveloped; cooperation from civil society to civil society is the only way' (Dutch Ministry of Foreign Affairs, 2001, p. 5). Academics also subscribe to the view that bilateral aid to governments without reasonable policies does not help the poor and can even worsen their plight. Their argument is that aid actually serves to prop up regimes that lack popular support (Bauer, 1974; Bauer and Yamey, 1982). It provides governments with the wrong incentives, since they are rewarded for bad policies (Easterly, 2002). Many scholars suggest that if bilateral aid does not work, support for non-governmental organisations is a good alternative (e.g. Easterly, 2006). Preliminary research on the effects of governance indicators on NGO allocations cast doubt on their expected focus on countries with poor governance (Dreher *et al.* 2007; Koch *et al.* 2007).

Our interviews generated a mixed message on the involvement of NGOs in countries with bad governance and it appears that NGOs themselves are less inclined to stress their unique capabilities in countries with poor governance. In the early years of the cofinancing programme, organisations needed to have a 'letter of consent' from the

governments of countries where projects were to take place, in effect significantly restricting the possibility of aid in authoritarian countries. Conversely, NGOs claimed unequivocally that they started working in certain countries in Latin America, South Africa and the Philippines because of an exploitative governance situation. They worked with small grassroots, sometimes underground, organisations to stimulate democratic change (cf. Biekart, 1999). They also acknowledged that certain Ministers for Development Cooperation encouraged them to do this because 'they could work in those countries where the Netherlands government could not'. They added that they considered these kinds of requests simply logical or even part of a natural division of labour. Since some ministers also provided extra funds for projects in those countries, NGOs were willing to increase their involvement.<sup>4</sup> Some claimed that they reduced their involvement in those countries when the situation had become more democratic.

At the same time, NGOs also argued against the basic assumption that they were the best placed to focus on 'the 'left-over' countries of bilateral aid' and in which 'NGOs are seen as subcontractors that can be hired at will to clean up the institutional mess, after which Big Aid can move in and achieve pleasing results under conditions of good governance'. One former director general of the Ministry of Foreign Affairs concurred: 'Some of the social-democratic ministers might have wanted the NGOs to be more active in those countries with bad governance, but Christian Democratic thinking stipulates that civil societies in all types of countries merit support'. In addition, in some of the badly governed countries the NGO legislation is so strict that organisations are unable to operate.

#### *The preferences of back donors*

The autonomy of NGOs is a contested subject. Critics argue that NGOs are in fact subcontractors of the state and see them as:

*organisations that political liberals cherish, and have for all practical purposes been reduced to serving as its [the state's] fire department, its expert toolbox, and its public relations group. These arenas may be necessary for the maintenance of hegemony but they hardly affect the core financial operations that are the undemocratic prerogative of the treasuries of their key sponsors (Kalb, 2005: 196).*

Other critics of the supposed autonomy of NGOs are more moderate in their views and claim that:

*While the moniker 'non-governmental organisation' suggests autonomy from government organisations, NGOs are often intimately connected with their home governments in relationships that are both ambivalent and dynamic, sometimes cooperative, sometimes contentious, and sometimes both at the same time (Fisher, 1997: 451).*

In a similar vein, Edwards and Hulme (1997) criticise the dependence of development NGOs on official donors as potentially 'too close for comfort' (1). Hence, the autonomy of NGOs is disputed in the literature. Because of the high level of financial de-

pendence of Dutch NGOs on the government, one could cast doubt on their autonomy. Back-donor country explanations could therefore have greater predictive power for their geographical choices than NGOs like to admit. Fruttero and Gauri (2005) analyse and test NGO project allocation in Bangladesh and show that NGOs' concern for obtaining donor funding influences project location. Finally, Nancy and Yontcheva (2006:1) conclude that all of this criticism was in fact exaggerated and that 'the funding source does not seem to exert a great influence on their aid allocation decision'.

Our interviewees confirmed that the bilateral donor never had any formal say in the location and allocation of their cofinancing aid through NGOs. They mentioned that officials of the Civil Society Unit of the Ministry of Foreign Affairs had on occasion suggested that activities in certain politically sensitive countries (e.g. Cuba or Fiji) needed to be reduced. However, in practice this never occurred. There were two mechanisms by which the ministry could still influence the aid allocation of the NGOs: financial incentives and general policy messages. A wide array of financial incentives could be used to tempt organisations to move into certain countries. One method was to impose conditions on future allocations to specific countries through the cofinancing programme. This happened in the case of the former Yugoslavia. It was made clear to the organisations that their budget would be increased if they invested more in the former Yugoslavia, which they agreed to do. Furthermore, the NGOs were also provided with extra finances when bilateral aid could no longer be channelled through regular channels, as was the case in Central America in the late 1980s. In addition, various thematic and regional departments of the ministry financed NGOs separately, and they restricted this supplementary cofinancing to particular countries. One former NGO director pointed out that some of the ministry's country units would turn to his organisation, especially towards the end of the year, to find out whether it could help them to exhaust their budget. Besides financial stimuli, general policy statements also appear to have had an impact. During the 1990s, one of the implicit messages emanating from the ministry was that NGOs should increase their focus on Africa at the expense of Latin America, and they appear to have internalised that message (e.g. Dutch Ministry of Foreign Affairs, 1995). The financial dependence of organisations on the ministry furthered the acceptance and adoption of these general policy messages. Thus, although NGOs claim that the government has no direct impact on their country allocations, financial and informal stimuli may infringe this autonomy.

In general, the back donor encouraged NGOs to become active in the same countries as them. This was assumed to strengthen 'complementarity' (e.g. Van Ardenne, 2004). There was one exception to this rule, Eveline Herfkens. In speeches at the beginning of her term as minister, she suggested that NGOs should be only active in those countries that were not selected for bilateral aid (Dutch Ministry of Foreign Affairs, 2000). However, this call never materialised in the official policy documents that followed.



*Path dependency*

Many authors highlight the fact that NGOs are regarded as flexible organisations (Tendler, 1982; Fowler and Biekart, 1996; Edwards and Hulme, 1997). They are supposed to be immune to bureaucratic sclerosis because they are smaller, work with lighter structures than government agencies, and make use of flexible contracts. Other authors argue that NGOs suffer from path dependency. This is a process whereby past choices narrow current and future room for manoeuvre. In the case of NGOs, path dependency occurs because stakeholders have an interest in maintaining the status quo (Cameron, 2000). Research on the location decisions of NGOs at a sub-national level by Bebbington (2004:736) suggests that this is due to networks and institutions that both underlie and precede the existence of the agencies. He claims that the personal contacts of NGO staff are important and 'are not accidental, and have a great deal to do with institutions, social networks, histories and political economic contexts within which they are embedded'. In short, informal and social networks are believed to shape the decisions of NGOs, and those networks tend to reinforce themselves.

Our interviews revealed an interesting pattern. Most of the interviewees claimed that, prior to the 1990s, historical relationships, personal networks and political preferences did in fact drive country allocations rather than predetermined strategies. The largest Dutch NGOs were founded on four main 'pillars' of Dutch society, which reflected the segregation into religion and ideologies. Their origins provided a stable network for the NGOs, since they allocated their funds to likeminded local counterparts or specific countries. They funded projects, for instance, in countries where Dutch missionaries had lived. One of the founding directors of one of the agencies nearly refused to take part in an interview on the geographical policy of his organisation between the 1960s and 1980s, claiming that 'there was no such policy'. During the interview, he pointed out that 'it is out of the question that there would be any kind of conscious country selection policy during the 17 years that I was director.' The NGOs were intermediary financing agencies, whose main task was to channel grant requests from their missionaries in the South to the Dutch Ministry of Foreign Affairs. Historical relations therefore played a pivotal role.

In the 1990s, organisations were increasingly challenged to rationalise their decision-making processes. However, one former director clearly resisted this rationalisation process and did not agree with the term 'geographical choice', 'as it implies some kind of reasoning from macro to micro with clear indicators. We prefer to let our practice grow organically, based on our personal networks, and this is how it should be'. During this rationalisation process, more room for flexibility was created as periodical allocation-review processes enabled countries to adapt to changing realities. This pattern of an apparently path-dependent pre-1990 period, with a more flexible approach after the 1990s, surfaced in most interviews. Nevertheless, a number of interviewees questioned their own organisation's flexibility. They compared their organisations to an 'oil tanker', as it worked with multi-annual plans and multi-year commitments. In addition, they argued that 'staff really disliked seeing the budget for *their* country or *their* partner organisations reduced, which resulted in internal lobby campaigns for their country'. This was not necessarily through fear of losing their jobs, but

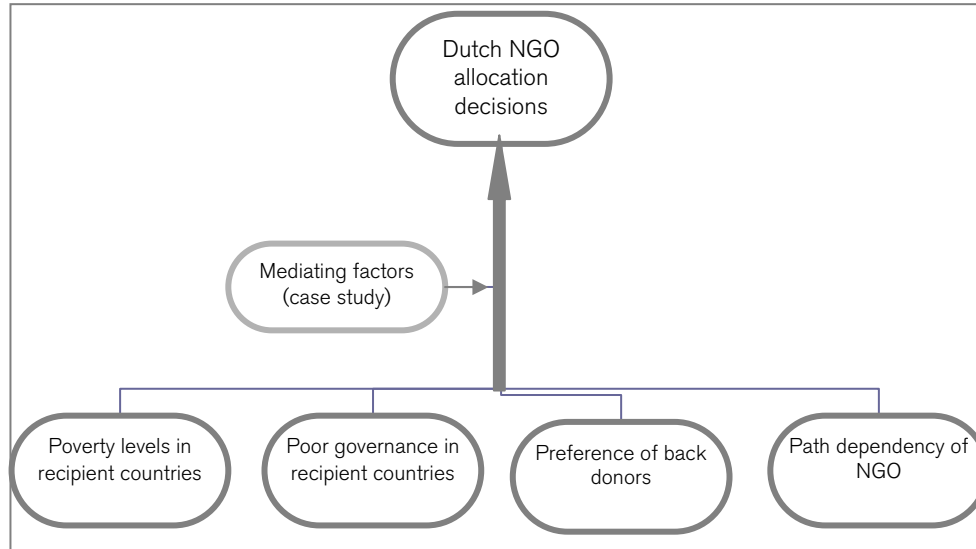
through a very strong sense of loyalty, sometimes dubbed ‘exaggerated commitment’ to partner organisations. Many saw having to terminate a partner relationship as an ‘abortion’. This contributed to organisational inertia, instead of organisational flexibility. Changes in geographical choices were made possible by increases in funding; old networks are maintained and additional finance is used to venture into new countries.

Another factor that hampered flexibility was the strength of local civil society. Although some organisations intended to re-allocate resources, the limited absorption capacity of local partners in some countries was problematic. One former manager stated that ‘we really attempted to expand our financial transfers to Africa, but we could not find suitable partners. As a consequence, towards the end of the financial year, when we had disbursement pressure, we often ended up by giving the money once again to our partners in Brazil, who had a proven track record of being able to spend the money swiftly’. Conversely, many viewed path-dependency, or stability, as a positive element in their relationship with Southern organisations as it was a sign of long-term commitment and true partnership. Quite a few of the NGOs argued that ‘flexibility’ was one of the characteristics that was ascribed to them by other actors, and not necessarily one which they deemed particularly appropriate themselves.

In this section, we have identified and analysed four potential factors in geographical aid allocation by Dutch NGOs. While acknowledging that there might be other factors, which are not recorded here, and that there are also organisation-specific determinants, we believe that the four factors elaborated above constitute a common denominator of determinants that could affect allocations across the four organisations considered. Figure 2 shows these factors and the main findings for Dutch NGOs based on this section.

Figure 2 shows our hypotheses for the Dutch case. Our interviews showed a fairly clear-cut picture of the poverty factor. All organisations bar one, claimed that high levels of poverty encouraged them to become more active in those countries. With respect to the governance situation, the relationship appears more ambiguous. Whereas there are clear examples of Dutch NGOs venturing into countries with autocratic regimes, some of the representatives of Dutch NGOs claimed that this had never been a selection criterion. However, we assume that Dutch NGOs could consider poor governance as a potential factor for aid allocation. With regards to autonomy, the NGOs were not influenced directly by the Dutch government. However, the government did influence them by means of financial incentives and general policy messages. Finally, even though the literature suggests that NGOs are flexible organisations, the interviews showed that Dutch NGOs often decided to fund projects based on previous relationships and therefore tended to be rather path-dependent in their allocation decisions. Figure 2 also shows the presence of mediating factors. What becomes clear while reading this text is that not all potential determinants end up influencing geographical choices. The ‘mediating factors’ which we aim to identify in the case study on Oxfam Novib, in part 4, can explain why certain potential determinants become predominant while others do not. In the next section, we analyse these four potential drivers more thoroughly using a quantitative analysis.

Figure 2: Potential factors influencing Dutch NGO allocation



### Part 3: A quantitative analysis

#### *Statistical method: General Methods of Moment*

We now turn to testing the hypotheses generated in section 2. With this in mind this paper uses the methodology developed by Nancy and Yontcheva (2006). In their efforts to discover the determinants of the geographical choices made by NGOs that received aid from the European Commission, they employed a General Methods of Moment (GMM) estimation, which is a dynamic panel estimation. The main reason for selecting this method is that it can effectively solve unacceptable levels of serial correlation in ordinary least squares panel estimations. For an in-depth explanation of the procedure, see Nancy and Yontcheva (2006) and Arrellano and Bover (1995). This section presents the result of the two-step GMM, as this is considered the most efficient estimator.

In our research, the dependent variable in the regressions is the amount of NGO aid that countries received per year. This variable is measured in real terms in US dollars (2000) and is the sum of their expenditure as reported to the Dutch Ministry of Foreign Affairs. In all regression, the dependent variable is total NGO aid per country. The amounts of aid were selected as an indicator for geographical choice as they provide a more precise indication of how committed organisations are to various countries than, for instance, the number of projects in a country or whether or not an organisation is active in a country.

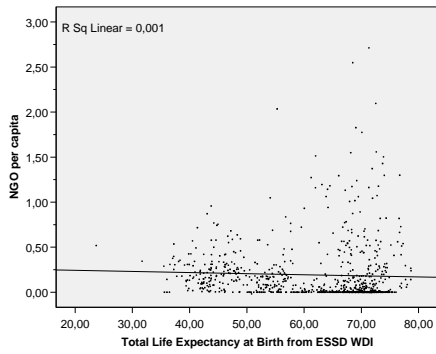
We derive the independent variables from the second section. There is one base regression, regression 1, in which all four potential determinants are tested simultaneously. The remaining regressions, 2 to 5, are robustness checks in which we swap the

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$$Aid_{it} = \beta_0 + \beta_1 NGOAid_{it-5} + \beta_2 BILAid_{it-2} + \beta_3 POV_{it} + \beta_4 POL_{it} + pop_{it} + pop2_{it} + \mu_i + \epsilon_{it}$$

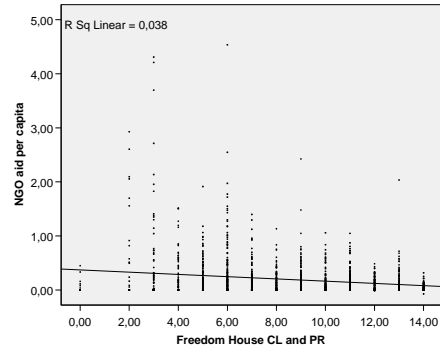
where  $i$  indexes countries;  $t$  indexes time;  $NGOAid$  is the NGO aid to the country at  $t-5$ , and  $BILAid$  the bilateral aid to the country at  $t-2$ ;  $POV$  is a measure of the recipient country's development needs (life expectancy or GDP/capita);  $POL$  is the political rights indicator;  $\mu_i$  is the unobserved country-specific effect; and  $\epsilon_{it}$  is a time-varying





**Dutch NGO aid per capita and life expectancy**

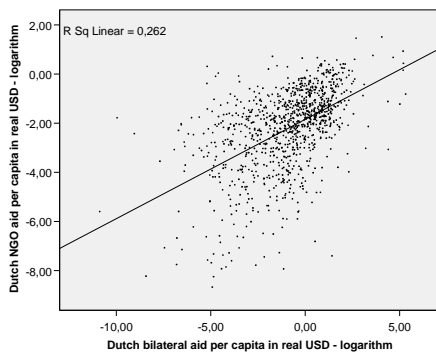
NGO aid per capita (in real dollars) and the life expectancy on national levels



**Dutch NGO aid per capita and quality of governance**

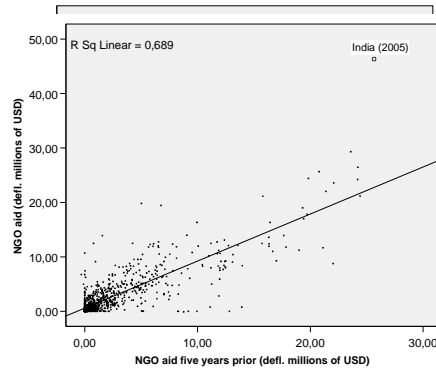
NGO aid (in real dollars) and quality of governance on national levels

Figure 3.3 Preference of back-donors



**Dutch bilateral aid per capita and NGO aid per capita**

Figure 3.4 Path dependency



**Dutch NGO aid and five years prior**

Table 2 presents our base specification estimated over our entire sample. Our base sample for infant mortality is an unbalanced panel of 118 countries from 1990 to 2005, including 2,057 observations.

Table 2: GMM estimation of Dutch NGO allocations from 1999-2005

Dependent variable: NGO aid (log)	Base regression	Robustness checks			
	1	2	3	4	5
Determinant 1: Poverty	-0.392 [0.3100]			-0.233 [0.3042]	-0.600 [0.0008]**
Determinant 1: Poverty		-0.052 [0.9382]			
Determinant 1: Poverty			-0.008 [0.6916]		
Determinant 2: Governance	-0.074 [0.7328]	0.080 [0.3647]	0.063 [0.5307]		-0.153 [0.3057]
Determinant 2: Governance <i>Bureaucratic Quality ICRG</i>				0.144 [0.6947]	
Determinant 3: Bilateral aid <i>Bilateral aid (log, 2 lags)</i>	0.140 [0.0483]*	0.138 [0.0275]*	0.051 [0.5730]	0.173 [0.0305]*	0.143 [0.2836]
Determinant 4: Path dependency <i>NGO aid 5 years ago</i>	0.743 [0.0000]**	0.712 [0.0000]**	0.832 [0.0000]**	0.717 [0.0000]**	
Determinant 4: Path dependency <i>NGO aid 10 years ago</i>					<b>0.499</b> [0.0127]*
Population	0.028 [0.8464]	0.062 [0.7251]	0.035 [0.8415]	0.105 [0.3812]	0.188 [0.5485]
Constant	3,359 [0.4192]	-0.242 [0.9388]	-0.052 [0.9738]	1,251 [0.3273]	5,325 [0.0069]**
Observations	394	403	351	334	321
Number of countries	91	95	81	72	78
AR 1	0.033	0.018	0.039	0.044	0.088
AR 2	0.228	0.233	0.954	0.173	0.249
Hansen test	0.996	0.999	0.996	0.173	0.498

(1) p values in brackets (2) \* significant at 5% level; \*\* significant at 1% level (3) GMM results are reported with robust standard errors. (4) A full set of year and regional dummies is included in all specifications – only those that are significant are included (5). The instrument includes lags of bilateral aid (t-2 and earlier) as instruments in level and system equations. (6) GDP per capita, population and population squared are considered exogenous.

For each regression, we report the Hansen J test of over-identifying restrictions. It does not reject the joint null hypothesis that the instrument, lags in bilateral aid, is valid (i.e., uncorrelated with the error term). In addition, it shows that the excluded instru-

ments are correctly excluded from the estimated equation. An examination of the p-values of the AR(1) and AR(2) tests of autocorrelation reveals that, as expected, we reject the null or no first order serial correlation in residuals. Hence, we find no evidence for second order serial correlation at 5% significance. We therefore conclude that the regression specifications are correct. This table reveals some important and apparently robust results. We will discuss the results for each independent variable.

The base regression (regression # 1) indicates the following with respect to the potential determinants: neither the poverty determinant, nor the governance determinant, were found to determine the geographical choices of NGOs. The third potential determinant, the preference of back donors, was found to be a driver of geographical aid allocation. An increase in bilateral allocations led to an increase in NGO allocations two years later. Moreover, the last potential determinant, the path dependency of NGOs, was found to be highly significant. Their allocations positively and significantly influence their allocations five years down the line. The coefficient of .74 implies that a 1% increase in the allocations of the NGOs in  $t-5$  lead to an increase of about .74% at  $t$ .

The robustness checks (regressions # 2 though # 5) confirm the results of the base regression. Regardless of how poverty is assessed, be it by means of a social indicator (life expectancy, regression 2) or by a relative poverty indicator (Gini, regression 3) there is no causal link with NGO aid allocations. Only in one of the five regressions did we find a significant and negative relationship, indicating that increases in GDP per capita lead to a decrease in allocations from NGOs. Thus, these results from the panel regressions corroborate the absence of a positive relationship with poverty, which was already suggested by the cross-sectional scatter-plots on poverty. Furthermore, the governance indicator from the ICRG does not appear to be influencing NGOs' geographical choices. In addition, we find that in three of the four regressions the geographical choices of the bilateral donor influence the choices of NGOs two years down the line. The most insightful robustness check is provided for path dependency as a potential determinant. Even when the allocations of NGOs are lagged for 10 years, these allocations still positively and significantly influence the allocations of NGOs. The coefficient is somewhat smaller (now decreased to from .74 to approximately .5) indicating that a 1% increase in NGO aid in  $t-10$  leads to a .5% increase of NGO aid for a country in  $t$ .

To sum up, when the results of the previous two sections are taken into account, two elements appear more important than previously expected, and two appear less important than predicted. Dutch NGOs do not focus as much on poor countries, in absolute or in relative terms, as the literature suggested. As for the governance of countries, the results are surprising. They contradict the internationally held assumption that NGOs focus on countries with poor governance. Instead, the results correspond more closely with the critical remarks of some of the directors of Dutch NGOs regarding the assumed division of labour with respect to bilateral and NGO aid. In addition, the scatter-plots showed a strong relationship between bilateral and NGO aid, which was confirmed by the regression results. The interviews already provided more insight into the way in which the Dutch government has influenced the aid allo-



cation of NGOs. Lastly, both the interviews and the regression results show a significant path dependency for NGOs which casts doubts on their assumed flexibility.

#### **Part 4: A case-study approach**

The purpose of this case study is to identify the main mediating factors which influence the determinants within an NGO. The case study is set up as follows. After providing a general overview of the geographical decision-making process at Oxfam Novib, we examine the four potential determinants of aid allocations. We first establish whether Oxfam Novib deviates from the general pattern described in parts 2 and 3, and then attempt to explain which mediating factors can help explain why certain potential factors came to determine geographical choices and others not. These factors are only tentative, as they are based on the case study of Oxfam Novib only.

##### *Historical and geographical developments*

In 1956, Oxfam Novib started working in two countries, Greece and Sudan. The number of countries had expanded to 74 by 1996, after which it declined to 63 in 2006. Until 1996, the geographical policy of Oxfam Novib was geared towards selecting new countries for intervention. Personal networks played a dominant role in the early stages of the organisation's development. The main reason Oxfam Novib gives for its presence in certain countries, especially until the late 1980s, was: 'we were active where we were active, because we had always been active there'. Oxfam Novib's support became more oriented towards political empowerment in the 1970s, and this was also reflected in its geographical choices. It resulted in a focus on democratisation projects, especially in dictatorial Latin American regimes for example. This focus on Latin American countries was so strong in the early 1980s that the board of Oxfam Novib decided to hire a new programme director with no links with Latin America. The idea behind this was to facilitate a gradual shift towards other geographical regions, notably Africa. Many exploratory missions to African countries followed. However, nearly a decade later Latin America was still receiving most of the funding, while allocations to Asia had increased more rapidly than those to the African continent. An impact study in 1991 reiterated the importance of shifting geographical priorities towards Africa. As the organisation's budget was constantly increasing, it was possible to reduce the percentage of funding that went to Latin America, while still increasing absolute funding to the continent considerably. The same impact study also indicated that the NGOs were spreading their resources too thinly and that a concentration of activities was desirable. Oxfam Novib paid no heed to this advice, however, and the number of countries in which it operated continued to grow. These quite random geographical choices came to a rather abrupt end in 1998 with the introduction of the Guidelines for Resource Allocation Priorities.

*Guidelines for Resource Allocation Priorities (GRAP)*

In 1998, the director of Oxfam Novib wrote in a memo to its staff:

*'Novib's investment practices have undergone an organic development over the last four decades, through contacts, networks and opportunities as they manifested themselves. Policy developments evolved with our practice, but prior to 1996 there was no attempt to provide a transparent substantiation to answer the question how much money Novib was spending in one continent or in one country in comparison with others and why.'*  
(Novib, 1998)

A report by the GRAP project group claimed that: 'The lack of a resource allocation policy and criteria can be seen as an amateurish hang-over from a previous era, quite inappropriate for a professional and transparent development cooperation agency in the present context.' (Meeting of Project Group, on 21 February 1996, in Teune, 2002: 24). The Guidelines established an obligatory rating system that desk officers had to use to assess all developing countries. GRAP was intended to be executed every two years and was executed in 1996, 1998 and 2000. In 1996, during 'GRAP 1', desk officers were asked to rate countries in their region based on 'needs', 'capacities of others' and 'Novib's comparative advantage'. This resulted in a priority ranking. Based on these ratings, the project group proposed a list of eligible countries to the management team and recommendations on whether current efforts required modification. GRAP 1 concluded with a two-day workshop for key staff at Oxfam Novib, during which the proposals of the project team were discussed and a final decision proposed. The final proposal, which contained an optimal continental allocation scenario for 2000, stipulated that investment in Africa needed to be increased (to 35%), at the expense of Latin America. Oxfam Novib executed the second GRAP in 1998 and it was in some ways similar to the first GRAP. For instance, Oxfam Novib identified needs and possibilities in developing countries and developed an optimal allocation for four years later. Once again, one of the conclusions of the GRAP exercise was that more resources needed to be allocated to Africa. This was partly a result of insufficient follow-up to the recommendations of GRAP-1 (Teune and Dietz, 2002). The GRAP was instrumental in making concrete recommendations about the continental and national division of Oxfam Novib's aid disbursement, but it was also useful for regional desks to subdivide their budget. In 2000, the organisation conducted a similar exercise involving other Oxfam organisations. This joint 'GRAP' exercise was actually considered less successful and was not repeated because the costs (e.g. preparation and negotiation) outweighed the benefits. Many other Oxfam organisations could not meet the expectations raised because of low levels of unrestricted funding. Since 2000, a joint mapping exercise has been put into practice, showing which Oxfam organisations are operating in certain countries. These maps show, for instance, that nearly all Oxfams (9 out of 13) are active in Guatemala and Mozambique, while not one is present in Guinea or the Central African Republic. However, the joint mapping exercise was not followed by systematic joint planning, even though Oxfam Novib has made efforts to this effect. The GRAP exercises led to some changes and contributed, for instance, to

the phasing out of aid to certain Latin American countries. However, its effect on country allocations was not as great as the 'focus discussion'.

*The focus discussion and beyond*

Various external evaluations, notably the impact studies of 1991 and 2001, and various external actors, such as the Project Pool Commission, strongly advised Oxfam Novib and other organisations to reduce the number of countries in which they were operating. In 2002, the 'Box Commission' decided on the Oxfam Novib's grant application. The commission concluded that Oxfam Novib was not focusing sufficiently on specific themes and countries, and therefore cut its funding (Box, 2002). Consequently, the management team decided to reduce the number of countries in operation to 18, and started another rating exercise to this effect. A new element this time was that Oxfam Novib consulted external agencies, including its Southern partners, Dutch NGOs and other Oxfam members. In addition, other departments within Oxfam Novib, such as those dealing with fundraising and campaigning, contributed to the focus discussion process from the outset (this process became known as GRAP 4). Countries were ranked on the basis of needs, the activities of other actors, and the potential added value of Oxfam Novib (this time assessed through a risk and opportunity method). The project team proposed 22 'core' countries. After a decision-making workshop, the list of core countries was cut to 18. Simultaneously the notion of 'regional and thematic programmes' was conceived. These programmes allowed for spending in non-core countries, and amounted to nearly half of the budget from 2003 onwards.

In preparation for the new grant application in 2006, some minor changes were made to the existing list of countries. In a discussion on this topic, the director of Oxfam Novib argued that the organisation's work was like 'acupuncture', with strategic pressure being applied to strengthen the power of certain actors in a process of continued social change. She argued that the following three main questions were addressed in the four-yearly in-depth consideration of its country choices: 'How poor is a country? What civil society actors can we find to work with, and can they achieve concrete results for people living in poverty (with our help)? How good are the partners at connecting their local work with national and global social movements and campaigns?' She added that: 'The hard thing is to weigh these different criteria and come up with country and regional choices which achieves as much as possible for men, women and children living in poverty, whilst also changing the structural causes of poverty.'

The next step in this case study is to assess how the experiences of Oxfam Novib relate to the areas of particular areas of interest to this research: poverty, levels of governance, the preferences of back donors, and path dependency, and why certain of these potential determinants have become prominent and others have not.

### *Poverty levels*

Even though Oxfam Novib spent only 34% of its budget in the Least Developed Countries (LDCs) in 2000, this was substantially more than other large Dutch organisations. Hivos, for example, spent only 11% of its resources in those countries (Steering Committee, 2002). This suggests that the themes on which organisations choose to intervene, and their underlying definition of poverty, also affect their poverty focus. Hivos focuses on themes such as culture and gay rights, which could have a negative influence on the percentage of aid they spend in the poorest countries. Oxfam Novib was not satisfied with the low correlation between its expenditure and the Human Development Index (Novib, 2003), and developed stricter poverty criteria for its core countries. Countries needed to be listed as a 'Least Developed Country' or 'Other Low Income Country' on the 2001 DAC list. Oxfam's strict application of these criteria ensured that the organisation further strengthened its position as being the most poverty-oriented of the Dutch NGOs.<sup>7</sup> For instance, six out of the top ten core countries receiving most aid from Oxfam Novib in 2005 were LDCs.<sup>8</sup> For the other large Dutch organisations, this average was only 3 out of 10. In the 2003 to 2005 period, Novib spent 48% of its resources in the LDCs, whereas this was only 31% for the other organisations.

Which mechanisms ensured that Oxfam Novib focused more on the poorest countries than the other Dutch organisations? What appears to be an important factor here is the commitment of the management of Novib to increase the poverty targeting of its operations. Their endorsement of a formalised rationalisation process, in which needs indicators played a decisive role and their active follow-up on the results of those exercises, reflect this.

### *Governance*

Oxfam Novib had a tradition of engaging in countries in which the democratisation process had yet to take place, such as Chile, South Africa and Philippines. The use of needs indicators in GRAP 1 and 2 reflected this commitment to people in countries with autocratic regimes, since they included indicators that related to the political situation. Oxfam Novib dropped this governance criterion during the focus discussion, and the DAC poverty status became the sole needs indicator. Nevertheless, Oxfam Novib continued to focus more on countries with severe democratic deficits than its Dutch counterparts did. In 2005, on its list of top ten core countries, five were considered as 'not-free' by Freedom House, while for other Dutch organisations this was the case for only one or two countries. Having said this, there is still no significant correlation between governance levels and allocations from Oxfam.

The governance situation was not a determinant for Oxfam Novib or for any other organisation. In the transmission mechanism from poverty indicators to increased poverty targeting, the commitment of senior management and a systematic transfer of this into geographical allocation decisions played a substantive role. In the case of governance as a potential determinant, there was no commitment and follow-up. Senior management did not consider an extra focus on countries with poor governance to

be relevant. Consequently, this criterion was removed from the selection criteria during the last, and most important, selection round. Oxfam Novib's strong focus on poorly governed countries appears to be a by-product of its focus on the poorest countries, more than a consequence of deliberate policy.

#### *Preferences of the back donors*

Interviews with Oxfam Novib staff indicated that they considered themselves 'totally free' in deciding which countries they were active in, even though they accepted the principle of restricted funding for specific parts of the organisation. Despite this perceived autonomy, there was a strong relationship between the distribution of aid through Oxfam Novib and the Ministry of Foreign Affairs. The correlation coefficient hovered at around 0.5, which is roughly comparable to that of the other organisations.

What can explain this considerable discrepancy between the perceptions of Oxfam Novib staff and the high correlation between the organisation's spending and the Netherlands as a bilateral donor on the other? This can partly be explained by the fact that there has been a high correlation between the expenditure of Dutch organisations and bilateral expenditure for several decades. Furthermore, as discussions on complementarity between Dutch NGOs and the ministry failed to reach any consistent conclusions during recent decades (Borren, 2007) this basic pattern was not altered.<sup>9</sup> The senior management of Oxfam Novib has also been unclear on this issue. It has promoted certain countries, such as Niger and Nigeria, to 'core country' status, although they were not on the Dutch government's list of priority countries; at the same time, they included 'complementarity with Dutch bilateral aid' as one of the additional criteria in the same focus discussion. It appears that the ingredients that fostered change, such as the commitment of senior management and systematic translation into policy, were absent in this case. This, in combination with pockets of restricted funding, for instance, has contributed to the continuation of past policies, and as a result, the strong geographical correlation between Dutch bilateral aid and Novib's aid has been maintained.

#### *Path dependency*

Despite the GRAPs and the focus discussion, there was a significant correlation (at the 1% level) of above 0.5 between Novib's national funding allocations in both 1991 and 2004. In fact, this applies to all Dutch agencies, confirming their path dependency. A clear example of this with respect to Novib is the regional programmes. The regional programmes were a new type of programme that emerged from the focus discussion. They were neither aimed exclusively at solving regional cross-border problems, nor implied exclusive partnering with regionally active organisations. An analysis of the regional programmes shows that the bulk of activities performed deal with national problems and national organisations. In fact, 'regional programmes' were never defined at the beginning. When asked about the role of these regional programmes, the interviewees stated that the definition of a regional programme was rather vague and that in some instances regional departments used their discretion to continue old prac-

tices. In addition, there was no ceiling in terms of the funds that could be spent on regional programmes, and the same was true of the core countries. This led to the surprising situation that some countries (such as Peru, Bolivia and Brazil) are still among the top ten recipients, yet are not core countries.<sup>10</sup> Interviewees claimed that the regional programmes evolved over time, and they have now become more 'regional' than in the beginning. They also stated that the programmes were also, but not exclusively, meant as a buy-in for those parts of the organisation that would otherwise be faced with too much radical change.

What mechanism can explain this mix of continuities, with sudden discontinuities? It appears that yet again Oxfam Novib's senior management set most of the relevant changes in motion, including GRAP-1 and GRAP-2, and the focus discussion. Often these adjustments were made in response to external inputs, such as evaluations. The most significant alteration occurred after the negative assessment of their major grant request, which resulted in a 25% reduction in the grant to the organisation. All the interviewees agreed that it was this exogenous shock that triggered the discussion on geographical concentration. The unexpected decision of the Box Commission led to a sense of urgency amongst the staff, which the management team was able to use to convince them that changes were called for.

#### *Conclusion of the case study*

The aim of this case study was to find factors that had an influence on why potential determinants came to the fore. Firstly, we assessed whether there were differences in the determinants between Oxfam Novib and the general pattern described in part 3. In the case of two of our determinants – the quality of governance and bilateral preferences – there was only a minor difference. For example, the expenditure of both Oxfam Novib and the other organisations showed a clear resemblance to the allocations of Dutch bilateral aid. Furthermore, both Oxfam Novib and other Dutch organisations showed clear signs of path dependency, but Oxfam Novib was the only organisation to develop a flexible and transparent system of country selection. One difference is Oxfam Novib's clear focus on the poorest countries, on which it outperforms the other organisations.

Secondly, we identified the mediating factors that explain why certain potential determinants became drivers of Oxfam Novib's geographical choices, while others did not. It became clear that this occurred when (a) senior management was committed to the choice, (b) this commitment was translated systematically into unambiguous policy and (c) there was an exogenous shock.

### **Part 5: Discussion and conclusion**

#### *Generality of findings*

The NGOs in our sample received an overwhelming share of the funding that the Dutch Ministry of Foreign Affairs allocates to NGOs. The ministry has, however, also funded many smaller organisations in the Netherlands (Steering Committee, 2006).

The geographical choices of NGOs financed through 'thematic cofinancing' are broadly similar to those made by the larger NGOs. For example, back donors have no direct influence on their geographical choices either. The Steering Committee's evaluation of the thematic programme added that there was a considerable overlap between the geographical choices of both types of organisations. It concluded that the thematic organisations were not targeting either the poorest countries, or the countries with worst governance.<sup>11</sup> For this reason the results appear to be fairly representative at least for the Dutch case.

The extent to which these research findings can be applied internationally is most likely limited, notably with respect to the importance of back donor preferences, poverty and flexibility. German organisations are in a roughly similar position to the Dutch organisations in terms of their independence in making geographical choices. However, this independence is more limited in the case of Norwegian organisations, for example, and totally absent in the case of American organisations (Koch *et al.*, 2007). This also appears to have repercussions on the stability of geographical choices. German organisations tend to remain much longer in the countries where they are active because of their access to large-scale core funding from the German government. On the other hand, the country choices of American organisations appear much more volatile, and more contingent on the constantly evolving geographical preferences of their back donors. In terms of the poverty focus, the Dutch case may not be representative. Recent research by Koch (2007) shows that Dutch NGOs tend to focus less on the neediest countries than NGOs from countries, such as the United States and Norway.

The scope of the research findings is restricted to the geographical domain. The research does not claim to explain how choices regarding themes and intervention strategies are made. The risk of focusing solely on geographical choices is that it might underestimate the effects of these other factors on geographical choices. Are organisations that focus exclusively on service delivery, for instance, active in the worst governed countries? Are NGOs that focus more on conflict prevention most active in countries that are prone to conflict? More in-depth research on the interplay between specific missions and preferences of NGOs and geographical choices can enrich our understanding of the specificity of NGOs.

### Conclusion

How have the geographical choices of the Dutch NGOs evolved over the four decades in which they have been in operation? In the early decades of their existence, their geographical choices were not deliberate and the results of pre-existing and self-reinforcing networks were often based on the organisation's religious and ideological background. Organisations were more active in countries where they knew people and partner organisations. By the late 1980s, expanding budgets and political preferences resulted in a situation where Dutch NGOs had spread their resources over many countries, with a strong focus on Latin America. During the 1990s, a process of rationalisation took place in which some organisations sought to develop a more systematic geographical decision-making process. Oxfam Novib was a clear example of this trend. In

that period, the long-awaited shift towards Africa materialised at the same time as a small reduction in the number of recipient countries.

This article has sought to understand the determinants of geographical decisions of Dutch NGOs. Based on qualitative interviews, we constructed a model for the Dutch case in part 2, identifying four potential determinants for geographical aid allocations. We tested this model using a quantitative analysis and a desk study of one of the organisations. The results all point in a similar direction. We conclude that the organisations' choices were characterised by a high degree of continuity: choices made decades ago still have a major impact on the current geographical distribution. There have been few significant changes and, when changes have occurred, exogenous shocks, such as significant grant reductions, have been the main mediating factors. The flexibility of Dutch organisations has been rather limited, as they have faced constraints in terms of organisational inertia and the absorption capacity of local civil society. This research therefore indicates that path dependency could be considered one of the principal and most consistent determinants of country allocation for Dutch NGOs. In addition, the preferences of back donors were found to be a significant driver of geographical aid allocation. Dutch organisations have not targeted their aid towards the poorest countries, though they have slowly reduced funding to those countries that have become richer. Our case study showed that Oxfam Novib focused relatively more on poor countries, which can be attributed partly to commitment to this objective on the part of its senior management. Finally, Dutch organisations focused on the same countries as other donors, notably the Dutch Ministry of Foreign Affairs, even though they are autonomous in their geographical decisions and were assumed by many to be more committed to poor or poorly governed countries.



**Annex A: Overview of interviews**

- Borren, Sylvia. Oxfam Novib, Director, interview in August 2007
- Bos, Jone. Former Director of ICCO (1965-1981) and director of DPO (Department of Private Aid and Education), interview in December 2007
- Bouma, Theo. Oxfam Novib, Director of Projects, interview in October 2007
- Derksen, Harry. ICCO, Deputy Director of Research and Development Department, interview in January 2006.
- Dijkstra, Jaap. Hivos. Currently advisor to the management team of Hivos, Director of Hivos from 1985 until 2002, interview in October 2007
- Gennip, Jos van. Director of Cebemo, predecessor of Cordaid from 1967-1984 and Deputy Director General of International Development Cooperation of the Dutch Ministry of Foreign Affairs, 1984-1991, interview in November 2007
- Huisman, Peter, Oxfam Novib, Research and Development Unit, interview in October 2007
- Hoebink, Paul. Previously member of the Project Pool Committee of Novib (1993-2002) and author of various articles on Dutch NGOs, interview in October 2007
- Hoogen, Hans van den, Oxfam Novib, Humanitarian Coordination, previously project leader of the focus discussion in 2001-2002, interview in October 2007
- Konijn, Peter, Cordaid, Deputy Director, Head of the Quality, Policy and Strategy Unit, interview in January 2006
- Kruijssen, Hans. Former Director of Cebemo, predecessor of Cordaid, 1984-2003, and Head of Unit of the legal department of development cooperation at the Dutch Ministry of Foreign Affairs, interview in October 2007.
- Leeuwen, Bram. ICCO, Project Leader of Project Implementation Service, interview in October 2007.
- Pelgröm, Hans. Former Director of Projects of Oxfam Novib 1983-1994, interview in September 2007.
- Ruijssenaars, Jan. Oxfam Novib, formerly member of the Geographical Resource Allocation Programme team at Oxfam Novib, interview in December 2005.
- Teune, Bastiaan. SNV, wrote MA thesis on geographical choices of Oxfam Novib and was consultant to other Dutch NGOs on this topic, interview in October 2007.
- Verhallen, Pim. Icco, policy adviser, interview in November 2007

**Annex B: Summary statistics of total sample**

Regions	Countries	Life Expectancy at birth	GDP/cap (constant dollars)	Freedom House Political Rights	Population - total (millions)	Population share
Africa	44	48.9	670.3	4.9	584	13.31%
Asia	28	65.4	821.9	4.5	2947	67.21%
Middle East	10	68.5	1738.9	5.8	173	3.94%
Latin America	23	69.9	2605.8	2.8	370	8.44%
Europe	16	70.4	2340.6	2.6	312	7.11%
Total	121	62.1	1384.3	4.1	4384.8	100.00%

Regions	Total NGO aid (million current USD)	Total Bilateral Aid (million current USD)	NGO aid (share)	Bilateral aid (share)	NGO aid per country (million current USD)	NGO aid per capita (current USD)
Africa	1425	9461	37.1%	45.7%	32.40	2.44
Asia	1084	5341	28.2%	25.8%	38.71	0.37
Middle East	69	1613	1.8%	7.8%	6.91	0.40
Latin America	1172	2760	30.5%	13.3%	50.94	3.17
Europe	88	1518	2.3%	7.3%	5.47	0.28
Total	3838	20694	100.0%	100.0%		

**Annex C: main recipients of total Dutch NGO aid**

Main recipients of total Dutch NGO aid (millions, constant US dollars)

1989-1995		1995-2000		2001-2005	
India	108.26	India	119.89	India	144.57
Brazil	91.9	Brazil	88.89	Peru	56.47
Peru	70.8	Peru	71.82	Indonesia	55.68
Philippines	54.25	South Africa	59.08	South Africa	55.17
Chile	52.84	Philippines	58.79	Brazil	54.68
South Africa	51.88	Bolivia	55.57	Uganda*	47.97
Indonesia	32.48	Bangladesh*	53.49	Bolivia	46.66
Zimbabwe	32.38	Tanzania*	35.12	Tanzania*	44.13
Bangladesh*	31.78	Uganda*	34.31	Afghanistan*	42.76
Zaire*	29.92	Kenya	33.37	Kenya	41.56

Main recipients of NGO aid per capita (constant US dollars)

1989-1995		1995-2000		2001-2005	
Belize	13.9	Suriname	10.23	Suriname	11.98
Botswana*	7.53	Bolivia	6.99	Albania	5.63
Nicaragua	6.11	Nicaragua	5.87	Nicaragua	4.69
West Bank/Gaza	4.35	Belize	4.75	Bolivia	4.45
Guinea-Bissau*	4.34	Albania	3.9	West Bank/ Gaza	4.39
Bolivia	4.22	West Bank/Gaza	3.84	Belize	3.82
Chile	3.88	Guinea-Bissau *	3.18	Estonia	2.71
Costa Rica	3.69	El Salvador	3.18	Guinea-Bissau*	2.69
Namibia	3.62	Honduras	3.06	El Salvador	2.43
Uruguay	3.34	Peru	2.88	Guatemala	2.02

\* indicates whether a country was a Least Developed Country according to the DAC (year 1996 for 1995-2000 and year 2002 for the period 2001-2005). For the 1989-1995 period, the UN list was used. Botswana graduated from the UN list in 1994.

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## Notes

- 1 This research would not have been possible without the support from Boriana Yontcheva from the International Monetary Fund. It is part of the International Cooperation Academy, a research alliance between the Dutch Ministry of Foreign Affairs and the Centre for International Development Issues in Nijmegen at Radboud University. The views expressed in this paper do not represent those of the institutions. Any errors are the responsibility of the authors.
- 2 Many scholars have performed research on NGO aid allocation, but on a sub-national level (e.g. Zeller et al. 2001; Bebbington 2004; Fruttero and Gauri 2005; Barr and Fafchamps 2005; Galasso and Ravallion 2005)
- 3 Oxfam Novib is one of the oldest and largest Dutch cofinancing agencies. It has grown continuously, and now has an annual budget of about 200 million US dollars. It is part of the confederation of Oxfams and is its second largest member, after Oxfam GB. Oxfam Novib is a secular organisation and aims to create 'a just world without poverty' (Oxfam website, n.d.). It finances local organisations to enable them to execute projects and is engaged in a broad range of activities, from emergency aid to lobby campaigns.
- 4 e.g. Minister Pronk for Chile and Minister Bukman for 'new Latin American democracies'
- 5 We have added population variables. This is a standard procedure in aid allocation regressions (e.g. Dreher et al, 2007). Lastly, to assess year-specific and regionally specific effects, we also in-

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cluded dummies for all years and all regions. We lagged all independent variables except for the dummies, as decision-makers often have information from the previous year at their disposal when allocating their budget.

- 6 To prevent the number of instruments becoming too large compared to the number of observations the maximum number of lags for the instruments was capped at two.
- 7 Assessed by breaking down the expenditure of the NGOs on the DAC-status of the recipient countries
- 8 This number suffers from one important caveat, namely that also more affluent non-core countries receive significant amounts of funding.
- 9 Sometimes the government indicated that 'complementarity' meant that organisations had to work in the same countries as the government did, and sometimes exactly the reverse.
- 10 However, annual reports do not reflect this since they do not disclose how much money is spent in each of the non-core countries. Therefore, the 'focus' is more limited than Novib would like to suggest.
- 11 The NGOs that the Steering Committee researched were organisations such as Woord en Daad, Solidaridad and Nederlands Instituut voor Zuidelijke Afrika. The findings do not hold for the thematic organisations engaged in peace-building.

# Going Dutch in Aid: How do Dutch co-financing agencies relate with Southern NGOs?

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Non-governmental organisations (NGOs) are no longer oddballs in the game of development cooperation. In the last three decades or so, they have gradually but firmly consolidated their position. The role of these non-governmental donors (also referred to as Northern private aid agencies, NPAAAs) is justified by two claims that relate to who is best able to reach the poor, the main objective of development cooperation. The first claim is that Southern non-governmental organisations (SNGOs) work better with the poor than often corrupt, bureaucratic and inefficient governmental agencies. It is claimed that SNGOs work with the poor in a participatory, innovative and flexible manner, and are more efficient and effective. This is known as the 'comparative advantage of SNGOs' (Tvedt 1998). Having established the SNGO as the best channel to reach the poor, the second claim relates to who is best able to coordinate the work with SNGOs. NPAAAs are considered to relate with SNGOs more effectively than the inefficient, costly and bureaucratic governmental agencies in the North. The cornerstone of this claim is the quality of the relationship that NPAAAs maintain with SNGOs. The common thread that runs through these two claims is that SNGOs and NPAAAs are better than their respective governmental counterparts. What brings SNGOs and NPAAAs together is the value-addition of their relationship. Taken together, these two claims suggest that development cooperation funds administered by NPAAAs can reach the poor in the South efficiently and effectively through their value-added relations with SNGOs.

The relations between NPAAAs and their counterparts in the South thus assume an important position in development cooperation (OPOP 2004, Hudock 1999). Though not often acknowledged, the value-added relationship claim is used to legitimise the existence of NPAAAs. Without this value addition, the role of NPAAAs cannot be legitimised. This is because NPAAAs functioning as intermediaries face the added complication that values must be reflected in external relationships if legitimacy is to be maintained (Edwards and Fowler 2002). Therefore, the 'relationships' between NPAAAs and SNGOs are a major plank in the private channel of development cooperation. Such relationships are not only considered as a means to achieve something but as an end in themselves (Taylor 2002). As a consequence, both the outcome and process of inter-organisational relationships are important in NPAA-SNGO relations.

While NGOs have secured their position, making the transition from oddball to permanent player, the justification of their own survival had become a sort of orthodoxy. Their claims of value addition are rarely challenged or closely scrutinised. This is also true, to a great extent, in academic work on relationships between donors and SNGOs. Exceptions are Schulpen 1997, Lister 1999, Hudock 1999, 2000 and Ebrahim 2005. This article has been written to revisit the claims of the private channel of development cooperation. It is based on the findings of my PhD research (Fernando 2007) on Dutch co-financing agencies (CFAs) and Sri Lankan NGOs.<sup>1</sup> What can we learn from Dutch donors about their value addition in the private channel of development cooperation? Do they relate with their Southern counterparts in an effective way which can justify their existence as private donors? While answering these questions, this article takes a closer look at the nature and dynamics of relationships between Dutch co-financing agencies and Sri Lankan NGOs. The article is structured as follows. In order to place the study in perspective, it first presents a brief section on the link between Dutch aid, CFAs and Sri Lankan NGOs. This is followed by the main results, findings and emerging issues of the study.

#### **Dutch aid, CFAs and Sri Lanka**

Official aid from the Netherlands has been a substantial source of income for Sri Lanka since the late 1970s.<sup>2</sup> Currently, the Netherlands is one of the top ten official aid donors to Sri Lanka. The Dutch co-financing agencies, which represent the private channel of development cooperation in the Netherlands, extended their support to Sri Lanka from the late 1960s onwards. The Dutch CFAs have been a crucial source of inspiration and support for a specific cluster of Sri Lankan NGOs, which are small in number but have been vociferous pioneers in social action since the early 1970s (Fernando 2003a and 2003b). Interestingly, the Dutch private channel had been established in Sri Lanka nearly a decade before the official bilateral channel between the two countries came into being. The first official bilateral Dutch project in Sri Lanka was launched in 1977, and entailed the sending of a herd of 896 heifers (Hoebink 1988:352). By the time this exotic cattle breed came to Sri Lanka (most of them subsequently died due to the temperature, humidity and disease) through the official channel, the CFAs had extended their support to several NGOs in Sri Lanka in many parts of the country. In this sense, the CFA support was a forerunner of official bilateral funding. Though it is not widely known, the Dutch CFAs have left an indelible imprint on Sri Lanka (Fernando 2007).

The Dutch co-financing agencies are unique in that they almost exclusively received large sums of money from the government uninterruptedly and progressively from the mid-1960s. However, since the mid-1990s, the CFAs have experienced many changes, largely induced by the state. Despite the small scale of the NGO sector in Sri Lanka (compared to neighbours such as Bangladesh, India and Pakistan), they have been a formidable force especially in the area of advocacy, rights and social justice. The roots of Sri Lankan NGOs can be traced back to the last stages of colonialism under the British. The NGO project in Sri Lanka has been closely interrelated with the Left and trade union movements. Sri Lankan NGOs have gone through many changes



under various economic systems and political regimes since independence in 1948. From humble beginnings in the late 1950s and 1960s, they had undergone massive expansion by the 1980s, attracting large flows of funding from Northern private aid agencies. From the 1990s, Sri Lankan NGOs have also attracted multilateral agencies and official aid. NGOs in Sri Lanka have always been fodder for political controversies and conspiracy theories. They have both earned a reputation from donors abroad and suffered harsh critique and harassment (including death threats) from many groups at home, including the state.

### **Dissecting relationships: presenting the findings**

Below are the findings of the case studies of my research.<sup>3</sup> The findings are presented at three levels: 1) institutional, 2) organisational/inter-organisational and 3) personal/interpersonal. The institutional level analyses the dynamics of the country-specific contexts in which Dutch co-financing agencies and Sri Lankan NGOs operate. It investigates how the dynamics of respective contexts influence the character of co-financing agencies and Sri Lankan NGOs and their potential for interaction. The organisational level analysis takes a closer look at the different stages, features and dynamics of the relationship between the two types of organisation. Finally, the analysis at the level of personal/interpersonal analyses the roles of the personnel of the organisations and how their interactions influence the relationship. While conducting the three levels of analysis, I present selected quotes from interviews with leaders of Sri Lankan NGOs and desk officers of Dutch co-financing agencies. I also present selected extracts from correspondence between Sri Lankan NGOs and Dutch CFAs. The names of the leaders, desk officers, NGOs and CFAs are fictitious.

### **Did changes in the Netherlands and Sri Lanka influence the relationships?**

The 1980s saw a proliferation of NGOs in Sri Lanka, following the introduction of liberal economic policies. NGOs emerged as a new force, with the defeat of the Left and weakening of trade unions. At the same time, the 1980s were the 'golden period' of the co-financing programme (CFP) in the Netherlands. This enabled the CFAs to expand their support to many new groups in Sri Lanka. Relationships between Sri Lankan NGOs and Dutch CFAs thrived during this period. A reliable flow of government funds gave the CFAs stability while the relaxed rules made a simple institutional framework. The CFAs worked almost as a cartel with literally no competition from others. The government's attitude, as well as the public's, was very munificent towards the work of CFAs. This led the CFAs to gradually work with new counterparts. The result was a drift away from their 'natural' partners abroad and their constituencies at home. During this period, the CFAs had a high degree of control and influence over their institutional environment.

*The 1990s: Shaky but firm.....*

In the early 1990s, an impact study created a stir among CFAs and induced a process of professionalisation, streamlining and systematisation. This characterises the response of CFAs to change in the external environment. Hitherto stable and munificent conditions started to become dynamic and hostile. However, the influence of this trend was not negatively reflected in the support for Sri Lankan counterparts in the years immediately following the impact study. The CFAs were able to withstand the institutional pressures by influence or avoidance. They were sensitive but not vulnerable to the changes around and 'above' them. To some extent they could still exert leverage in respect of the gradual change of attitude of the government and the general public.

NGOs in Sri Lanka went through a change in the late 1980s and 1990s. The ethnic conflict, the refugee issue and human rights violations forced them to play a bigger role than before. These conditions also led them to engage in lobbying and advocacy work, which brought many of them into conflict with the government. This was not difficult as the small but vociferous NGO community in Sri Lanka was predominantly anti-UNP, the party in power at that time. The government attempted to control their work by appointing a Presidential Commission on NGOs and introducing new legislation. At the same time, *Janasaviya*, the World Bank-funded safety-net programme required the NGOs to work in collaboration with the government. The environment became hostile, complex and dynamic with tensions between NGOs and the government, and diversified with the proliferation of a new generation of NGOs working in collaboration with the government. However, the NGOs were performing at their best in a hostile environment. The relations between the CFAs and Sri Lankan NGOs also thrived in this period. The Sri Lankan NGO community, which was largely politically inclined and anti-government, functioned at its best in a hostile context when relationships with their donors were thriving. This strong relationship with donors seems to have played a role in enabling rights-oriented NGOs in the country to be responsive to contextual challenges.

However, by the mid-1990s the CFAs had intensified their professionalisation drive. This coincided with an external environment that was becoming more dynamic, hostile and complex, while the CFAs were losing the ability to leverage and influence. This only made them apprehend the changes or comply with them. During the same time, Sri Lankan NGOs went through a period of transition following the change of government. While many traditional Sri Lankan counterparts of CFAs went through a process of disillusionment, crisis and fatigue, the CFAs went in search of new types of counterparts, engaged in such activities as income generation and micro credit. For Sri Lankan NGOs too the environment shifted from simple, stable and munificent to dynamic, complex and hostile. The shifts in externalities, especially the change their relationship with the government, made the Sri Lankan NGOs vulnerable. This caused a certain degree of stagnation in the relationships between CFAs and their traditional counterparts, while relationships with new groups thrived further. There was a shift from an environment dominated largely by rights-NGOs to a more diverse one.

The political change in 1994 heralded an NGO boom in a new democratic space. Sri Lankan NGOs were used to operating in a highly hostile environment characterised by interference by government. The coming to power of a government that was promoted by many NGOs put them in a new NGO-government interface. While some blindly collaborated with the government, others became wary. Soon, with the government resorting to war, many NGOs became disillusioned and started maintaining a distance.

*New millennium: Crisis and complexity sets in.....*

The period from the mid-1990s onwards marked a crisis for the CFAs. The changes in the wider political environment in the Netherlands and the strict scrutiny by the ministry compelled the CFAs to further intensify the drive for professionalisation in their relationships with their counterparts. This marked the beginning of a decline in their relationships with traditional counterparts and further development of new counterparts. However, a few exceptional counterparts that were far from professional thrived during this period. The early 2000s witnessed intensified tensions between CFAs and their traditional counterparts, which led to the CFAs withdrawing support from many organisations. The CFAs were becoming vulnerable to the changes introduced by the environment, no longer responding to them or able to influence them, but only being able to observe them. They were compelled to give more primacy to the ministry and its dictates, which resulted in a shift of accountability. During this time, the CFAs became more accountable to the resource providers than to their recipients.

The early 2000s marked another political change in Sri Lanka, with the launch of a new batch of liberalisation policies. The 'peace and development NGO boom' gave rise to a host of new NGOs and an influx of large amounts of aid. By this time the CFAs, under pressure from the new CFP policy, were in search of new counterparts engaged in advocacy work, particularly on Poverty Reduction Strategy Papers (PRSPs), a theme emphasised by the ministry. Around this time, the CFAs withdrew from most of their traditional counterparts, and two (ICCO and NOVIB) decided to withdraw from Sri Lanka altogether. These decisions were made as part of the restructuring processes imposed on the CFAs by the ministry's new procedures for fund-allocation. However, some of the relationships between CFAs and old-style, politically inclined counterparts continued despite the CFAs' drive for professionalisation following the impact study and other reforms.

Sri Lankan NGOs tended to function well in hostile and complex environments when relationships with donors were thriving. The Dutch CFAs, however, struggled to function independently in complex and hostile environments. This is perhaps due the fact that it is the government that partly creates the hostile environment as well as entirely providing CFAs' funding. Though there is a strong link between the influence of shifts in the institutional environments of Sri Lankan NGOs and Dutch CFAs and the expansion, stagnation and decline of relationships between the two, other factors seem to be at play that go against the institutional trends. There was therefore a need to investigate the non-institutional factors that influence the dynamics of the relationships. This involved investigating the dynamics at the levels of organisations (NGOs, CFAs)

and individual boundary spanners (desk officers and NGO leaders). The next section looks at the findings of the investigations at these levels.

### **How did organisational dynamics influence the relationships?**

The inter-organisational dynamics were studied at different stages or phases of the relationship. The case studies displayed three discernible phases: 1) awareness and exploration, 2) build-up and maturity and 3) decay, decline and demise. The findings of each phase are presented below.

#### *How do relationships start? Awareness and exploration*

The CFAs initially made new contacts through their existing counterparts. These were their 'natural partners', for instance, church groups in the case of ICCO and COR-DAID. The leaders of senior and large counterparts (who founded pioneering NGOs in the late 1960s and early 1970s) played the role of gatekeepers. It was through them that the new organisations approached the CFAs. The gatekeeper role was based on reputation, trust, personal integrity, common ideology and shared political and religious convictions between donors and the senior leaders of the NGOs. However, from the mid-1990s the recognition and respect for the senior leaders gradually eroded with the onset of professionalism. Consultants emerged as the new gatekeepers.

#### **Box 1: How did it all begin and what did we know?**

'Henk was very friendly to us. He wrote his doctoral thesis on tea plantations by looking at a lot of my notes. We were really good friends. We were really like partners in the same job. Yellow-CFA found that he was very friendly with everybody here. ... In fact, it was Henk who came up with the suggestion that we should put up a seminar hall, which was later funded by Yellow-CFA in 1980'. (Int. 71)

'Miss Mariet came and met us. Having listened to our story, she said that Green-CFA could support us. She wanted us to come up with some activities and a budget. With the greatest difficulty, we made a budget for Rs. 200,000. At that time we had a policy of not accepting a salary higher than a FTZ worker. We felt very bad even to ask for a budget of 200,000. We had no clue about making budgets at that time. We were so nervous while making the budget [in Sinhala: *api vewula vewula budget eka heduwe*]. I think Amara and I took two days to write the budget. At that time we had no idea of travel expenses, we used to go by bus. So it is with great reluctance we came up with the figures. We couldn't believe our eyes when Miss Mariet made some pen strokes here and there on the paper and made the budget to Rs. 900,000'. (Int. 74)

'We could get an idea by looking at the partners Green-CFA helped such as WS, which had a political background. First, our interaction was with the consultant. She was the connecting point to Green-CFA. She was very helpful in the formulation of our project to Green-CFA'. (Int. 77)

'We had no idea at all about Red-CFA's vision, etc., other than the fact that they funded a plantation organisation.' (Int. 73)

Familiarity and knowledge of each other was found to be very low in the awareness and exploration phase. The NGOs studied had little or no knowledge about CFA policies. All they knew was the possibility of accessing funds and of others who had been funded by a particular CFA. There is very little specialisation of support by CFAs in Sri Lanka. Their identities in terms of work are blurred. With the lack of a clear identity of a discernible group of SNGOs or the nature of work that they are engaged in, the emerging identity link seems to be that of the local consultant who has taken over the reigns of a gatekeeper. CFAs clearly wield power when establishing a link. NGOs can approach the CFA, but at the end of the day it is the CFA's decision that matters. Therefore, there is a clear power differential here at the very beginning of the relationship. The shifting of the gatekeeper role from charismatic SNGO leaders to consultants further constricted the limited influence by Sri Lankan NGOs on CFAs' decisions in establishing links. This happens as in many cases the consultants' loyalty lies with the CFAs that recruit consultants.

#### *Growth of relationships: Build-up and maturity*

If exploration proves fruitful, relationship features start to build up: each side makes investments and takes risks that will build barriers to exit and create incentives to cooperate; communication increases significantly; conflict is kept in check; norms develop; commitment to the relationship develops; and trust builds up (Dwyer *et al.* 1987:19). Further, the relationship deepens, becomes consolidated and stable. The relationships between the NGOs studied and their respective CFAs were characterised by almost all the above features. The NGOs with ideologically-inclined leaders had these relational features till the mid[-19..?]. In the case of NGOs led by political activists, though budgets went up, their relations with a CFA had none of these properties. The cases studied clearly revealed the lack of effective mechanisms for mitigating conflicts between CFAs and their counterparts, thus urging the organisations to vilify each other, which results in the decline and final demise of the relationship. The steps and events in the build-up and maturity phase were characterised by a power balance tilted in favour of CFAs while Sri Lankan NGOs wielded very limited countervailing power.

#### *Decay, decline and demise*

The signs of decay identified in the theory, such as loss of effective communications, lack of clarity and agreement on goals, benchmarks, discussions characterised by form rather than substance (Lorange and Nelson 1987), were present in the relationships that went sour in the cases studied. Vilification became a striking feature in this phase.<sup>4</sup> The process of vilification was latent in the early stages, subtly undermining the relationship over time, poisoning it and hastening its subsequent demise. The withdrawal process was completely driven by the CFAs, with all decisions taken unilaterally, leaving little or no space for negotiation and consultation. Those organisations that did not challenge, protest against or resist the withdrawal decision were well taken care of. Some resisted and protested against the withdrawal decisions and proc-

esses but, after a while, these protests became subdued when NGOs realised that they were getting nowhere.

The theory identifies 'history with organisation' as an inter-organisational moderator that determines the continuity of the relationship. A long relationship between organisations would present a significant barrier to exit and create a 'structural immobility' (Pettersen 2002:14). This could explain the continuation of support to an NGO, in spite of it being misplaced in the eyes of donors and maintaining a distance from them. However, the 22-year relationship with one of the NGOs did not create sufficient 'structural immobility' to prevent the abrupt end of its relationship with the CFA concerned. What became crucial in this case was the souring of the relationship between the CFA desk officer and the leader of the NGO. The history of a relationship between organisations can therefore be affected by desk officers, SNGO leaders and the nature of the relationship between them. History with an organisation has a moderating effect although it can be countered by desk officers to some extent.

#### **Box 2: Ending a relationship**

In your email of 6 May 2002 I read with concern your statement that 'we have decided not to extend our funding relationship after December 2002.' This will cause immense difficulties for us. As you know, our 3-year period for Budget 2001-2004 was drawn up very carefully in the expectation that five donors would be with us during the 3-year period. Hence, your unilateral decision to end funding in December 2002 seems to us unkind and even unfair. ... A relationship that goes back to the excellent relations which PAC had through Fr. Patrick with ... [head of Yellow-CFA in the 1970s and 1980s] and ... [a past Yellow-CFA programme officer in charge of Sri Lanka] up to the time of ... [Wilma's predecessor] should not, I feel, end peremptorily. So please let me know about the availability of an appeal process. (Email from Nihal to Wilma, 28 June 2002)

'Finally, we repeat that it is most sad that the relationship between Yellow-CFA and PAC deteriorated so much after you took office. Since the day you were appointed, we never saw in you the hand of real partnership (which we saw in your predecessors up to, and including, Annie) but the slit eyes of a fault-finder and a self-righteous critic. Maybe you saw your role as one of donor, not of donor-partner, and our role as one of receiver, not as receiver – partner. In our eyes there is a big difference. ....

Our response to the first part of your letter will follow. *But we must say that we find it very tedious to reply to you because your way of writing is so unfriendly, almost hostile and nagging like a schoolmistress to a class of petulant children, and you seem never to want to be satisfied.* We realise the new obligations placed on Yellow-CFA by Yellow-CFA's acceptance of large government funds, but that is no reason for you not to work in genuine partnership with us to meet these obligations. (Letter from Nihal et al. to Wilma, 25 July 2002) [emphasis added]

'Yellow-CFA indeed has strict guidelines on reporting. For an organisation like Yellow-CFA which has strategic development funding as its core-business, but at the same time works from a distance, *high quality information is extremely important.* It is one of the important ways for us to adequately monitor developments in the field. If such information, for whatever reason, is not

provided, it is the duty of our staff to make sure that it becomes available. As far as I understood from the staff this has been a difficult process: insufficient insight into financial affairs, incomplete answers to questions raised, not providing enough clarity about withdrawal of other donors to PAC, difficult communication about Yellow-CFA's refusal to more than double its contribution, etc. In addition *it turned to be difficult to start up a critical dialogue* regarding the external evaluation – for Yellow-CFA such external views function as an important instrument to discuss developments. (Letter from Yellow-CFA head of South Asia, 6 June 2003) [emphasis added]

'As you have known for some time, Yellow-CFA is in the process of changing its policies. We are almost at the concluding part of this process. This process has major consequences, not only for our Sri Lanka programme, Yellow-CFA reduces the number of core countries from 57 to 22. Sri Lanka does not classify according to the DAC criteria as a Least Development Country and will therefore not remain as a Yellow-CFA core country. Sri Lanka has been selected to be a regional thematic country: initiatives in Sri Lanka can be supported if they clearly work on the basis of a regional perspective. As you know that is not the case for most of Yellow-CFA counterparts in Sri Lanka, including FFP. *It is, therefore, not expected to be able to continue its support to FFP for a long period of time.* We have to adjust the portfolio and bring it in line with the new policy criteria. This is a difficult process that also will take some time. *We will however, not stop our support abruptly, and we always discuss phase out periods.* In that context the interim year will be considered already as the start of a phase out period. ... I therefore suggest that FFP starts to work seriously on identifying new donors'. (Email from Wilma to FFP, 9 October 2003) [emphasis added]

'We appreciate the fact that Yellow-CFA informed the partners about the adjustments and changes at Yellow-CFA. ... As you are familiar with the diverse poverty situation in Sri Lanka we propose that Yellow-CFA reconsider the criteria for categorisation [as a] least development country. For example, the plantation sector is far behind in the development aspects compared to the rest of the country. Although the average statistics are a reasonable reflection of development indicators, the reality variance in the local context is completely different. We therefore request that Yellow-CFA aim for further local context analysis and reconsider giving sectoral priority depending on the countries. However, we do agree that Yellow-CFA shall have a healthy withdrawal process [with] each partner.' (Letter from Kumara, FFP, to Wilma, Yellow-CFA, 22 October 2003)

'We had hoped that Yellow-CFA would be with us for a long period. There was no prior hint about their withdrawal and we were unable to influence their decision. But they took a considerable decision on us. They have made an arrangement with a donor which is linked to them to support us from 2006 for two years as Yellow-CFA withdraws from Sri Lanka in 2006. Perhaps this is a new model that Yellow-CFA is trying'. (Int. 75)

'They never told us directly that they would stop the funding. But right from the beginning there was a strong urge from us to terminate this relationship at some point. *We felt that we should get rid of this relationship, as it was a big hindrance to us.* This dilemma wouldn't have arisen if we functioned as a pure research and study organisation. The contradiction arose because of our political involvement. So we came to the conclusion that this institutional link should be severed'. (Int. 78) [emphasis added]

The decline phase brought many issues to the surface, such as contradictions, differences and reservations among CFA staff and NGO leaders about each other and their organisations, which had previously been swept under the carpet for many years. This shows the inability of the two parties to manage conflict in an amicable manner. The donors' prerogative to make decisions on the allocation of funds clearly functions as a base of power. The alternative argument that Ebrahim (2005) makes (information and reputation generated by NGOs could be used as a base of power to make the exchange with CFAs more balanced or interdependent) does not hold true in our case studies. The grievance and appellate mechanisms in the decline stage are designed and administered by CFAs, leaving little space for objectivity and fair play. Overall, we see the power play of CFAs in the most visible form in the phase of decline.

The organisational dynamics revealed some patterns and trends in relationships which could not be understood from the institutional analysis. This meant that organisations can afford to have room to manoeuvre in spite of institutional changes. However, the NGOs studied displayed trends which go against the organisational explanation. In other words, there were exceptions to the organisational patterns. These had to be understood by looking at the case studies through the lens of personal/interpersonal analysis.

### **How do individuals influence relationships?**

#### *NGO leaders as a reflection of political currents*

In this study, we regarded NGO leaders as reflections of political currents of different times. The analysis of the profiles of leaders and life stories was based on an analysis of their socioeconomic backgrounds, generational features, political ideologies and leadership styles in a broader historical context. It became clear that particular political contexts in different historical junctures serve as a fertile ground for the emergence of different types of NGO leaders. The leaders have been thoroughly influenced by the political currents and ideologies in different periods and their NGO action has been moulded accordingly. The leaders of the NGOs studied represented a spectrum of leaders emerging in periods dominated by the ideological springs of the old Left, New Left and liberals. The profiles of NGO leaders were also a reflection of the rise and fall of the Left in Sri Lanka.

According to the above explanation, the political orientation of leaders is determined by the political currents of different historical junctures. This makes an impact on how leaders assert themselves in relation to their stakeholders. We observed ideologically and politically inclined leaders asserting themselves strongly with desk officers and CFAs, while those who were less ideologically and politically inclined displayed flexibility, compromise and compliance. We also identified a link identified between political and management orientation. Organisations led by politically oriented leaders paid less attention to management issues while the less politically oriented leaders attached considerable importance to them.



*The primacy of the role of desk officers*

The analysis of CFA desk officers clearly showed that they come from diverse backgrounds. A common feature was the exposure they had to other cultures, often at an early stage of their lives. Their motivation to become a desk officer had a variety of roots, from religious to parental influence to academic interests. Patterns of desk officers from different generations varied as to how they dealt with the 'mud' or exposure to the South. Four types were discerned: neo-missionaries ('in the mud barefoot', the volunteers in the 1960s and 1970s), volunteer-experts ('in mud wearing boots', those who went as experts, mostly from the 1980s onwards), students ('in the mud with books', students who did their field work in Southern locations) and explorers ('in the mud wearing sandals', Bohemian types who visited or stayed in Southern countries as a form of exploration). However, there were also several exceptions. Their educational backgrounds were diverse. The case analysis showed how class, nationality<sup>5</sup> and gender identities play a role in shaping conduct as desk officers. It was clear that desk officers cannot be squeezed into one category and treated alike.

The desk officer practices suggested that there is a huge element of subjectivity involved in the work they do. Despite the existence of organisational policies, rules, guidelines, systems and guidelines, desk officers generally enjoy a great deal of freedom, flexibility and discretion when carrying out their responsibilities. The majority of the CFAs formulated formal policy on Sri Lanka only in the late 1990s and early 2000s largely because of the initiative of the relevant desk officer. In many cases the desk officers wrote the policy papers. The systems in the CFAs were found to be fragile so that the individual preferences of desk officers and their practices could influence decisions at different stages of the relationship. Therefore, the desk officers can always bend the rules without breaking them.

The desk officers' role is not confined only to communication and opinion brokerage. It goes well beyond this to influencing the decisions of the work supported by a CFA. The desk officers' close and constant engagement with NGOs that are receiving support, and the fact that the donor depends largely if not entirely on the feedback and recommendations of the desk officers for both operational and policy-related decisions, make them indispensable in the CFA system.

*Dynamics between NGO leaders and desk officers*

From the discussion on desk officers it became clear that their boundary-spanner role allows them a great deal of authority, discretion and flexibility to interact with SNGOs. Therefore, in effect, it is the desk officer who manages the relationship from the CFA's side. In the case studies it was clear that the leaders monopolise the function of playing the boundary spanner role. In this sense, the relationship is forged between the two boundary spanners. Therefore, though two organisations are involved, in effect the relationship is managed by two individuals, the desk officer and the NGO leader. Therefore, the inter-personal relationship becomes crucial in determining the organisational interaction.

The study analysed the combinations of NGO leaders and desk officers when the relationships between the NGOs and CFAs were thriving, stagnating and declining. Four factors were identified that function either as compatibilities or incompatibilities between the two parties, influencing the success or failure of the relationships: work orientation (professional, activist, a combination of the two), ideology, age and gender. Though the first two factors function as critical factors, it was clear that gender and age too play a major role in relations between desk officers and SNGO leaders. An additional dimension was added to the discussion by including the particular phase of the evolution of the Co-Financing Programme. There was a link between the phases of the CFP and the work orientation of desk officers. However, I came across several cases of desk officers whose work orientations were not symptomatic of the different phases of the programme. Hence, despite an increasingly tight regulatory context of the CFAs, the primacy of the desk officer's role emerged as a main feature.

### **What makes relationships tick? The drivers of relationships**

So far, the findings of the study have been discussed at three levels of analysis: institutional, organisational and personal. Based on that multi-layered analysis, the discussion can be advanced to a few common themes which are understood as drivers and dynamics of the relationships between CFAs and Sri Lankan NGOs.

#### *Levels of acquiescence, compliance and resistance*

From the case study organisations, we identified three types in relation to the degree and nature of acquiescence: 'adherents' (those who follow the rules of CFAs to the letter), 'neglecters' (those who adhere with delays and reluctance) and 'resisters' (those who openly challenge and defy the rules). The young and non-political counterparts tended to be adherents, displaying a high degree of compliance (e.g., reports are useful for us - we learn a lot from them). Politically-inclined NGOs tended to be neglecters, being aware of the 'craft' of being in donors' good books, but attaching no seriousness and importance to such activities. For them, complying with donors' regimes and performing the rituals of 'NGO-ing' was not a serious issue, probably because they live many lives and have multiple engagements. The study also showed that acquiescence has a cumulative effect. The essence of the argument was that once a counterpart complies, it can pile up its other strengths and become a blue-eyed boy of the donor. If, however, the counterpart does not comply with its reporting and other contractual obligations, it loses all chances of being in the donor's good books and runs the risk of souring the relationship, which could finally lead to it being terminated.

The case study experience suggested that compliance with donor expectations is not only a legal or contractual obligation but a matter of acquiescence with the donor 'regime'. What the donor appreciates is not the reports in themselves, but the acquiescence that is linked to the ritual of reporting. Neglecting contractual obligations and not observing the donor's rituals (e.g., field visits by donor staff) was also found to be a form of not being acquiescent. Challenging the new expectations of donors appeared as a form of resistance, which is the opposite of acquiescence.

**Box 3: How to be a donor's blue-eyed boy**

'We have acted according to specifications and also have foreseen lot of things. Even if they don't ask this and that we must be able to say what the donors expect and what would they appreciate. What could help them to convince their own donors. You have to visualise all those things and present things. That has helped us. That's the only way you can make a relationship work. Another point is that other than the budget we have not asked anything more. In between the budget period we have not asked for this and that. On principle we have not done this'. (Int. 73)

'About OFPD [the organisation that made the above quote] style of reporting ... *Well, I wouldn't come to that level.* But I suppose that's the way you got to survive now. *I won't sell my soul for that. I want to maintain my own independence and my own analysis.* Not that I thrust it down the donors' throats. The thing is I have done my sociology and all that. I know my stuff. (Int.71) [emphasis added]

'They [Red-CFA desk officer] were also terribly busy with tight schedules when they were here, but on the other hand unlike other NGOs we didn't bother to give them the right royal treatment and take them around. We are not dying to see them when they are around. However we welcome them'. (Int. 78)

'FFP welcomes the visit of Mr [head of the bureau] and you [desk officer]. Since you are arriving here on the 31st evening, we have not fixed any programme for the day. On the 1st morning of November we will have meeting at our office here in Nuwara Eliya and after that you would visit the field. It would also be good to get your feedback after the field visit and make room for clarification. In October, the weather in Nuwara Eliya is a bit chilly'. (Letter from FFP, 22 October 2003)

'Getting back to OFPD again, they [donors] would like an organisation like OFPD. And OFPD does little work but that little work they do well. And as far as I know they are honest also. These are very good fellows but they don't have a deep political analysis. They won't be interested in things like class struggle and victory of the oppressed people. That's basically not their language. That's why the donors like them. You build your toilets. You have your little seminars. But don't rock the boat'. (Int. 71)

SNGOs that adhere to the donor regime by writing reports in the exact way that donors expect may appear compliant, but this is a rather subtle form of resistance that enables the NGO to carry on as usual (Ebrahim 2005:102). In fact, what many apparent 'adherents' do is give the appearance of obeying the rules of aid exchange without actually putting them into practice. In Sri Lankan NGO parlance this is called '*andanaawaa*'.<sup>6</sup> This is a craft that many SNGO leaders are good at. Having mastered 'Aidlish', the language and expectations of the donor, they produce reports in the exact way that donors expect ('We are a results-based organisation' was the title of a report of one of our case study NGOs). Hence, one can see these reports and proposals sprinkled with donors' flavour of the month terminology – participation, good-governance, gender, etc.<sup>7</sup> It is arguable whether these nicely 'log-framed', 'bulleted', 'boxed', 'ticked' and 'success-storied' reports represent what the NGOs really do. Some

of them were found only in The Hague, suggesting that they are produced only for CFAs' consumption.

Open defiance is rare in power-laden relationships (Scott 1977). One NGO in our case study that openly challenged the donor is an exception rather than the rule. However, that case showed us that continued defiance, resistance and challenges to the donor achieved nothing. The resister can apparently only take solace in the fact that it challenged the powerful donor, but at the end of the day it realises that it has won the battle, but lost the war.

#### *Reputation, trust and legal bonds*

Reputation, trust and legal bonds are identified as drivers of relationships. Legal bonds are used in a situation in which trust and reputation are low or considered unimportant by donors. Trust and reputation play an important role in conceiving and sustaining inter-organisational relationships. The current practice seems to be that a CFA will ascribe a positive reputation to a leader or organisation as long as it has a utility value in the market of back-donors, be they the government or individual supporters. Reputation still plays a major role in relations even in an environment where donors apply other forms of 'confidence', rather than relying solely on contractual/legal agreements.

#### **Box 4: Credibility and liability**

During those days, the donor agencies accommodated left or centre-left ideas. I think that the supporters of Yellow-CFA too were like this. This establishes credibility for Yellow-CFA. It is also useful for fund-raising. So in that context Fr. Patrick had a certain 'demand' given his reputation at that time. So he was invited to visit Yellow-CFA, SHARE and Swiss-Support. Those days X [name of Left-inclined NGO leader] used to present the Sri Lankan situation in Yellow-CFA partner consultations here. It used to be left or a centre-left analysis. There was a value for that kind of analysis those days. But now it's no longer the case. Now the main speakers are professionals – a management consultant or so. Those days getting Fr. Patrick was a form of *credibility* for them [donors]. But now he is a *liability* for the donors. It seems that the tax payers there [in the Netherlands] are no longer interested in those kinds of stories. (Int. 72) [emphasis added]

For donors, as our case studies show, reputation is not in short supply. Perhaps this was the situation when donors were 'going after' SNGOs in the 1970s and 1980s. Often, reputation in donor-SNGO relations is viewed as a unilateral relationship – donors deriving reputations from SNGOs. Very rarely does the NGO literature discuss the flow of reputation from donor to the SNGO. Moreover, reputation is understood only in a positive sense. Very rarely is the negative reputation (or disrepute) of parties discussed in SNGO-donor relations. Generally, foreign donors in the Sri Lankan context carry a negative connotation. Their role is often understood as conspiratorial and inimical to national interests. This disrepute is ascribed to donors by the anti-NGO lobby in Sri Lanka, ranging from ultra-nationalistic groups to the government. Sri Lankan NGOs cannot be bunched together as a homogenous group. There are many NGOs that toe a nationalistic line, though they pay lip service to the slogans and val-

ues promoted by donors. A similar disrepute is ascribed to donors by politically-inclined NGOs. The criticism of one such NGO among the case studies was that donors depoliticise groups with political and revolutionary potential. In this sense, NGOs live with a sort of contradiction, the disrepute of donors ('a thorn in the side' was the expression used by the NGO in question to explain how they understand the role of the CFA).

#### *Communication, shared values and conflict*

Private aid agencies in the North claim that that they can have a better quality working relationship with Southern NGOs than with governmental agencies. Dialogue is an often-used form of superior communication in the donor-SNGO discourse. Dialogue in donor-SNGO relations is a vague term but commonly refers to a discussion on what they do, their roles and the circumstances under which they work. Some of these concerns were addressed in partner consultations convened by the CFAs (these consultations were later replaced by one-to-one discussions). In many instances, the issue of 'critical dialogue' between CFAs and counterparts was raised by CFA desk officers and by their European sister organisations. The issues raised about critical dialogue by desk officers questioned the fundamental principles and bases of the relationship between CFAs and NGOs. SNGOs too made the same accusation against CFAs, saying that they are not open to dialogue. I concluded that a dialogue does not take place (what occurs is only a blame game) because there is no common ground between those SNGOs and CFAs that seek a dialogue. Differences in work orientation, ideology, age and gender, and a lack of third parties to bring the parties together prevent a constructive dialogue. CFAs and SNGOs that have differences end up in a downhill spiral of relationships by vilifying each other and burning bridges instead of having a constructive dialogue.

#### **Box 5: When we don't agree**

'The problem was Wilma[name of desk officer]. ... I don't know whether she had even passed her university degree. *She is asking all kinds of small questions.* When you answer one she gives another three four questions and she asks these questions in bad faith'. (Int. 71) [emphasis added].

'[PAC's] Capacity and structures are reasonably good but the PMES as well as overall management need improvement. *It is not so much a matter of insufficient capacity but more an issue of attitude.* PAC seeks to maintain a people-centred, non-bureaucratic approach, in the style of people's organisation rather than in that of a structured NGO and *expects solidarity from donors rather than critical dialogue*'. (Counterpart appraisal, 14 June 2001, Yellow-CFA) [emphasis added]

'Defensive, by giving my response I want to evoke a critical dialogue. My impression is that things with PAC are alright as long as you do not ask critical questions. For months I have been corresponding with them on the new budget and answers just do not come forward which is frustrating. It does not show much of a *transparent and learning attitude*. It also has an undertone as if Yellow-CFA is not concerned about the poor but only PAC is!' (Email, 17 July 2001) [emphasis added]

Partners who share values are said to be more committed to the relationship. In this sense, shared values, beliefs, ideology and convictions play a major role in producing trust in a relationship. Therefore, the binding factor is the actors, not so much the work. However, the nature of shared values changed in the 1990s. With the onset of professionalism, 'work', 'how one does work' and 'how to report' took precedence over shared values. The shared values in this later period were essentially based on pragmatic considerations. They referred to the common understanding of and compliance with the expectations of donors on work, work methodology and reporting, which becomes part of the 'donor regime'. These values stem from donors and their interests. A lot of NGOs are compelled to share such values if they are to continue the relationship. Some would do it voluntarily while others do so out of compulsion and the exigencies of mobilising funds.

Conflict is not understood in a negative sense in the literature on inter-organisational relations. Authors bring conflict into the open because it is considered part and parcel of a relationship. However, in relations between CFAs and Sri Lankan NGOs, conflict is almost considered a taboo. They very rarely discuss conflicts, disputes and tensions in their relationships. Is this because conflict is considered an aberration in the quality relationship in the private channel, which is considered superior to the official channel? The case studies provided ample evidence of conflicts between CFAs and Sri Lankan NGOs. Some took place in the open while others occurred in a latent form.

What became crystal clear in the case studies was the lack of ability of both parties to deal with conflicts in the relationship. Both resorted to a vicious circle of vilification, which exacerbated the conflict rather than mitigating it. The two parties seemed to function well as long as there was a lack of conflict, existence of harmony or the taking of a passive position on conflicting situations. Little or no effort was made to develop mechanisms of conflict mitigation. Does this mean that relationships between donors and SNGOs take the existence of harmony or lack of conflict for granted? The lack of preparedness and mechanisms to address conflicts is further exacerbated because the parties resort to dealing with the conflict by themselves, very rarely making use of mediators. While consultants sometimes play this role, their allegiance with donors disqualifies them as non-partisan actors. In a situation where there are no go-betweens, what happens is that by getting caught up in a process of vilification, both parties burn bridges towards a possible resolution of differences.

The CFAs have set up mechanisms to address the grievances of counterparts. On paper these grievance procedures look impressive. In reality, however, counterparts very rarely voice their grievances. The rare case of an NGO referring its grievance to the higher-ups in a CFA in one of our cases revealed a violation of the rules set by the CFA itself. There were inordinate delays. The handling of the grievance procedure was delegated to a party to the dispute. Not only are the rules for addressing grievances set by the CFAs, they also become the sole executor and judge of those rules.

*Power as an overarching factor*

Power emerged as an overarching factor that influences the process as well as the outcomes of relationships. What became clear in case studies is the great deal of authority and discretion that the desk officers were entrusted with to make decisions relating to the allocation and control of resources. This provided them with potential power, whether they use it or not. The case studies demonstrated the crucial role that desk officers play in making or breaking a relationship. It was largely either they or the NGO leaders who exercised power. The analysis of the phases of relationship clearly showed that every phase is power-laden, from admission to withdrawal. The rules of admission, reporting, evaluations, extension of support and withdrawals are made, enforced and judged by the CFAs. Power in our case studies was not used coercively. Rather, it functioned in a subtle way. The 'donor regime' makes clear its expectations and standards in the form of written rules (reflected in contracts/agreements) and unwritten rules (those NGOs that comply get more funds and attention). Therefore, the SNGOs acquire such expectations and standards and pursue them, sometimes to the extent of claiming that such standards help them anyway.

**Emerging drivers of relationships**

The analytical themes discussed in the preceding section are also found in the literature on inter-organisational relations. However, the case studies findings also paved the way for an understanding of additional dynamics and drivers which are not discussed in the literature. These are some of the fresh insights generated by this study as discussed briefly below.

*The extent of NGO-ness*

A problem with NGO literature is that it tries to squeeze NGOs into one pigeon hole, without taking account of the contextual and historical specificities under which they operate. This kind of 'cookie-cutter' approach to understanding NGOs obscures the great diversity among NGOs in different places and times. The six case NGOs posed the challenge of addressing this vast diversity. In some cases, you might question whether they are really NGOs or not. Clearly, one case organisation rejected the NGO identity, while another two did the same to some extent. An explanation for this comes from the analysis of NGOs' previous forms and guises ('*pera-bhawayan*', previous lives such as being a group of insurgents of political activists, trade union, etc.) and multiple engagements (omnipresence, doing many things at the same time – an NGO, a political group, a business, etc.). These factors constrained the above organisations from sharing an NGO identity while new and young organisations carried no such baggage and had less difficulty in embracing the NGO identity. Therefore, there was a link between the degree of identity ownership/sharing of NGO-ness and its impact on the relation. Those that shared the NGO-ness thrived in relationships. Those that rejected the NGO identity or had mixed feelings about it experienced stagnation and decline in their relationships. This could be formulated as an emerging hypothe-

sis: the extent of NGO-ness shared or owned by organisations makes an impact on their commitment to the relationship with CFAs.

**Box 6: NGOs' views on NGOs**

'This extremely opportunistic tendency didn't emerge all of a sudden. It took some time to acquire its own shape. Petit-bourgeois individualism went on a purposeless journey for quite a long time to find a theory to justify their material basis. Finally they met the theory of civil society. What metamorphosed as civil society is a degenerated tendency emerging in the people's movement like a cancer. It is another fine weapon in the capitalist ideological armoury which can be used to debilitate the people's movement. The activists of the people's movement as well as those who are honestly trying to develop the civil society concept from a socialist perspective should properly identify this cancer. They should join the struggle against this cancer. If not, this cancer will spread all over the body of people's movement'. [sivil samaajayata muwaawee dhaneshwaraya haa sahawaasayata yasma (cohabitating with capitalism under the cover of the civil society), *Aware*, Vol. 1, Issue 2, Feb/Mar 1995]

'NGOs have become like a hot porridge – one cannot drink it because it's hot but at the same time cannot throw it away because it's porridge! NGOs are facing this dilemma because of their lack of awareness of their own limitations and scope. People's organisations and NGOs have become too enmeshed with each other like two balls of thread that cannot be disentangled. NGOs can certainly play a role. But they should not take the lead. They should not give leadership to a people's movement. There should be a clear demarcation between the two'. [Raajaya novena sanvidhaana kumakda? koibatada? (what are NGOs and where are they heading?), *Aware*, Vol. 1, Issue 14, Sep/Oct 1995]

*Emphasis on internal capacities and management*

In the case studies, a pattern emerged between an NGO's capacity and management processes and their impact on relational outcomes. The new generation of organisations managed the issues of capacity, staff and internal conflicts in an efficient and timely manner. They paid a great deal of attention to management and operational issues. In essence, these three organisations were aware of possible managerial problems and they took precautions well in advance. This does not mean that they were completely successful in doing so. But it was clear that these NGOs shared their efforts with donors, to convince them that the organisational and management issues were well taken care of. Hence, these organisations were in a better position or were seen to be in a better position to avoid or minimise instability in organisations caused by internal dynamics. Therefore, they were in a better position to focus on managing external relations. The CFAs too believed that these organisations are well managed and possess the capacity to absorb funds. In contrast, organisations with serious ideological backgrounds and political leanings were fraught with internal problems and conflicts that resulted in organisational instability. This in turn put them in a weak position to focus on external relations. The CFAs noticed the lack of attention being paid by these organisations to putting their houses in order. The decline phase in the relationship could also be caused partly by the internalities. The emerging hypothesis here is that the higher the emphasis of an NGO on internal capacities and management is-



sues, the higher the capacity of managing an external relationship with a donor because of the relative stability in the organisation.

**Box 7: How capable are we?**

‘We couldn’t manage it well by making use of the money. A poster should appear on a wall, it doesn’t matter who should do it. But those days we used to think that we should do it ourselves. I pasted the posters because of my commitment and I use to get some kind of kick out of it. ... I feel that we failed because we couldn’t manage it well. One reason for that could be our own background – our formation with the revolutionary background’. (Int. 74)

‘In fact we were not professional researchers. Instead we were a bunch of political activists, so we could not do the studies in a proper way’. (Int. 78)

*Emphasis on importance of relationship*

The study included an analysis of the afterthoughts of those organisations whose relations with the CFAs stagnated and eventually dissolved. An organisation which had a Trade Union and political background showed a somewhat repentant attitude, suggesting that it could have related with the donor better, while another with a heavy political leaning claimed that it preferred a distant relationship with the donor. An old organisation with a strong and ideologically inclined leadership expressed no regrets or qualms about its frank, open and confrontational communication with its CFA towards the decline phase of the relationship. These were contrasted with the existing thriving relationships. These latter organisations attach high importance to the relationship with the donor. Put simply, they take the relationship with the donor seriously or appear to do so. The importance and seriousness attached to the relationship is reflected mainly in adhering to what they call the contractual obligations. In fact, this is another form of being acquiescent. The emerging hypothesis here is that the more seriousness and importance an NGO attaches to the relationship and its contractual obligations, the more chances there is of the relationship continuing and thriving.

**Box 8: How important is the relationship?**

‘In most cases we give answers that Julie [the name of desk officer] likes to hear [in Sinhala: Julie kamathi uththara api denawa] that’s what we did. I think we should blame ourselves than Julie. We don’t tell the truth; we tell the answer which Julie expects to hear and answers that would bring the money for another year. We have been doing this for about eight years. It is only now we realise about what we did. Normally the discussion takes place in a rush if you are clever enough you can give the right kind of answers and get the money this is what happens in many cases’. (Int. 74)

‘We felt that the distant relationship was a blessing for us. It’s good that we don’t maintain a close relationship given our own objectives and activities. For instance the donor of X [an NGO being supported by Yellow-CFA] looks at everything they do. In the beginning it was not the case but of late it came to a situation that the donor was controlling the whole operation at X. At the end of the day X had to do what Yellow-CFA wants. Although we talk of equality at the end of the day they dictate prevails’. (Int. 79)

### Concluding remarks

The objective of this article was to present the findings of my PhD research on the relationships between Dutch CFAs and Sri Lankan NGOs. Having presented brief overviews of the Dutch CFA and Sri Lankan NGOs, it discussed the main findings on the basis of three themes. The first focussed on the institutional level, analysing how changes in the contexts of Sri Lanka and Netherlands influenced the relationships between the organisations. The other two themes analysed how these relationships are influenced at organisational and personal levels. The organisational analysis explained the different phases of the relationships between the two organisations and their dynamics. The personal level analysis included a discussion of the role of NGO leaders and the CFA desk officers, and the interaction between them.

The study did not attempt to compare the experience of Dutch CFAs in Sri Lanka with other countries. The findings should therefore be understood as taking into account the specificities of the Sri Lankan context, Sri Lankan NGOs and the CFA staff who were responsible for activities in Sri Lanka or South Asia. The relationships between the two parties have experienced a great deal of change and many shifts over time. These changes have been driven by a combination of institutional, organisational and personal factors. Of late, the institutional factor has exerted a great deal of influence on the relationships. However, the striking finding of this study is how organisations and individuals working in them emerge as a major force which moulds the nature of inter-organisational relationships.

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## Notes

- 1 This article is based on my PhD research which, in essence, questioned the claim of the value-addition of the 'relationship' in the private channel of development cooperation. I grounded my analysis on the specific case of the Dutch co-financing agencies (CFAs) and their Sri Lankan counterpart NGOs. For reasons of brevity and the focus of the publication in which this article appears, I am not engaging in a theoretical and methodological discussion here. Those interested in these sections can access the full text of the thesis at: <http://dare.uva.nl/document/95117>.
- 2 For a detailed early study on Dutch bilateral aid to Sri Lanka see: Paul Hoebink (1988). *Geven is Nemen: De Nederlandse ontwikkelingshulp aan Tanzania en Sri Lanka.* Nijmegen: Stichting Derde Wereld Publikaties (Giving is Taking: Dutch Development Assistance to Tanzania and Sri Lanka).
- 3 Six case studies were embedded in the comprehensive analysis of the Dutch co-financing agencies and Sri Lankan NGOs and the broader institutional contexts in which they operate. Among the six co-financing agencies, I studied the 'big, old four': ICCO, CORDAID (formerly Cebemo and Bilance), NOVIB and HIVOS. The other two, Plan Nederland and Terres des Hommes, became co-financing agencies in 1999 and 2003, respectively. They do not share the common, long history of the 'big, old four' nor do they have a substantial presence in Sri Lanka; hence, my decision not to include them in the study. The study made a close examination of six Sri Lankan NGOs that had/have relationships with Dutch co-financing agencies in the above contexts. These NGOs have forged links with Dutch CFAs since the early 1980s. I paid special attention to the period from 1994 to August 2004. The six cases represent a variety of generations of Sri Lankan NGOs that emerged in different historical junctures.
- 4 Vilification in organisation theory is understood as ascription of bad faith by one party on the other.
- 5 The case studies identified a clear trend of CFA staff who are non-Dutch nationals who have integrated to the Dutch system at a later stage of their lives.
- 6 'Andanawaa' is a modern Sinhala slang that is difficult to translate. Usually it is used with the prefix 'gonaata'. *Gonaata andanawaa* figuratively means that one is taken for a ride. Literally, the phrase means that you dress the other as a bull.
- 7 Jude, the leader of WS, summed up nicely how these reports are made: 'If you know a bit of good English and some Marxism, then every year there's some kind of thing that the donors select – women, human rights, labour. If you know how to handle all this and write a good report you can easily get money. Work is not that important. What is needed is a good report. You should show a good dream to the donor, you do this and that and finally achieve something. Once you get into this system you realise that there are lot of possibilities. If you lose one you have another. If you can create some spin you can do wonders' [in Sinhala: *poddak karakwanna puluwannam godak weda karanna puluwan*]. Int.74.



# Enterprise Development Interventions by Dutch Development NGOs: Is there increased involvement of private sector actors and does that make a difference?

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## **Abstract**

This article investigates whether Dutch NGOs increasingly involve private sector actors in their enterprise development interventions and, if so, whether this increased involvement makes a difference. After reviewing changes in the policy area of enterprise development interventions, we present our findings from interviewing enterprise development specialists at 18 Dutch NGOs. We find that private sector involvement has increased, with private sector actors in the Netherlands and in the South, and this has contributed to an increased market orientation, focusing more on opportunities than on problems, more on small and medium-sized enterprises as opposed to micro and survival businesses, and more on mainstream markets than on niches like fair trade. Private sector actors have not become involved in NGO policy development, nor do they influence monitoring and evaluation systems. While most older and larger NGOs are more experienced in market building, some of the newer NGOs – among them private sector hybrids – focus on market participation. A challenge for the coming years is to organise and stimulate selective matches between these two complementary types of intervention skills. Developing more systematic bridges between market building and market participation can help to enhance the direct poverty reduction potential of enterprise development programmes by Dutch NGOs. The increased involvement of private sector actors can facilitate building these bridges, especially when market participation specialists are willing and able to learn about opportunities and constraints in market building interventions, and vice versa.

Keywords: NGO, aid, economic development, small enterprise development, private sector development.

## Introduction

A main trend in development cooperation over the past decade is the increasing involvement of private sector actors. So far, much of the debate on the role of the private sector in development has been conceptual, if not ideological. While more sceptical analysts often implicitly assume that actors with a for-profit attitude will do more harm than good when it comes to promoting development, proponents of more private sector involvement stress the development opportunities arising from working through – and being disciplined by – market forces. Instead of adding to this abstract ideological debate, this study presents an empirical assessment of how Dutch development NGOs have mobilised private sector actors in the Netherlands and in the South, to strengthen their enterprise development programmes.

Enterprise development is an obvious but also tricky starting point to investigate the impact of private sector actors on development cooperation.<sup>1</sup> It is tricky because this is a rather controversial policy area with often disappointing results. Nevertheless, it remains high on the priority list of many donor agencies, increasingly as a ‘tail-end’ intervention in other policy domains like peace building or gender. Enterprise development is also an obvious starting point to investigate how private sector actors have influenced practices in development cooperation because it deals at least partly with issues like building competitiveness that can be considered core competences of private sector actors.

This leads to the following overarching research questions: 1) To what extent and in what ways have Dutch NGOs tried and succeeded in mobilising and involving private sector actors in the design and implementation of their enterprise development programmes? 2) To what extent and in what ways has increased involvement of private sector actors reinvigorated the enterprise development debate and improved the effectiveness, relevance and sustainability of enterprise development interventions?

To answer these questions, in 2006 and 2007 we interviewed programme officers and sector specialists at 18 Dutch NGOs, both large and small. Some were relatively old and well established, others were relatively new, and a number were new NGO/PS hybrids.<sup>2</sup> We will present our main findings from these interviews in section 3. This will be followed by a number of reflections on these findings in section 4. By way of introduction, in section 2, we present a bird’s eye view of the changing context of NGO interventions with respect to enterprise development.

### **The role of NGOs in income poverty reduction: a bird’s eye view**

Reviewing the roles of NGOs in income poverty reduction in the past 30-35 years, we discern roughly four phases in the kinds of activities and in the context: 1) An early stage of innovation with poverty reduction as part of community development and empowerment programmes; 2) Up-scaling and niche development; 3) Private sector development and income poverty reduction; and 4) Philanthropy and NGOs. Below we briefly elaborate on each of these four phases.

*Early stage of innovation in community-based poverty reduction*

The rise of NGOs in the 1970s and 1980s was particularly associated with the increasing funds made available to them. This trend emerged from growing dissatisfaction with the performance of the 'developmental state' in reducing poverty and, at the same time, was based on expectations about the greater effectiveness of NGOs in reaching the poor as opposed to overly bureaucratic and/or politically disinterested governments.

In the area of income and employment creation, NGOs situated their programmes in agriculture and undertook complementary measures to promote non-agricultural activities as a way to diversify the sources of income of the poor. In all cases, these programmes centred on the input side: providing credit, appropriate technology and vocational training. Enterprise development was primarily cast in terms of cooperatives and as a way to overcome the problems of small scale operation. These cooperatives were often presented as a model of 'alternative' development.

NGO activities in employment and income generation were in many instances part of larger, integrated, area-based (usually rural) community development programmes, which extended basic service delivery and included components of community organisation and empowerment. Relatively few NGOs really specialised in income and employment generation, with the exception of micro-credit, which expanded enormously in the 1980s.

Dissatisfaction with the performance of the developmental state was also one of the factors used to justify structural adjustment programmes, which led to its further and more systematic dismantling, especially in relation to the economy. This created an even greater demand for NGOs to fill the vacuum, as social funds were rarely more than a temporary palliative in terms of employment and income creation. This phase was characterised by a continued unquestioned belief in the effectiveness of NGOs interventions in reaching the poor and in reducing poverty in a sustainable manner.

In the late 1980s and early 1990s NGO interventions were subjected to systematic programme-based evaluations. Denmark, Sweden and the United Kingdom evaluated public funded NGO programmes in this period (Fowler and Biekart, 1996). The first large scale evaluation of Dutch NGO programmes was published in 1991 (Stuurgroep, 1991). This evaluation centred on the cofinancing programme, which covered the four major Dutch cofinancing agencies and their partner organisations in the South. This was an independent evaluation, commissioned by the NGOs. These four major evaluations concluded that NGOs were making a positive contribution to poverty reduction but that there was reason to be rather modest about the results. Economic programmes did not reach the poorer segments. For example, agricultural programmes often worked with those who had access to land, and not with the landless poor. Women were often not approached as independent producers. The quantitative impact of the programmes could not always be established, but where this was possible, was found to be rather limited. When considering the high level of subsidies involved, most reports questioned sustainability after the programmes ended and the NGOs withdrew. At the same time, the reports stressed that NGOs were developing innova-

tive ways to generate employment and income and hence their projects should be considered as pilots, that, if successful, could be replicated by others.

NGOs would have to spell out more clearly their role in strengthening civil society in the South, as an important avenue to achieving structural poverty reduction. This implied a shift in focus from basic social services and employment and income generation as principal components of direct poverty reduction, to a greater attention to civil society building. The development and growing acceptance of rights-based approaches to development gave further justification and rationale for NGOs to give more attention to civil society building.

However, contrary to expectations, spending by Dutch NGOs on civil society building, *de facto*, *declined* during the 1990s, in favour of direct poverty reduction programmes, though there were significant variations between the principal cofinancing agencies. One reason for this was the proliferation of regional and sub-national ethnic and social conflicts after the end of the Cold War and the HIV/Aids pandemic, which all resulted in renewed demands for emergency relief, social programmes and direct poverty reduction.

#### *Towards market-orientation: up-scaling and niche development*

In the late 1980s and 1990s, NGOs developed more specialised enterprise development programmes, such as fair trade, organic agriculture and sustainable forestry/timber production. The important distinguishing feature of these programmes was their market orientation. They aimed to develop a particular market niche of consumers who are willing to pay a price premium to achieve developmental goals. Ecotourism is a related new field of activity, in which many NGOs have become active.

In the mid-1990s, national and international studies pointed to the need for NGOs to move beyond pilot projects and to achieve up-scaling (Wils, 1996, Edwards & Hulme, 1996). Up-scaling and replication at higher levels presented new additional challenges for NGOs. Wils (1997) gives an overview of how Bolivian NGOs evolved from a focus on small communities to micro-regional and municipal level approaches. Micro-finance was an important area in which up-scaling was successful (e.g. Grameen Bank, Banco Sol in Bolivia). While NGOs were making progress in practice, intervention theories remained underdeveloped (Wils, 1997).

In the evaluation of the cofinancing programme at the turn of the century, micro credit programmes had become more important but integrated rural development programmes continued to be a major vehicle for Dutch and international cofinancing agencies and NGOs to create employment and generate income. The impact and reach of the micro-credit programmes of the NGOs were variable. In some cases, they had considerable reach but limited impact on the income and asset position of poor beneficiaries, while in other cases there was greater impact but on a much smaller scale. Comparatively more impact was often observed with regard to the 'entrepreneurial poor' i.e. those who have low incomes but do possess certain other assets or skills (Hospes, 2001). The integrated programmes often lasted longer but this did not necessarily lead to better results. In fact, in the case of Latin America, the NGOs did not sufficiently take into account that the livelihood strategies of the poor had been chang-



ing considerably, incorporating more non-agricultural activities, temporary migration and rural to urban migration (Bebbington *et al*, 2002). In West Africa, however, thanks to more favourable contextual factors, more significant positive impacts were achieved and at a large scale (Zaal *et al*, 2002).

In its final report, the *Stuurgroep MFP* (2002) made a distinction between different levels of poverty reduction, namely, temporary alleviation of poverty, increase in resilience of the poor, reduction in vulnerability and structural improvement of living conditions. The economic programmes often achieved a temporary alleviation of poverty and an increase in resilience by improving assets, but the extent to which reduction of vulnerability and structural improvement of poverty was feasible depended heavily on the context. Particularly the liberalisation of state companies in Latin America and the favourable climatic conditions in the Sahel region contributed to either a negative or a favourable context. It was found that micro-credit can increase resilience and even reduce vulnerability, but structural improvement depends on the presence of other assets and skills that enable entrepreneurs to capitalise on the gains of improved access to credit.

In the last 10 years, NGOs have branched out in many different directions in relation to economic development in general and income poverty in particular, very often pragmatically out of necessity. New types of NGOs have emerged, with new types of economic development interventions. In Argentina, NGOs and civic associations played a key role in developing community currency systems (CCS), which are complementary exchange mediums that help people with skills but no official money, due to unemployment, to survive economic shocks and thus avoid becoming trapped in poverty. Recent research has estimated that at the height of the Argentinean crisis more than one million people took part in CCS exchange clubs. Even now, 10 years after the crisis and after years of economic growth, the CCS systems still play an important role in sustainable livelihoods, especially for women (Gomez, 2008a).

In other fields, NGOs have had to rethink the economic component of their non-economic programmes in order to achieve sustainable solutions. For example in environmental interventions, NGOs pay now increasing attention to employment and income opportunities for poor people in environmental programme areas. In humanitarian interventions and post conflict reconstruction, the creation of employment and income opportunities plays a complementary role, in the tail end of their programmes, in order to generate sustainable solutions (Gerwen *et al*, 2006).

#### *Changing context: private sector development and income poverty reduction*

The greater concern for sustainable solutions in a market context arose not from NGOs' own concerns about effectiveness, but above all, was caused by the changing context: from the mid-1990s international donors increasingly placed the market economy at the centre of development (the Washington consensus). The idea was that the market economy needs to be stimulated in such a way that it becomes pro-poor. Private sector development has become a new priority area and is increasingly considered to be the main vehicle for employment and income generation and economic

growth.<sup>3</sup> This posed a challenge to NGOs as they often, in the past, saw their economic programmes as an *alternative* to market-based private sector development.

Private sector development addresses both extremes in the spectrum of enterprise size: from MNCs, large formal firms and FDI to micro and survival enterprises through which millions of poor people eek out a living (AIV, 2006). In the following two subsections we will briefly discuss some recent policy issues regarding these different types of enterprises.

*Private sector development: corporations and large firm-small firm links*

Private sector development, at the level of MNCs and large firms, expresses itself in relation to international development in three important ways: a) by adopting corporate social responsibility (CSR); b) by engaging in 'business in development'; and c) by focusing on the 'bottom of the pyramid'.

The World Council of Business for Sustainable Development defined CSR as the 'continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large' (cited in Michael, 2003:115). The growing dominance of the market and of private sector development mean that CSR has become an important new avenue of advocacy by NGOs to make 'capitalism more responsible' (Howell and Pearce, 2001). CSR has several historical roots, but many observers agree that it began to figure as an important NGO issue in the late 1980s and 1990s. Winston (2002) identified five factors that gave rise to the growing concern of NGOs with CSR. Firstly, a perceived shift in power from nation states to MNCs and international financial institutions; secondly, a lack of social and environmental accountability of MNCs (as evidenced by the Bhopal and Exxon Valdez disasters); thirdly, a growing anti-corporate globalisation movement; fourthly, the realisation by large human rights organisations that they have paid insufficient attention to economic, social and cultural rights; and lastly, a desire among some NGOs to enlist MNC and business leaders in promoting human rights globally (Winston, 2002:72). Either by engaging MNCs or by confronting them, NGOs seek, in various ways, to persuade MNCs to adopt codes of conduct and implement business practices that incorporate commitments to respect and protect labour rights, human rights and the environment. Other NGOs avoid this direct relation with companies as they see the regulating role as residing with the state. They therefore focus their advocacy efforts on the state, pushing for more regulation of MNC activities and enforcement of regulations. However, as MNCs operate globally, the challenge for governments to hold them legally accountable is considerable.

Business in development (BiD) denotes a new trend in which the private sector sees itself as a vehicle of development cooperation. While the role of the private sector in development in the past was limited and was often considered primarily to benefit the private sector in the North, through export subsidies, BiD stresses the role of the private sector as an active agent in commercialised development cooperation. If the private sector in developing countries is to be the main priority, then BiD would surely be best capable of achieving this, through FDI or by developing partnerships with the private sector in the South.

The bottom of the pyramid (BoP), introduced by Prahalad (2005), claims a role for MNCs in reducing poverty in two ways: targeting poor consumers and enlisting micro and small enterprises in the procurement of inputs and the distribution of these products. BoP draws attention to the fact that there are four billion poor consumers. Though their individual purchasing power may be very small (two dollars a day), their very large number means that they constitute an important market for MNCs. There is money in the BoP market; access is not impossible (certainly not in urban areas) but requires innovative solutions

Prahalad claims that what matters are 'ecosystems for wealth creation', which are specific to each developing country and may consist of various constellations of actors, including NGOs: 'There have been few attempts to focus on the symbiotic nature of the relationships between various private sector and social institutional players that can lead to rapid development of markets at the BoP' (Prahalad, 2005: 63). The author does not further elaborate on the role of NGOs in this regard. He stresses the importance of contracts and the underlying institutional environment (very much like De Soto did many years earlier) but in addition he argues in favour of the elimination of a range of asymmetries facing small producers: a) in access to information; b) in choice (or switching); c) in ability to enforce contracts; d) in social standing of the various players. For him 'building governance capability among the poor' (ibid: 72) is important but he does not elaborate how this can be achieved.

*Private sector development: micro and small producers and pro-poor growth*

In terms of micro and small producers, PSD-based poverty reduction emphasises a) the need to improve the business environment by facilitating the 'graduation' of informal enterprise activity into the formal economy, reducing discriminatory and excessive regulation, b) financial sector development to improve access to finance, and c) relevant business development services (Haan, 2005; AIV, 2006).

Many NGOs have begun to realise that programmes of income generation for the poor have to be sustainable in a market context in order to achieve structural poverty reduction. This has generated a whole range of new programmes seeking to facilitate market access for the poor. The SEEP Network (2007) distinguished in this respect between: i) marketing businesses, where NGOs market goods and services produced by micro-enterprises and sell them with a mark-up; ii) marketing service providers, where NGOs provide services to micro-enterprises to help them reach markets, for example, through training, market or price information and by linking producers to buyers etc.; and, iii) market infrastructure developers. This refers to programmes where NGOs assist with the development of institutions that enable small producers sustainable access to a particular market. As a result of the dismantling of state marketing boards and extension services, new institutions for marketing, pricing and quality assurance had to be build up from scratch.

Conceptions about the nature of markets and competitiveness have undergone important changes in the last few years. Competition is, more often than not, imperfect and subject to increasing returns to scale. Globalisation of production creates more intense competition on a world scale, which results in a greater concern for quality competition. This in turn drives buyers to interact more intensively with their suppli-

ers, in case 'supplier failure' is a critical factor. The competitive strength of a product depends increasingly on the quality of all elements in its value chain. Moreover, more intense competitive struggles induce large firms to increase their control over critical supplies. Thus, whenever, these supplies come from small producers, the above factors create not only opportunities but also threats. NGOs have begun to play a role as chain coordinators in contract farming and as catalysts in strengthening the positioning and upgrading the position of small producers. There many examples of this, including Action for Enterprise, International Development Enterprises (IDE) in South Asia and SSA (Gerwen *et al*, 2006) and CTTU in Peru (Helmsing, 2007). In part related to the above, the organisation of small producers has acquired renewed importance. In order to make chain level programmes involving small producers manageable, intermediate organisations help to overcome problems of coordination. Associative activities can achieve economies of scale in procurement, transformation, and sales and distribution. By virtue of their expertise in organisational development and community level training and their local reputation, NGOs can often help small producers to overcome distrust and individualism and act as catalyst for SME associational activity in value chains.

#### *Changing context: philanthropy and NGOs*

The enormous accumulation of concentrated wealth in the rich countries has given rise to a new philanthropic sector in civil society (Schuyt, 2004). Together with 'corporate giving' (Meijer *et al*, 2006), this constitutes an important substitute for declining public funds for international development and for NGOs in particular. Schuyt (2004) considers philanthropy one of the key challenges for the coming years as this sector will have an important influence on the financing of public goods, including international development.

For established development-oriented NGOs this will have two important consequences. First, private philanthropy constitutes a source of financing that NGOs can tap, either on their own initiative or because it becomes a condition for public co-funding. Secondly, it has triggered private initiatives in development cooperation and a new type of NGO, often with a business background, which are active in economic development and reduction of income poverty. These business foundations, often in the North but also in the South, contribute not only finance but also business competencies. Examples are the Stutterheim Foundation in South Africa (Nel *et al*, 2002), the Carvajal Foundation (Helmsing, 2001) and the Corona Foundation in Colombia. Others engage in advocacy (e.g. the Times Foundation in India). As these foundations become institutionalised and grow in scale, they can become competitors in the policy and public debate arena as well as in the acquisition of additional funds.

#### *Some conclusions on the changing role of NGOs in income poverty reduction*

The bird's eye view presented above concerning the changes that have taken place in the roles of NGOs in income poverty reduction, allows us to draw the following conclusions.

- ◆ Employment and income generation has been a traditional domain of NGO activities to reduce income poverty, which initially had a supply-side focus on production and productivity.
- ◆ This focus has drastically changed in recent years: The original community development focus was gradually been replaced by an enterprise development focus. Over the years a market orientation has been incorporated, first in terms of market niches but increasingly by mainstreaming SME products. Lastly, NGOs have developed new ways and means to pro-actively support micro and small enterprises in obtaining market access.
- ◆ The above has led to a situation in which NGOs increasingly see other private actors, for-profit and non-profit, as also engaging in pro-poor PSD through for example BoP, BiD and other private developmental initiatives.
- ◆ Advocacy for responsible production in general and CSR in particular has become an important field of action for NGOs, through which they seek to contribute to income poverty reduction, stressing basic human and labour rights.
- ◆ Increased private philanthropy constitutes a new source of funding for NGOs but also influences agenda setting and fields of activity.

Thus, on the one hand NGOs have recognised that in order to make their initiatives for income poverty reduction more sustainable, they have to become more business-like, adopting an enterprise development logic and taking on board a market orientation. In addition, 1991 marked the end of an era where their initiatives could be seen as an alternative development and a substitute for market-based development. On the other hand, and as the development agenda with regard to income poverty began to focus more on the market domain, the private sector increasingly began to see itself as the 'better' alternative, through pro-poor private sector development and CSR. How do NGOs reposition themselves in this changing context? This is the issue that we deal with in the next section.

#### **Dutch development NGOs and enterprise development: findings from interviews**

Enterprise development is an obvious starting point to investigate the ways in which private sector actors have influenced practices in development cooperation because it deals at least partly with issues that can be considered core competences of private sector actors like entrepreneurs, managers and their support agencies like Chambers of Commerce. For example, what would be more logical than to use the know-how of an SME flower grower from Lisse to advise an SME flower grower in Ethiopia? Apart from a few existing programmes that are built on precisely this idea, like the Netherlands Management Cooperation Programme (PUM), an often heard complaint among entrepreneurs in developing countries is that government officials and NGO staff who are supposed to support them simply do not understand anything about 'doing business' in the private sector. Therefore, for NGOs to bring in entrepreneurs to assist other entrepreneurs seems a logical and promising additional strategy to enterprise

development interventions. Also more generally, the pragmatic and 'can do' attitude that private sector actors bring to the table may well reinvigorate the development debate.

To begin to find answers to our research questions, in 2007 we interviewed 18 NGOs engaged in enterprise development. The NGOs were selected on the following basis: i) the four main cofinancing agencies were included as they are known to have a tradition in this area; ii) a number of smaller NGOs were included which received support under the Thematic Cofinancing Programme (TMF) in the area of economic development. From these only those that were engaged in enterprise development were selected (i.e. those that indicated that they were active only in the business environment or exclusively in micro-finance were excluded); iii) other organisations were found through web searches (including using the database of the CBF) and through 'snow balling'. The list of interviewed organisations can be found in annex 1.<sup>4</sup>

In this section we will first review some general characteristics of the NGOs concerned, after which we will look at their enterprise development policy. This will be followed by a discussion of the ways in which these NGOs involve the private sector, in the South as well as in the Netherlands, in their programmes and in their policy formulation. This will be followed by a brief review of monitoring and evaluation in relation to enterprise development and of the role of the private sector in it. The section ends with some conclusions.

#### *General characteristics of the NGOs interviewed*

Table 1 provides some general information about the NGOs concerned. It shows the considerable diversity in their general characteristics. Some are large organisations that have programmes in a number of sectors, while others are much smaller and are only active in economic development. Some have extensive and varied connections with civil society, drawing on private volunteers, with development education and lobby activities, while others draw on a very selective basis of societal organisations and volunteer specialists.

Most of the relatively small organisations also tend to be young, established less than 10 years ago. They operate in a small number of countries (mostly less than five) and have direct links with the private sector. That does not mean however that they are always predominantly privately financed. Some, like Agriterro and ISCOM, remain either fully or partly dependent on public sector subsidies.

Particularly the large organisations, the cofinancing agencies, remain active in many sectors and countries (more than 30) but significantly all have shifted from a country orientation to a thematic organisation, combining and strengthening their subject expertise. They also show a tendency to shift from a problem orientation to one that looks for opportunities for income generation/poverty reduction. Furthermore there is an observable trend towards more intensive profiling, which can manifest itself in several ways. First of all, the agencies try to be more than simply financing partner organisations, and try to add value by contributing knowledge (e.g. HIVOS: quality management systems) or by connecting partners from different countries with each other (e.g. ICCO) and with private companies (e.g. Cordaid, ICCO). Secondly they focus on specific products (HIVOS: coffee) or product groups (e.g. ICCO: forest

products). Thirdly, they explicitly recognise either the national or the international market context (for example, Oxfam Novib focusing on broad-based international sectoral CSR initiatives). Fourthly, there is a greater effort to search for synergy between aid and market-based interventions. For example by providing incentives (loans) to private companies to overcome their reluctance to buy from small producers whereby the NGO subsidises a capacity building programme for these small producers (Cor-daid).

In all, it would seem that the historically high level of distrust between NGOs and the business sector seemed to have dissipated somewhat but major differences in organisational culture remain.

*Table 1 General features of NGOs*

Size of Organisation (euros/ year)	No	Duration	No
Very large (> 150 million)	2	Well established (> 40 yrs)	4
Large (75-150 million)	2	Established (10-39 yrs)	7
Medium (25-75 million)	2	Young (< 10 yrs)	7
Small (< 25 million)	12		
Total	18	Total	18

Legal form		Sectoral focus	
Foundation	16	Multi-sectoral	6
Foundation + BV	2	Single sector	12
Total	18	Total	18

Income sources		Relationship with civil society	
Public subsidies (> 50%)	10	Extensive civil society links including private sponsors and volunteers	6
Private donations (> 50%)	4	Drawing on volunteer knowledge specialists	4
Public donations & management fees	2	Limited or no direct civil society linkages	8
Private donations & savings & management fees	2		
Total	18	Total	18

Sources: based on website data and interviews

#### *Enterprise development policy*

As regards enterprise development policy, many of the interviewed NGOs have shifted their focus in the past five years or so. If in the past there was a market orientation at all it would be a special market segment or niche, like fair trade products. Increasingly this orientation is shifting towards mainstream markets. While in the past the empha-

sis was on the supply side, especially with capacity building of autonomous producers, nowadays there is a greater concern for supplier development programmes, where small producers are linked to larger firms or multinational corporations (e.g. ICCO). This is particularly manifest with regard to fair and biological products. Several NGOs focus their interventions on setting up trading companies (e.g. ISCOM) or linking producers to existing trading companies (e.g. Cordaid).

Whereas in the past, the main instruments of enterprise development programmes were predominantly subsidies and technical assistance, nowadays new instruments are used, such as venture capital and participation, capacity building at meso (or chain) level, voluntary regulation and labelling, and also lobbying for a better business climate for SMEs.

The new approaches also mean that Dutch NGOs now have more links with commercially oriented partner organisations, producer associations and private companies, both from the Netherlands and from the South. It would seem that these shifts imply a change in the definition of the target group: from survival micro-enterprises to small enterprises that can operate in a market context. Interviews confirm this shift, though not always completely or wholeheartedly.

There is a noticeable and growing specialisation among Dutch NGOs. Some focus on product labelling and certification processes (e.g. Solidaridad, Fair Trade, Fair Wear) or on quality management systems (HIVOS) that enable small producers to meet the growing demands for quality production; Others invest 'smart' capital (SOVEC); that is to say venture capital is combined with sector-specific knowledge and enterprise networking; Yet other NGOs engage in 'embedded' technical assistance in conflict and post-conflict areas (IDEA), or focus on the establishment of local money systems (STRO); Lastly, temporary 'outplacement' becomes a private sector/NGO-based alternative (Share People) to PUM. In several programmes there is direct 'peer-to-peer' linking, where business and trade or sector-specific knowledge transfer takes place from entrepreneur to entrepreneur.

There is considerable path dependency in the way in which the older NGOs developed their enterprise development profile. For example, HIVOS evolved from product labelling in the 1990s to developing quality management systems for small producers. Dorcas, which has traditionally been active in emergency aid in conflict areas, started to devote more attention to employment and income generation for victims of violence. From there, it moved in very modest ways to enterprise development in post-conflict areas. STRO has a reputation of innovation in developing alternative trade systems and has developed local money systems to support small enterprise development in the South; Woord en Daad entered into enterprise development by extending the 'aid chain'. Initially it focused on primary education, moving into vocational training and employment centres, and now it also focuses on enterprise development to stimulate employment opportunities. Cordaid extended its in-house micro-finance with a programme of participations and loans for larger SMEs to which it now seeks to link small farmers by means of contract farming.

The geography of interventions also varies considerably. The large cofinancing agencies continue to have large and deep networks across the three main continents of Africa, Latin America and Asia, but their emphasis can vary.<sup>5</sup> For example, whereas



ICCO and HIVOS focus more on international markets and aim to target large and potentially rewarding but difficult markets in the North, others like Cordaid and Woord en Daad direct more attention to less stringent domestic markets within southern countries.

Almost all the newer organisations tend to operate in a small number of countries and/or within specific contexts. For example, SOVEC operates in Ghana; and IDEA and Dorcas undertake different types of SMED programmes in conflict and post-conflict areas.

#### *Involvement of companies in the South*

What is the role of the private sector in these NGO-based enterprise development programmes? Let us first look at companies from or in the South. With the assistance of SMED programmes, SMEs gain access to markets in three ways. One is through contract farming and the creation of trading companies. The trading company, created to service small producers, reduces the disadvantages of small scale enterprises in crop commercialisation and strengthens small producer market positioning by building up trading capabilities (ISCOM in horticulture products in Kenya). Contract farming becomes a vehicle to raise the quality and productivity of small producers and enables a better coordination of harvesting. A second way entails SMEs entering a supplier development programme linking them to particular local processing or trading companies (e.g. fair trade products in food and non-food). Thirdly, small producers become suppliers of retail chains in the South (e.g. in South Africa).

Dutch companies can also play a role here either through social responsibility induced technical assistance or by commercialising products for the Dutch or European market (e.g. ICCO's activities in cotton, tropical fruits and forest products). More recent are developments where financial service companies in the South become involved in new types of SMED programmes. Examples are the local money systems developed by STRO with a bank in Brazil, or the local venture capital firm in Ghana, the SOVEC partner which is getting involved in enterprise development.

#### *Involvement of Dutch companies*

In the past five years or so, Dutch companies have become increasingly involved, though their motives vary greatly. Five different motives can be identified: i) A purely philanthropic motive underlying the provision of funds or expertise at zero cost; sometimes this philanthropic motive is complemented by a specific environmental concern (such as reducing waste). This explains the great increase in the involvement of companies in supplying second-hand tools to Gered Gereedschap, which in the past provided basic tools to small-scale, group-based initiatives for income generation and which now supplies these tools to vocational schools. ii) Corporate social responsibility has become an important motive for especially larger companies to become involved. CSR may be directed 'internally' and seek to observe certain rights for workers or suppliers, or address the environmental dimensions of the production and transaction processes. It can, however, also be 'externally' oriented towards the communities and localities in which production is situated. iii) A not unimportant motive may be market potential and possible supplier development; Through their involvement with

NGO enterprise development programmes in the South, Dutch companies can also assess the market potential of the country concerned or examine the potential of local producers to become part of the company's supply chain; iv) In the past five years, management development has become a motivation for Dutch companies to take part in NGO programmes. This entails temporary placement of staff in the South, which can be a powerful means to raise staff moral and commitment; v) There is a growing number of 'responsible' or motivated SME entrepreneurs, who are either still active or have economically retired who seek to make a contribution to international cooperation, for example from a perspective of Christian solidarity. Woord en Daad is a clear example of this. It counts on the direct involvement of a successful ex-entrepreneur in its enterprise development programme and has an active group of entrepreneurs in its business platform.

Some of the large cofinancing agencies have responded positively to the growing interest of Dutch companies. They have set up new types of NGOs (e.g. Share People) or have financially supported the creation of new organisations (such as Agriterra, which was supported in its start-up phase by a grant from two cofinancing agencies). Others however are reluctant and consider the many requests from Dutch companies as a distraction from their real mission. They do not want, in the words of one spokesperson, to become a 'travel or excursion bureau for Dutch managers'.

The smaller NGOs have responded positively to this new trend. They specifically seek to make use of the competences and resources of Dutch companies. Clear examples are Agriterra, Share People, SOVEC and the NOTS Foundation.

Mobilising savings for ethical investment has been in existence for several decades (ASN, Triodos Bank) but in the last few years new initiatives have sprung up to respond to the growing potential for ethical investment. Several new NGOs have begun to target this market, often in combination with donations and using innovative ways of one-to-one matching of a Northern investor with a particular Southern company.

#### *Involvement in policy development and M&E*

The final issue addressed in this section is to assess the extent to which the increased direct involvement of private companies has also translated itself into a role for the private sector in formulating new NGO policies? This seems not to be the case. Only in very few instances is the private sector involved in formulating enterprise development policy. In these instances, it takes place through private sector representation on governing boards, as in the case of Fair Wear, Agriterra or Share People. Only one NGO, Woord en Daad, has a so-called business platform (100 members), but even then there has been so far very limited direct policy dialogue. Of course this does not exclude informal networking.

As regards monitoring and evaluation, it can be concluded that for the public-funded NGOs, M&E has become bureaucratically more important especially due to the insistence on M&E by the Dutch Ministry of Foreign Affairs as part of the new cofinancing system (MFS). However, NGOs see this more as a burden than as something that arises from the need to validate their changing practices. Especially the larger organisations face important challenges in developing relevant M&E systems, as their monitoring and evaluation is organisationally situated in a special unit that seeks

to develop systems that have organisation-wide applicability rather than theme specific ones.

Among the younger and smaller organisations there are good examples of well developed monitoring and evaluation protocols, for example in the case of Solidaridad, Agriterro and Fair Trade. Other newer organisations have not moved beyond project-based reporting, while others indicate that they are still searching and exploring ways and means to incorporate M&E.

*Some preliminary conclusions from our interviews*

We would like to offer the following conclusions from our interviews. First of all, there is a shift from a problem orientation to one that looks for opportunities for sustainable enterprise development and, in as far as there was a market orientation, mainstreaming has taken place. There is a clear tendency to develop a more integrated chain-based enterprise development approach. Consistent with this, choices are increasingly made on the basis of product group or sector, rather than geographical area. This has also resulted in a greater diversity of partners in the South, which now also includes market parties.

Almost all interviewed NGOs have links with the private sector but the nature and degree of private sector involvement varies strongly. Many try to tap more or less actively into company philanthropy funds but not all engage in direct partnerships. Some target corporations while others focus on small and medium sized companies in different types of arrangements in the North as well as in the South.

There is considerable path dependency in the way the long established NGOs have developed their current enterprise development policy. There is continuity but *with* considerable change. In this regard it is difficult to endorse the conclusion of the Steering Group of the Evaluation of the Cofinancing Programme of 2002 that the big four are largely clones of each other (Stuurgroep, 2002, chapter 2).

Enterprise development is not an end in itself but a means to a higher goal. Traditionally that higher goal has been income poverty reduction but it has now been broadened and/or subsidiary goals, like pro-poor private sector development, have been added. Sustainability is now defined more broadly to include environmental sustainability alongside sustainability of income generation results (in a market context). Others have added a new dimension. For example: both Dorcas and IDEA have developed an explicit argument that enterprise development helps to reduce the risk of conflicts recurring.

Lastly, NGOs have traditionally been concerned with empowering small producers and have used various ways and means of collective action to compensate for the disadvantages of small scale and exclusion. Increasing the autonomy of small producers was seen as the best way to make them more sustainable. For example, forward integration into processing of their agricultural production through cooperatives was considered an effective avenue. Nowadays NGOs consider a range of other market alternatives to cooperatives, but they all have in common arranged networks of contracts.

This brings us to a number of reflections on the question as to what extent the increasing involvement of private sector actors can make a difference to Dutch NGO enterprise development initiatives.

### **By way of conclusion: reflections on NGOs, private sector and enterprise development**

The above findings from the interviews show that, more than before, NGOs are moving beyond the domain of civil society and are directly undertaking initiatives in the market economy and with market parties. NGOs themselves have therefore become parties in the market. In that respect enterprise development by NGOs comes close to, but is still distinct from, private sector development. This calls for a discussion on the boundaries of NGO activities. Some authors argue that NGOs need to go 'back to their roots' (Mitlin *et al*, 2007) or focus more on civic driven development (Fowler, 2007) as alternative development. In this article we start from the position that NGOs need to engage the market. We realise that this goes against the current view that NGOs should return to reclaiming alternative development (Mitlin *et al*, 2007) or to engage in 'civic driven' development (Fowler, 2007). Engaging the market is not the same as embracing it uncritically. Not engaging the market would, in effect, amount to yielding to the neo-liberal discourse that markets are the exclusive domain of (for-profit) enterprises, a view to which we do not subscribe as this ignores the historic and new roles of state and civil society organisations. But critically engaging the market requires a better understanding of the private sector and that may be part of the real problem (Knorringa & Helmsing, forthcoming). Lastly, not engaging the market may lead to other new NGOs taking over and fill that gap.

Prior to this, it is important to flag another important question: to what extent does enterprise development contribute to direct poverty reduction? This in itself is a relevant question as the owners of SMEs are usually not poor, nor do they necessarily employ the extreme poor. Nevertheless, the positive effects of such enterprise development programmes may be seen through the side effects of enhanced local economic activity, like for example, improving the availability of basic necessities in poor or conflict areas.

One of the principal roles of NGOs engaged in enterprise development in a market economy would seem to be that they contribute to reduce or to eliminate structural market failures that neither government nor enterprise are willing or able to address. NGOs enable small producers to get access to markets and provide support in ways that the market itself is unable or unwilling to provide.

In enterprise development this takes place in various, partly overlapping, ways:

- 1 Engaging in 'pre-enterprise development' for income generation as part of rural or urban livelihood.
- 2 Undertaking capacity building of the competencies of small producers by retailing business development services.
- 3 Eliminating market failure by re-configuring or completing chains. For example by creating a trading company that commercialises small producer crops.
- 4 Developing institutions of different kinds that enable small producers to enter mainstream markets. These institutions may be concerned with labelling or quality systems or associative activities that convert small producers into market players.

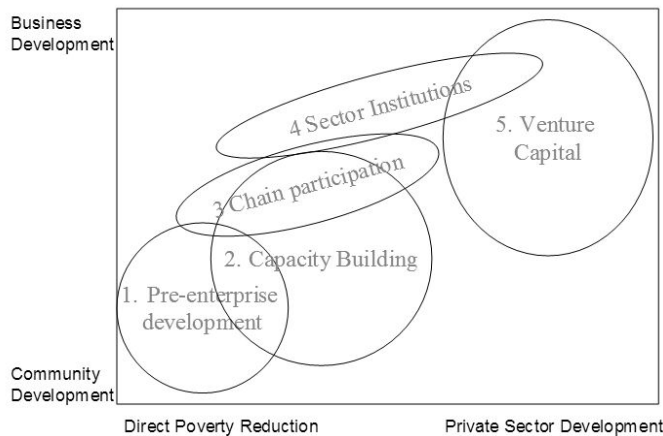
These sector and local institutions enable 'Private Sector Development at the bottom'.

- 5 Creating access to mainstream factor markets such as venture capital for small and medium enterprises.

In a way these different roles vary in the *degree* to which they might be seen as pure enterprise development interventions, or the degree to which they are part of community development interventions. The first role of pre-enterprise development applies to micro enterprise or household-based activities within a livelihood context. The last role is a more advanced form of enterprise development that relates to fully developed and formal small enterprises.

Seen from another angle, some activities contribute more and more directly to poverty reduction, while others are more related to private sector development where the direct contribution to poverty reduction content is relatively small. Figure 1 shows this in a diagram.

Figure 1 Situating Enterprise Development Programs



The value that NGOs create in a market economy can also be made more explicit. From discussions and our own experiences we identify at least six important potential contributions.

- ◆ NGOs can have important information advantages thanks to their 'deep' networks of partner organisations. These networks enable Dutch NGOs to combine global and local knowledge in countries that are characterised by severe information asymmetries and low trust environments;
- ◆ NGOs operate on a relatively small scale and have the ability to engage in 'context sensitive' capacity building of small producers; they can 'bridge' community development and business demands;

- ◆ NGOs have the capacity to understand and can exercise patience to enable small producers to gain the trust of and/or build reputation with other market parties (e.g. buyers and banks);
- ◆ NGOs have the ability to organise small producers in order to raise quality and reduce production and transaction costs, thus making small producers more competitive;
- ◆ NGOs can initiate and strengthen voluntary regulation in markets;
- ◆ NGOs can scale up and strengthen civil society building and policy advocacy for the benefit of local 'private sector development at the bottom'.

With regard to the roles of NGOs we suggest it might be helpful to distinguish between 'building markets' and 'participating in markets'. Building markets serves to create institutional arrangements that help markets to function and eliminate market failure. Contrary to what is believed in neo-liberal discourse, institutions do not necessarily and automatically emerge, but need to be adapted and adopted by multiple actors in a specific area. This is a complex process, which needs to be crafted over time (Helmsing, 2003). Small producers gain access to markets where the market itself will not engage in the up-front costs required to enable small producers to learn and become accustomed to the arrangements demanded by the market. Market building takes place when NGOs invest in creating or strengthening sector or cluster institutions where governments and market parties fail to do so or are unable to do so.

Market participation, on the other hand, happens when NGOs operate as a market player but with a social purpose (e.g. ethical investors). Fair Trade, for example, participates directly in the market. SOVEC operates as a venture capital firm targeting ethical investment funds for onward investment in small and medium enterprises in Africa. Solidaridad has created a company that imports tropical fruits from small producers in Burkina Faso.

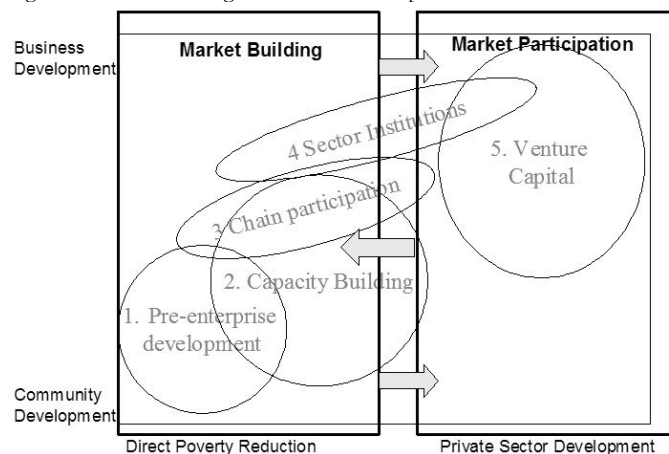
Building markets and participating in markets both require sector and context-specific knowledge but each operates under a different logic. Building institutions and preparing small producers requires knowledge and expertise to understand the transformation processes that confront them as they are incorporated in a market economy, and an ability to relate to them and stimulate associative actions to overcome the disadvantages of small scale.

A challenge for the future would be to reduce or close the gap between NGOs engaged in market building and those that participate in markets. This would be one area in which the increased involvement of private sector actors can really make a difference.

Figure 2 illustrates the problem of a lack of scenarios to connect market building and market participation. Thus, although established NGOs have evolved in their enterprise development programmes and have innovated their instruments, they remain mostly active in market building. By contrast, other and more recent NGOs and NGO/Private Sector hybrids have focused from the start on market participation. There is as yet little connection between the two, while more interaction between them would bring significant benefits. On the one hand, when market builders better understand the demands of really participating in the market, they can provide more

effective and efficient interventions that help emerging enterprises to become pragmatic market parties. On the other hand, NGOs that participate in the market would learn to appreciate that their 'can do' attitude will be more effective when adopted in a context sensitive manner.

Figure 2 Market Building and market Participation



Central to the 'connection scenarios' would be four follow-up questions:

- a To what extent can we expect enterprise development to lead to sustainable private sector development 'at the bottom'? Reference can be made here to the debate on small enterprise 'graduation'. Research in the 1980s and early 1990s showed that only a very small percentage of micro-enterprises would be able to 'graduate' and transform into small enterprises capable of accumulation and growth. The GEMINI research undertaken by Michigan State University is the best empirical benchmark in this regard, showing that graduation rates for SMEs were estimated to be extremely small (Mead and Liedholm, 1998). While conditions have greatly changed (the business environment has become more SME friendly and demand conditions have improved), the question still remains relevant as more recent studies also do not seem to provide any indications that graduation rates have improved (Gomez, 2008b).
- b To what extent does enterprise development lead to direct poverty reduction? Generally, it is *assumed* that enterprise development contributes to poverty reduction but the evidence is mixed at best. On the one hand there are questions concerning the degree to which the beneficiaries of such programmes really are poor. On the other hand, new questions arise when 'included' SMEs suffer from exposure to increased economic risks and the unpredictability of markets. They run the risk of losing livelihood assets and becoming worse off in the process.
- c The third question concerns 'exit', a question which many NGOs struggle with. When are their interventions not needed anymore, as small producers and their new organisations can sustain themselves? And, when or under what conditions

does it become clear that sustainable market participation will not succeed. How can such a situation be brought to a fair conclusion for all concerned?

- d A fourth and final question is: can NGOs really cross the boundary into the market domain and what implications does this have for their governance and internal organisation? Local NGOs that accompany small producers in the market inclusion process may either decide to limit themselves to building market institutional arrangements or decide to become market organisations themselves.

More specialisation, as is currently taking place, may be a positive trend, but in order to gain overall effectiveness, more coordination and knowledge exchange among the NGOs may be needed. In all, we feel that the increased interaction with private sector actors has reinvigorated the enterprise development approach of Dutch NGOs. Moreover, one of the ways in which the increased involvement of private sector actors can make a real difference is in developing more effective bridges between the complementary expertise on market building and on market participation. The increased market orientation in enterprise development programmes by NGOs can make this interaction easier, but significant differences in approaches continue to exist. Nevertheless, we see good prospects for more synergetic interaction between those focusing on market building and those focusing on market participation. The increased participation of private sector actors and of private sector thinking in the enterprise development programmes of Dutch NGOs does indeed offer an opportunity to make these programmes more relevant and effective. These opportunities are enhanced especially when NGOs and private sector actors, based on mutual respect, can develop innovative ways to selectively match market building and market participation initiatives.



### Appendix 1 Overview of organisations and persons interviewed

Organisation	Persons interviewed	Date of interview
HIVOS	Coen van Beuningen	9-11-2006
Strohalm	Henk van Arkel	13-11-2006
SNV	Toon Keijsers (by telephone)	17-11-2006
Woord en Daad	Jan Lock	27-11-2006
	Gert Wiggelinkhuijsen	
Dorcas	Simon Boersma	1-12-2006
ICCO	Cor Wattel	13-12-2006
	Herman uit den Bosch	
	Cosmas Blaauw	
Solidaridad	Nico Roozen	6-3-2007
Fair Trade Original	Jan Vossen	23-3-2007
	Connie Valkhoff	
OXFAM Novib	Marlies Filbri	5-4-2007
	Frans de Laaf	12-11-2007
Agriterra	Kees Blokland	22-6-2007
Gered Gereedschap	Marleen van Duijnhoven	28-6-2007
	Eva Nielander	
ISCOM	Teun Wolters	2-7-2007
NOTS	Bart Hartman	5-7-2007
Cordaid	Jose Ruijter	9-7-2007
	Frans Goossens	
Share People	Cosmas Blaauw	10-7-2007
SOVEC	Alexander Smits van Oyen	7-9-2007
Fair Wear	Frans Papma	21-9-2007
IDEA	Dirk Scherjon	5-10-2007
<hr/>		
Resource persons		
MDF	Frans van Gerwen	8-3-2007
	Lambert van Gils	
Facet	Adriaan Loeff	3-4-2007
	Klaas Molenaar	

Interviews were conducted jointly by Bert Helmsing and Peter Knorringa, except Solidaridad (by Peter Knorringa) and NOTS (by Bert Helmsing).

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### Notes

- 1 Enterprise development includes small and medium-sized enterprise development as part of industrialisation strategies and promotion of local economic development, as well as support to survival and micro businesses as part of poverty alleviation schemes. We will not deal with financial services or with policies to influence the national and international policy environment towards private sector development, but focus exclusively on direct enterprise development and income generation interventions.
- 2 See Appendix 1 for an overview of persons interviewed.
- 3 For an initial assessment of the relevance of this approach to Africa, see Schulpen and Gibbon (2002).
- 4 Only one organisation (NCDO) declined our request for an interview.
- 5 Dutch NGOs also show path-dependency in terms of geographical choices, see also Koch (2007).



# Linking, learning, and leaving: Dutch experiments promoting global citizen action

Veena Fox Parekh & Kees Biekart

## Introduction<sup>1</sup>

Northern citizens may be particularly well poised to make an impact on the decisions of their <sup>2</sup> leaders regarding international cooperation. In the Netherlands, the Ministry of Foreign Affairs vigorously promotes citizen involvement in, and awareness of, international development cooperation. Over quite some years, Dutch development organizations have devoted resources towards raising awareness in the Dutch public about international cooperation, and creating new linkages between individuals and organizations at home and those in the developing world. The concept of *global citizenship* is often invoked in this context (Mayo, 2005; Eyben, 2005; Edwards, 2001). But the extent to which engagement in development cooperation can be considered 'global citizenship' is highly contested (Biccum, 2007). Some suggest that Northern citizen involvement is encouraged as a means of 'greasing the wheels' of the status quo, as this growing internationalism and citizen involvement is channelled to stave off demands for more structural changes in the way that development aid is distributed (Sogge, 2002). Edwards (1999) rather envisages a 'constituency for change' that will put pressure on political and business leaders to enact more just global policies. Others (Waterman, 1999; Olsen, 2005) see a new type of transnational solidarity emerging which is based on 'global consciousness'.

This article explores the practice of global citizenship within the current international aid debate by examining the question: 'How are Dutch citizens contributing to alternative approaches in international development cooperation?' Three programmes will be analysed that seek to raise awareness of international cooperation in the Netherlands by engaging Dutch citizens, mostly at the local level. These programmes try to build solidarity between people, across borders by facilitating face-to-face contact or debate, and critical engagement with development issues. They also work to challenge traditional stereotypes and power relationships between 'the North' as the 'knowledge holder' and 'the South' as a 'knowledge and skill recipient'.

The programmes were selected by asking a number of Dutch development experts to identify recent innovative projects targeting awareness raising and constituency-building in the Netherlands. The three programmes most frequently mentioned were: Oxfam Novib's *Reverse Development Co-operation*, *Linkis*' small-scale private development initiatives, and NCDO's *Third Chamber* – a citizen advisory body to the Dutch

Parliament. How innovative are these programmes, and are they at all relevant? Do these programmes encourage people to look critically at development cooperation and seek out new ideas or models? Has participation in these programmes affected the outlook of Dutch participants in relation to their perceptions of the (Global) South?

In the North, the concept of global citizenship is often used to evoke a sense of responsibility towards the global, and to inspire Northern constituents to act on issues of social justice or to change lifestyle habits. Clark (2001: 17) calls this type of citizen action a 'different kind of globalism'. New global issues concerning large-scale disparities of power are tackled by advocating for policy and institutional reforms, combined with stimulating shifts in public attitudes. This can also refer to transnational corporate social responsibility and ideas of socially responsible consumer behaviour. Indeed, 'global citizenship' is a term with highly fungible delimitations and, as Fox (2005) contends, a weak definitional merit. He uses the term 'transnational citizenship,' and concludes that the only unproblematic use of the term currently applies to migrant communities that have 'dual or multiple citizenships that are grounded both in enforceable rights and in clearly bounded membership(s)' (Fox, 2005:194).

Nevertheless, many individuals other than transnational migrants do feel a deep connection to communities outside of their geographical, political location. Importantly, global citizenship is intertwined in different ways with ideas of local citizenship. A variety of activities understood as global citizen action take place at the local level, through fundraising, campaigning, or advocacy, but also through what Mayo (2005: 113) calls 'people to people exchanges in a global context'. This has contributed to the emergence of transnational 'movements of solidarity and mutual learning' (Patel, Bolnick and Mitlin, 2001)

Along similar lines, Edwards (2001: 10) contends that 'a strong constituency in the industrialized world is a prerequisite for the success of more equitable global regimes, new forms of governance, and the sacrifices required to alter global patterns of consumption and trade'. An educated and compassionate Northern public forms the cornerstone of what he labels 'constituencies for change', a critical mass of people in the North that can provide the political and ethical pressure needed to make international development cooperation (and new forms of it) a priority for state and business actors. This is done through education, 'nurturing new solidarities' between people and across borders, and breaking down the psychological barriers between what is perceived of as 'us' and 'them'. He cites the importance of building 'cultures of concern' in the North: this must begin with the inequalities that exist in the North, since people who are fighting their own poverty can find it difficult to spend the time to create more sustainable and globally-ethical lifestyles.

Edwards calls upon the experience of Scandinavian countries with progressive social policies in which 'attitudes for helping abroad are intimately related to attitudes toward helping at home' (1999:190). Indeed, the Scandinavian countries (and the Netherlands) are the only industrialized countries that have met the UN target for dedicating at least 0.7% of GNP to development cooperation. Thus, he closely correlates the fostering of active local citizenship and domestic 'cultures of concern' with the ability of a population to extend this sense of care and responsibility to the global

arena. Programmes that encourage local citizen action may therefore eventually have reverberating effects on international development cooperation.

The kind of solidarity promoted by Edwards has been questioned by others (Waterman, 1999; Olesen, 2005) as it is too much based on a one-directional altruistic perspective of solidarity, which still distinguishes between those offering solidarity and those receiving it. Altruism or substitutionism ('acting and speaking for the other') often do not really tackle existing inequalities and may even reinforce them (Waterman, 1999). Some therefore prefer to extend the argument and argue for the urgency of a more globally responsible 'mutual solidarity'. Olesen (2005: 109) points out that this mutual solidarity 'denotes a higher level of global consciousness' than the traditional altruistic solidarity. This type of solidarity is typically visible with environmental issues or other 'border-transgressing risks'.

Therefore, global citizenship can be said to have had various appearances and theoretical explanations that are all linked to the nurturing of a responsible local consciousness on global issues with several gradations of personal commitment. The commonality of many of these arguments is that they are often loosely based on empirical data and a rather generalising assessment of ongoing practice. These perspectives will therefore need some more critical scrutiny, and the Dutch practice possibly provides some good practical experiences that can serve as sources for mutual learning.

### **Three experiences of Dutch 'global citizen's action'**

#### *Reverse Development Co-operation*

In 2006 the Dutch private aid agency Oxfam Novib started a programme called *Reverse Development Co-operation* (RDC).<sup>3</sup> The proposal was to challenge the traditional idea of 'development' with a more radical proposition: the North is also in need of development assistance, and it is organizations and people in the ('Global') South who may be the best qualified to give it. Many problems faced in developing countries also find expression in the North, and the North would do well to learn from the experiences of innovative Southern development practitioners. Much expertise has developed in the South as people have cultivated localized, creative responses to social problems. *Reverse Development Co-operation* (RDC) wishes to highlight this knowledge by facilitating learning partnerships between Southern and Dutch organizations to share and build upon this wealth of Southern knowledge and experience. The hope is that ultimately this type of 'reverse' development cooperation may lead to a more balanced relationship between North and South, where the skills and abilities of practitioners on each end of the aid chain are valued equally, and 'partnership' is more than a euphemism for masking the old, unequal power relationships between donor and recipient.

In a way, RDC can be seen as a 'reverse transfer of knowledge.' But is it anything more than that? A core goal of RDC is to challenge Dutch perceptions of superiority. RDC contends that the North to South flow of skills and resources in the development context has created a sense among the Dutch that they have little to learn from the

experience of people living in the developing world. RDC seeks to turn this perception upside down by facilitating exchanges where the Southern organization is the expert and the Dutch organization is in the recipient position of learning. Through the E-motive<sup>4</sup> network, Oxfam Novib facilitates the linkage of the Southern and Dutch counterparts, and the Southern organization shares its expertise through face-to-face collaboration and training with the Dutch group.

The RDC program focuses specifically on projects that deal with problems related to social fragmentation and exclusion. According to Oxfam Novib's definition, RDC has 'the goal to get people to better work together (strengthen social cohesion) and to offer them an active role in society (active citizenship) inspired by innovative and artful projects from developing countries' (Oxfam Novib, 2007). Beyond this, the definition of what makes a project 'reverse development' as opposed to just 'reverse knowledge transfer' is that it encompasses a broader agenda of shifting Northern perceptions about people in the South from knowledge consumers to knowledge holders.

This cross-border collaboration is also intended to foster a sense of shared goals and common values between the two partner organizations. The concept of global citizenship is highlighted in RDC's promotional literature, and is a strong motivating force for the design of the program. In Oxfam Novib's view, a global citizen is (i) aware of the wider world and has a sense of their own role as a world citizen; (ii) respects and values diversity; (iii) has an understanding of how the world works economically, politically, socially, culturally, technologically and environmentally; (iv) is outraged by social injustice; (v) participates in and contributes to the community at a range of levels from local to global; (vi) is willing to act to make the world a more sustainable place; and (vii) takes responsibility for its actions'.<sup>5</sup> RDC seeks to reinforce emerging global citizenship identities by facilitating action at the local level.

Since its inception in early 2006, RDC has funded thirty exchanges focusing on issues of building social cohesion in the Netherlands. Projects have included such diverse subjects as violence awareness programmes in secondary schools, conflict resolution and facilitation trainings, programmes for Dutch police officers to better cope with female victims of trafficking, and circus performance for troubled youth. In some cases this was a one-time collaboration; in others the relationship lasted over many meetings leading to larger, longer-term collaborations. RDC projects are selected for funding by Oxfam Novib on the basis of their contribution to building social cohesion, and for their embodiment of 'reverse development values'.

One of the RDC projects is called *Words over Weapons* (WOW); it is a collaborative project between *Gun Free South Africa* (GFSA) and *Landelijke Stichting Tegen Zinloos Geweld* (LSTZG; National Foundation against Random Violence). The project is active in both South Africa and the Netherlands, and involves school-based learning modules and multi-media components that address issues of violence, aggression, and weapons use. The programme aims to sensitize students to the effects of violence, by encouraging them to speak about their personal experiences and reflect on them next to statistics about violence. Additionally, students in each country learn about the experience of violence in the other country, and have the opportunity for virtual exchanges through an internet-based system. Certain students and teachers have the opportunity for physical exchanges where they meet their counterparts in person.



In both the South African and Dutch context, the educational programmes have similarities, but are adapted to fit the particular needs and constraints of each country context. For example, in South Africa, where there is a government requirement for anti-violence learning components, WOW is a part of the teaching curriculum that is executed by the regular class teacher. In 2008 a peer event was held in which participating students from the Netherlands and South Africa met. There is also a plan for an 'expert meeting' for the teachers to meet and exchange experiences, solutions, and ideas for improvement.

WOW began as an idea that the Dutch LSTZG had in 2005. They approached Oxfam Novib for funding, and were told that this would be available if they carried out the program through the RDC program. The E-motive network connected LSTZG with *Gun Free South Africa* (GFSA) because of their similar focus on violence prevention and youth. Making this project 'reverse developed' was therefore considered by Oxfam Novib as an assignment in order to receive funding. LSTZG also perceived that GFSA had expertise in the area of violence prevention in schools and saw an opportunity to learn from their experience.

In 2006, RDC funded an exchange in which the programme officers at LSTZG travelled to meet with the staff at GFSA. They met three times and each time talked in more detail about how to design the project, and how they could best collaborate and learn from each other. WOW has a distinct collaborative element, but it appears to fall short of a reverse development relationship. At present it is more like 'two projects with a small link'.<sup>6</sup> The difficulty in communicating with GFSA has hampered the programme and the learning process for LSTZG. Problems with internet connectivity, lack of capacity on both sides, cultural differences around communication and deadlines, and the barrier of language/accents for phone conversations have reduced the degree of reverse learning that potentially could have taken place.

### *The Third Chamber*

The *Third Chamber* is a project initiated by the *Dutch National Committee for International Cooperation and Sustainable Development* (NCDO), the main non-governmental agency dealing with awareness-raising in the Netherlands on development issues. The *Third Chamber* functions as a citizen's 'shadow parliament' to the Dutch Parliament (the First and Second Chambers). Of the 150 members, 120 are Dutch citizens and 30 are from developing countries. Membership terms last for one year, and members meet regularly to learn about and debate international issues specifically relating to the *Millennium Development Goals* (MDGs). *Third Chamber* members have access to many experts and (local, national, and EU) politicians, who come at different times to give talks. Topics discussed in 2007 included security in Afghanistan and Fair Trade. At the end of the year the members formulate their own in-depth development proposals. The best one is chosen by vote of the membership and is then presented to the Dutch parliament to be considered for adoption.

The goal of the *Third Chamber* is two-fold. First, it seeks to provide a platform for new and creative ideas about development cooperation and to channel those ideas to official bodies. Second, it seeks to enhance public support for development coopera-

tion, and to educate the Dutch public about the MDGs and related issues in the developing world. The NCDO views this as the building of a global citizenship identity: 'In this way, the *Third Chamber* becomes a bridge between concerned citizens and politicians, a means to develop ideas, and a platform for citizens of the global village' (Third Chamber, 2007).

Each year, 600-1000 applicants apply for the 150 available positions. The Dutch members are chosen with the goal of providing a good representation of different regions of the country, gender and ethnic diversity, levels of education, and political party affiliation. According to the project leader of the *Third Chamber* it is important that members have an opinion about development cooperation – they don't have to support it, but they must have an interest in it and know something about it.<sup>7</sup> Potential new members might hear about the *Third Chamber* through past members, or from advertisements in newspapers, on television, and on bill boards at train stations.

The criteria for choosing the Southern members are somewhat different. Some of them are *expats* residing in the Netherlands, and some are residing abroad in their home countries. The goal is to have an even distribution between these two sub-groups as well as a diverse representation of region of origin, gender, and urban/rural background. The *Third Chamber* does not have access to the same channels of advertisement in the South as it does in the Netherlands. Rather, it relies heavily on its network of former members. The Southern members not only have full voting rights, in fact, one vote of a Southern member counts for two so as to make up for their smaller numbers. The *Third Chamber* is quite specific about the purpose of their involvement: the Southern members are viewed as a group of special advisors that can bring a unique perspective to inform the debates. As stated by the *Third Chamber* itself: 'People often write proposals about international development without taking into consideration the views of people in developing countries. That is exactly what the *Third Chamber* does not want' (Third Chamber, 2007).

The members of the *Third Chamber* are diverse. Some people have a complex understanding of development-related issues, while others only know that over € billion are spent annually on Dutch development cooperation and they want to know what good that money is doing. One member founded *Happy Gunjur*, a small, private development foundation that builds schools in Gambia, after he and his wife went on holiday there. Another member is an NGO employee, assisting refugees in the Netherlands; another is a local city councillor. Many others are people who wanted to find a way to 'give something back' to the less fortunate in the world. Each Dutch member interviewed joined the *Third Chamber* with the desire to learn more about development cooperation, and many joined to expand their networks and have a forum to discuss international issues with others.

A total of eleven members were interviewed and all respondents said that they learned a great deal about development-related issues from their participation in the *Third Chamber*, and that the participation of the Southern members added a critical element.<sup>8</sup> All respondents mentioned the great value of hearing the perspectives of people from developing countries. Most of the Dutch respondents expressed a similar sentiment to this: 'We may think that we have a good idea that can help people in the South, but it may not be so. It may not be what they need or want'. In fact, five re-

spondents expressed that they wished there was more contact with the Southern members. We will come back to these observations later in this paper.

### *Linkis*

*Linkis* is a cooperative funding umbrella program among the large Dutch co-financing agencies (CFAs).<sup>9</sup> It works by funding small, private initiatives by groups of citizens or informal organizations focusing on development cooperation. *Linkis* projects represent roughly €125 million annually. The first two letters of the name *Linkis* refer to the Dutch *Laagdrempelige Initiatieven*, which means 'low-threshold initiatives.' The stated goal of *Linkis* is to enable citizens to get involved directly with development cooperation. It is also intended to increase public support amongst the Dutch for international development cooperation. Programmes that are chosen must have the goal of either poverty alleviation in the developing world, or awareness building for international development issues.

The term 'private initiative' refers to projects that come from a broad spectrum of organizations: those that have nothing to do with development cooperation, such as a local fireman's association; those that have been set up specifically for development. Within this last category the organizations are also extremely varied in their focus and capacity. There are those that fundraise and then give the money to the large agencies like Cordaid; organizations that were set up because someone went on holiday, met a specific person and supports them individually; and those that address groups of people/issues in many villages. There are those that are involved in 'brick and mortar' activities – immediate material provision, such as building schools or providing medicines.<sup>10</sup> And there are those that go beyond that to more complex development interventions with a longer-term horizon such as micro credit or broader rural development programmes. The private initiatives whose projects receive funding through *Linkis* often have little or no experience in development cooperation.

In the past, these initiatives were funded directly by the Ministry of Foreign Affairs. In mid 2003, responsibility for funding these projects was passed on to the co-financing agencies. The official reason for this was a matter of efficiency: the *Linkis* program was a lot of work for little return. For example, the average project that *Linkis/Oxfam Novib* funds is between EUR 5,000 and 15,000.<sup>11</sup> Likewise, the average amount of funding per project at *Linkis/Hivos* is EUR 7,000.<sup>12</sup> Since 2005, the *Linkis* network has funded over 3000 projects. *Linkis* is a way for the co-financing agencies to strengthen their roots in Dutch society. It is also a way to better coordinate action between the co-financing organizations, that is, to better monitor the private initiatives applying to the different agencies for funding to prevent duplicate financing.

Oxfam Novib notes that one important element most private initiatives lack is past development experience; the value of *Linkis* is that it can embed the smaller initiatives in the larger projects of the co-financing agencies, taking advantage of their past experience, relationships, and infrastructure. An example is school construction: if an organization wants to build a school in Ethiopia, first they build the school, then they hire a teacher, but then they have to connect that school to the national education system. That involves meetings with local government officials and the Ministry of Educa-

tion. For this coordination work they may not have the necessary contacts. It can also be time-consuming for the Ministry if there are a lot of these projects going on separately.<sup>13</sup>

Lau Schulpen, who reviewed some of these private development projects in 2007, is sceptical that they do much good.<sup>14</sup> Most are 'brick and mortar' projects and are very small-scale. While they may provide needed goods such as medicines or schools, they rarely address structural factors that create and maintain poverty or build local capacity. Secondly, they often have little understanding of the local context in which they seek to work. But, as Schulpen points out, is it fair to judge these initiatives against a professional development discourse? After all, they are not conceived of or carried out by development professionals, but by committed individual citizens.

Table 1 Case study variables and innovations

	Reversed Development Co-operation (RDC)	Third Chamber (TC)	Linkis
Initiated by	Oxfam Novib	NCDO	Dutch Co-financing Agencies
Primary actors	Dutch organization as 'learner', and Southern organization as 'expert'	Dutch and Southern members	Dutch citizens
Primary beneficiaries	Dutch citizens as program recipients	Third Chamber members' communities and networks	Southern aid recipients
For what purpose is participation promoted?	Improve Dutch social cohesion projects w/ inputs from South  Challenge North-South stereotypes	Raise public awareness  Improve development co-operation	Fund/Assist Dutch citizens with private initiatives aimed at poverty alleviation in South
Innovative potential	Reverse the North-South 'expert' role;  Challenge stereotypes	Encourage Dutch citizen debate about development co-operation with Southern input	Encourage small-scale, 'citizen-led' private initiatives
Scope of Funding	Approx €100,000/year	Approx. €60,000/year	Approx. €125 million/year
Scope of activities	30 RDC exchanges since 2006	85 proposals were generated in past 5 years	Roughly 1200 private initiatives/year

### Global citizen action and change potential

The three cases examined here all have elements of innovation that make them unique in the context of traditional development practice. This section looks at them in terms of their change-potential. That is, the potential that these cases may offer viable new alternatives to current mainstream development practice. Levels of change-potential are related to the scope of the project, whether or not there are links to development policy, and if the project challenges in any way established power relationships. In Oxfam Novib's *Reverse Development Co-operation* (RDC) the notion of reversing the flow of expertise towards the South challenges traditional Northern biases of superiority. RDC also challenges Southern biases that either idealize or demonize the North. The values inherent in RDC can possibly build meaningful solidarity between people across the North-South divide, potentially approaching the 'mutual solidarity' discussed by Olesen (2005).

With the *Third Chamber*, the notion of average citizens learning about and debating issues of development cooperation in relation to their own political system broadens participants' sphere of citizen engagement, potentially building greater democracy. Citizens engage more deeply in their national political community and process, while increasing their understanding of international issues. The involvement of the Southern members adds, as Helmich says, 'a dose of reality', and ensures that their understanding moves beyond post-imperialist notions that the North knows best what the South needs.<sup>15</sup> In this respect, the *Third Chamber* also challenges Northern biases of superiority.

Through *Linkis*, well-intentioned Dutch citizens who want to help people in other countries are able to make their visions a reality. It is an example of the 'altruistic' and 'one-directional' type of solidarity that was mentioned earlier. However, *Linkis* claims it can revitalize mainstream development thinking as new ideas from Dutch society can be put into practice realized and brought to the attention of the larger co-financing agencies. Some of these agencies allocate a certain amount of their *Linkis* budget for funding projects brought forward by migrant groups in the Netherlands, helping to build cultural bridges between diaspora communities and engaging the 'new' Dutch in active citizenship.

All three case studies seek to encourage global citizenship and harness the energy of what they often refer to as 'emerging global citizens.' Official documents in each of the three cases frequently refer to 'global' or 'world' citizens. However, for all of the references to global citizenship, two of the case studies - *Reverse Development Co-operation* and the *Third Chamber* - fall particularly short of engaging participants in high levels of global citizen action. In fact, all case studies actually have a relatively low change-potential. This is a result, not strictly of their embeddedness in official institutions (which Cornwall and Coelho label 'invited spaces'), but also of the lack of links to 'created spaces' of citizen engagement: broader, bottom-up constructed social movements (Cornwall and Coelho, 2007).

Both *Reverse Development Co-operation* and the *Third Chamber* have a similar level of engagement with people from the South, and have an inbuilt mechanism for valuing Southern experience and knowledge and challenging mutual biases. This one-

directional focus of solidarity can reduce conceptions of 'otherness' between people, and build solidarity at the citizen level across borders. However, in both cases there was some evidence to the contrary. One of the Southern members of the *Third Chamber* recounted a story about a personal email from a Dutch to a Southern member accusing her of being too critical of 'their' (the Dutch) proposals, exposing a feeling of 'us' and 'them' along the North-South divide.<sup>16</sup> Most of the Southern members interviewed expressed that they felt their contributions to debates were valued, although one Southern member perceived that it was often a case of 'what the Southern members say, goes.' Discussion was only encouraged 'up to a point, and only on certain issues'.<sup>17</sup>

A critical element of global citizenship is learning about international issues and their complexity. A critical reflection on current development policy can impact the type and quality of global citizen action, and contribute to improve the quality of development interventions as project design may better reflect this understanding. Actions within the context of the *Third Chamber* focus heavily on learning, debate, and reflection, which is a limited form of global citizen action. *Reverse Development Co-operation* projects involve a higher degree of activity but are often short-term in nature and do not always reflect a critical engagement with international issues.

Both cases encourage action that largely takes place in the Netherlands and is targeted towards a Dutch constituency. In the *Third Chamber*, people sometimes go on to carry out their projects at the international level, but most activity associated with their membership year occurs in the Netherlands. For the most part, RDC programmes take place in the Netherlands (as the goal is to build social cohesion) with an international component. However, one of the RDC programmes examined - *Words Over Weapons* - also included an international activity. Despite the difficulties of the 'reverse development' aspect between *Gun Free South Africa* and LSTZG, an important part of the programme was the virtual connection between participating students in South Africa and Holland. The direct exchanges between students and teachers in 2008 may also have added to this. Thus, RDC straddles the line between the one-sided altruistic approach of solidarity and the more mutual solidarity identified by Olesen (2005).

Global citizen action is not inherently change-oriented. It can reinforce the status quo, or even affect development cooperation negatively as in the recent case of *Zoe's Arch*, the French NGO who attempted to illegally remove children from Chad in the name of helping them according to the Geneva Convention.<sup>18</sup> In this analysis, *Linkis* allows for a high degree of global citizen action, yet ranks very low in change-potential, like *Reverse Development Co-operation*. This low change potential of *Linkis* can be explained by the largely traditional nature of its programmes, its failure to challenge dominant power relations particularly in the context of the flow of aid, and its lack of links to development policy. RDC also lacks links to official development policy, and has a very limited scope, but it does appear to more adequately offer alternatives to some of the dominant power relationships common in the development paradigm, particularly in NGO circles.

Both programmes do suggest alternatives to a particular aspect of the current development cooperation paradigm. *Linkis* offers an avenue for citizens to be involved in

a sphere usually delegated to experts and official agencies. However, only less than ten percent of all proposals received were considered to be 'exceptional' in that they propose something that is a combination of innovation and potential effectiveness.<sup>19</sup> The vast majority of projects proposed under *Linkis* do not offer much that is new to development practice. According to Hivos, many of the proposals they received so far reflected the development practice of 30 years ago. These 'brick and mortar' activities did not respond to the complexity of development processes that is nowadays even commonly understood by mainstream development organizations.

*Linkis* projects are still basically top-down. According to Hivos most proposals reflected an understanding that local people should be consulted. However, the projects are still conceived of and for the most part developed in the North and carried out in the South, reinforcing the vertical aid chain and the Northern expertise-Southern recipient dichotomy. This raises the question of who *Linkis* is really designed to serve: Dutch citizens with a desire to interact with the global, or the Southern poor?

*Reverse Development Co-operation* reverses the traditional North-South flow of knowledge and skills and helps to build solidarity and networks between practitioners in the Netherlands and developing countries. In one of the RDC cases examined, *Words Over Weapons*, this reversal has not really occurred. Rather, the program has evolved as a cooperation between separately designed projects in the respective countries. This can possibly be explained by the donor-driven nature of this particular RDC project; after all, the impetus for being 'reverse developed' came from an opportunity for new funding. Additionally, LSTZG voiced concerns over the evaluation and reporting habits of *Gun Free South Africa*, mirroring an oft-sited woe of Northern funding agencies for their Southern grantees.

Neither *Linkis* nor RDC have strong links to development policy, although they are both embedded within the official framework of the Dutch co-financing agencies and can potentially inform development practice. RDC has the support of upper management at Oxfam Novib and is in an experimental phase. If it proves successful, RDC possibly can begin to influence other areas of Oxfam Novib's work. In the context of *Linkis*, successful projects may be picked up and carried forward by one of the co-financing agencies. According to Hivos, several outstanding projects have been co-opted out of the *Linkis* department and inserted into the Hivos funding framework. Examples include a program creating informative brochures for coffee farmers about trends in Northern markets, and a small film festival combined with an arts magazine in Iran.

Of the three cases, the *Third Chamber* therefore has the highest change-potential, primarily because of its focus on broadening the scope of local citizen engagement. Members learn and debate about Dutch development policy and share their concerns with politicians. Through the process of formulating a development proposal and lobbying for support for it, members gain a deeper understanding of their own country's political process. This expansion of local citizenship practice is a broader political project that can potentially lead to a greater sense of empowerment and the creation of Edwards' constituencies for change. Like *Reverse Development Cooperation*, the *Third Chamber* encourages the inclusion of Southern perspectives, and challenges the idea that 'the Dutch know what is best for you.' Importantly, each member interviewed

said that one of the most important outcomes of joining the *Third Chamber* was the expansion of their personal networks – building new global as well as domestic Dutch citizen connections. However, the scope of these networks is still relatively marginal.<sup>20</sup>

The *Third Chamber* is of course limited by the fact that it has no real power. Members spend months researching and creating development proposals to present to the Dutch Parliament. But in the end, even the best and most relevant proposal may still be marginalised. Many members expressed frustration as they discovered that they had the right to be heard but not necessarily listened to by the Dutch Parliament. In this sense the *Third Chamber* could be seen as a largely symbolic practice. Helmich, however, points out that symbols can be very powerful.<sup>21</sup> He may be right in the sense that symbols can be key precursors to new perceptions, but without being accompanied by tangible shifts in political power and engagement, the danger is that symbols may remain just that.

All three cases presented here are innovations situated in established development institutions either directly connected to the Ministry of Foreign Affairs, (as in the case of the *Third Chamber*), or indirectly through the co-financing agencies. It seems almost counter-intuitive that projects seeking to alter the status quo would be embedded within the very institutions that stand the most to lose from fundamental changes to the development aid paradigm. Yet many of Easterly's (2006) so-called 'searcher-inspired' programmes are in fact projects that also germinated in official agencies.

There are certain benefits to being located within larger structures including access to funding, the benefit of a history of development experience (particularly in the case of *Linkis*), and an established programmatic structure that can streamline activity and reduce the collective action problem that can paralyze a grassroots project. However, being closely connected to conventional development organizations also has its drawbacks. Both the Ministry and the CFAs have vested interests in maintaining the broad framework of development co-operation similar to as it is now. If the changes in development aid advocated by Riddell (2007) come about, CFAs would be rendered close to obsolete as funding is directed from donor governments to an international aid pot for disbursement. Northern NGOs would have to dramatically reframe their activities, as Van Rooy (2000) recommended some years ago. They would become hubs for brokering and networking relationships between activists in the North and South, national and international institutions. Development aid as a political tool of official donors is likely to be reduced as well. This is not to say that political interests would not find influence in Riddell's vision of a collective aid pot, but it would create a vastly changed system.

According to Hickey and Mohan (2005), the mark of a project's transformative potential is its link to a broader, radical political project. This is likely because of the focus such movements have on issues of representation and power. Social movements are often the arenas where those excluded from decision-making systems seek to make their voices heard and exert influence on those systems. By linking to these types of social movements, these projects can widen their democratic legitimacy and ultimately be more effective as the agents of change they purportedly seek to be. This can also be understood as widening invited spaces to interact with created ones.



The cases in this study are channelling the emergent interest in global citizenship into particular outlets that are ultimately within mainstream structures. Connecting these innovative ideas with the elements of society that are expressing their citizenship outside of mainstream structures may not accomplish ends that are appropriate in the context of what large social institutions are often designed to do: facilitate social continuity. So how might these case studies challenge the mainstream aid paradigm and offer something new? In the case of *Linkis*, addressing the top-down flow of planning and resources could cause the greatest fundamental shift. If the primary intention of the program is to allow new ideas for tackling global problems to bubble up from citizens to development institutions, maybe there is a better way that puts the Southern recipients, rather than the Northern citizen, at the centre of the planning process. If the main intention is to provide an avenue for Dutch citizens to express their 'altruistic solidarity', maybe learning exchanges or organised visits by Dutch citizens to Southern-based projects are appropriate activities to support.

In the case of *Reverse Development Co-operation*, focusing on projects that are self-initiated in their desire to be 'reverse developed' can be important here. This may require additional funding towards marketing the RDC program in broad social spheres. The concept of reverse development could be fleshed it out even further than Oxfam Novib already has done in the context of RDC. What would development look like if it truly was reversed? RDC addresses the unbalanced flow of skills and expertise, but reversing the flow of accountability (from 'upwards' to 'downwards') would take this idea even a step further. If development in this sense were reversed, it would be Northern NGOs and donor governments who are accountable to Southern organizations, which are then held accountable by the poor they are supposed to reach. Mainstreaming expanded principles of reverse development into the larger structure of Oxfam Novib could offer profound innovations in the field of development cooperation.

By encouraging critical reflection on development issues and expanding the sphere of citizen participation, the *Third Chamber* offers a potentially powerful innovation. What would make it more effective would be to encourage a deeper reflection on the underlying forces that lead to exclusion, a critical examination of political and economic policy at the Dutch, the EU, and the global level that affect development processes. The project also would benefit from more media exposure, as it is still under covered in both the specialised and mass media. Altering the *Third Chamber* structure, so that members have the right to be listened to as well as heard can be instrumental in boosting the public profile of this potentially innovative space for debate and reflection.

### Conclusion

This article examined how Dutch citizens contribute to alternative practices of international development cooperation. It has focused specifically on projects that invite Dutch citizens to engage in global citizen action in innovative ways that are embedded within the official framework of Dutch development co-operation. It is evident that Northern citizens are more exposed and attracted to 'the global' than ever before, whether it is through the experience of travel, the media, or simply a growing aware-

ness of an interconnection that extends out from the local and the national to encompass aspects of the global. There is a potential for building a powerful 'constituency for change', with the risk that it emphasises a one-directional solidarity. The inevitable question emerges of why the monoliths of Dutch development cooperation (which likely have much to lose from fundamental changes in the aid system), are creating projects that are searching for alternatives and innovative new perspectives.

The critical view is that it is a way to release some of the pressure of the new global citizen awareness and demands for accountability and transformation, shifting it into a 'safe' direction that enables the continuity of the mainstream development agenda. With the exception of *Linkis*, the cases examined here were created as personal projects of the leaders of two influential Dutch development agencies. Apparently, these leaders also see, maybe better than anyone else, that the current development paradigm with its funding hierarchy, political control, and bias towards imminent interventions requires some fundamental shifts.

The three cases presented in this research all offer new and interesting ways to channel some of this energy for change. But there is the very real danger that these innovations will remain in the arena of the symbolic. In each of the three cases, the change-potential of each was ultimately limited by its embeddedness in mainstream institutions and lack of engagement with fundamental issues of power. Each case did not take their innovative ideas far enough so that fundamental structural change in the development paradigm could be realized. *Linkis* offers us the lesson that just increasing the participation of Northern citizens is not enough: challenging fundamental relationships of power and building a complex understanding of development process is critical. *Reverse Development Co-operation* portrays how challenging power relationships and bias must affect larger institutional levels in order to make any significant impact; this is more likely to happen when it is self-initiated than when it is donor-driven. The *Third Chamber* illustrates the limits to widening arenas of citizen participation but not allowing an avenue for that participation to lead to real power to impact official spheres such as the Dutch 'Second Chamber' of parliament.

Therefore, even though they seem to have been rather marginal in terms of aid effectiveness, the importance of these projects lies in their practical and innovative experience. These single projects offer tangible insights for creating alternatives to the current development practice that is often exclusionary. Social movements have traditionally occupied a role of progressive change makers (the environmental movement and the women's movement are two important examples). They tend to be initiated by more bottom-up processes, where the expansion of citizenship rights and participation is linked to a larger agenda of fundamental changes in power relationships. Importantly, they require us to move beyond a control-orientation and put faith in the collective process. When fundamental changes are sought, it is unlikely that mainstream-initiated and -controlled tweaks to the system can bring about the desired results. But they may indeed trigger new initiatives that can sustain themselves outside the secure walls of the aid system, especially if they are linked with the larger, bottom-up dynamics of social movements. If this linking is obstructed by contextual or intrinsic factors, it may be that leaving the initiatives (and the future of the aid system itself) entirely to Southerners is after all the best option.

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## Notes

- 1 The authors would like to thank the anonymous reviewers for their comments and suggestions, which have contributed to considerable improvements of the original paper.
- 2 The authors would like to thank the anonymous reviewers for their comments and suggestions, which have contributed to considerable improvements of the original paper.
- 3 In Dutch it was called 'Omgekeerde Ontwikkelingssamenwerking', ('Reversed Development Co-operation'); cf. Oxfam Novib (2007).
- 4 E-motive is a network of several Dutch organizations that work to build active citizenship in The Netherlands and improve social cohesion.

- 5 Email correspondence Karen Kammeraat, Programme Officer Oxfam -Novib, The Hague 30 October 2007.
- 6 Interview with Marita Pruyser, LSTZG programme intern for *Words Over Weapons*, Amsterdam, 15 October 2007.
- 7 Interview Khadija El Hamdaoui, Project Leader Third Chamber, Amsterdam, 4 September 2007.
- 8 Interviewees were chosen to mirror the diversity of the Third Chamber membership in terms of gender, age, knowledge of development cooperation, and Dutch or 'Southern' origin
- 9 These organizations are Cordaid, Impulsis (which includes ICCO), Oxfam Novib, Hivos, Plan Netherlands, and the NCDO.
- 10 Interview Lau Schulpen, Researcher CIDIN, Radboud University, Nijmegen, 7 September 2007.
- 11 Interview Wim Stoffers, Programme Officer Linkis, Oxfam Novib, The Hague, 23 August 2007.
- 12 Interview Marianne van der Pol (Programme Officer Linkis) and Marijke Haanraads (Head of Bureau External Relations), Hivos, The Hague, 8 November 2007.
- 13 Interview Wim Stoffers, Programme Officer Linkis, Oxfam Novib, 23 August 2007.
- 14 Interview Lau Schulpen, Researcher CIDIN, Radboud University, Nijmegen, 7 September 2007.
- 15 Interview Henny Helmich, Director NCDO, Amsterdam 8 November 2007.
- 16 Interview Tapiwa Uchizi Nyasulu (Malawi), Southern member of the Third Chamber, The Hague, 26 October 2007.
- 17 Interview Karen Villiers de Graaff (South Africa), Southern member of the Third Chamber, The Hague, 26 October 2007.
- 18 Although proponents of cosmopolitanism would assert that an important element of global citizenship involves a commitment to an ethics of social justice, equity, and interconnection across borders, there is the question of how those ethics are interpreted.
- 19 Interview Marianne van der Pol (Programme Officer Linkis) and Marijke Haanraads (Head of Bureau External Relations), Hivos, The Hague, 8 November 2007.
- 20 An indicator for this scope is the mailing list of the newsletter of the Third Chamber: after five years it counted around 4000 addresses. See also <http://www.dederdekamer.org/resultaten.php>
- 21 Interview Henny Helmich, Director NCDO, Amsterdam 8 November 2007.

# Assessing interventions and change among presumed beneficiaries of ‘development’: a toppled perspective on impact evaluation

Ton Dietz and Sjoerd Zanen<sup>1</sup>

## Introduction

Why do evaluations of development programmes in Africa produce so few new ideas on poverty alleviation and societal change? Why do evaluations of development initiatives in general so often give the impression of being rather limited and technocratic exercises? Why is there often much more information on the organizations which are implementing development activities than on the impact of these activities? Perhaps this is due to the way development interventions are being evaluated. In an editorial for the *Broker* (Bieckmann, 2008, p. 3) about the recent IOB evaluation of the Dutch Africa policy between 1998 and 2006, Frans Bieckmann had the following to say:

*‘A different kind of evaluation is needed, one that includes a much more integrated analysis of national and regional dynamics...Analytical tools for this have yet to be developed...The picture that emerges is of a doctor who treats the patient’s broken arm one year, a bad back the next, and later maybe a head injury. Never the whole body. Nor the environment in which the patient became ill. It is even less likely that the doctor entertains the possibility that he himself might have been the cause of the patient’s recurring physical problems...Maybe next time the ‘patients’ themselves should be allowed to judge their doctor’s treatment?’*

Most development-oriented evaluations are programme, project and organization specific. Programme or project evaluations focus on the degree to which the intervention’s outcomes have been achieved (*effectiveness*) or on the *efficiency* or *sustainability* of the intervention’s implementation. The starting point usually lies with the policies behind, and the objectives of, the interventions and with the intervening organization rather than with the poverty questions to which the interventions in a particular area relate or the way these are perceived by the target groups of the interventions. What is often lacking in evaluations is attention to an analysis of the poverty situation, including its underlying causes in that particular area, the perception of the population with regard to this poverty situation, and the degree to which the aid interventions were directed at the removal of these perceived causes of poverty. In other words, the *relevance* of

the interventions for the alleviation of poverty is hardly addressed during evaluations, with relevance being defined as the degree to which the interventions respond to a target group's needs or development priorities. The intervention's relevance is often taken for granted (if only for practical reasons, as quick evaluations are not suitable for a study of the context of poverty). A consequence of such an evaluation approach is that if evaluators see that programme or project outcomes are not being achieved, they tend to attribute this to weak implementation capabilities of the implementing organization, or to unruly circumstances or to the characteristics of target groups (which may easily result in *victim blaming*). Therefore, certain recommendations of evaluation studies are implicitly based on the assumption that reality in the field 'refuses' to adapt to policy. Policy itself, the poverty and societal analysis underlying policy (the 'policy theory'), the design of the programmes and projects, are usually kept out of harm's way. With the recent emphasis on sector-wide approaches, at the expense of 'integrated rural development', evaluations tend to become even more focused on top-down, single-issue approaches to development, driven by central-level ministries and supported by donors withdrawing from field-level 'hands-on' experiences.

In this contribution we will provide two examples of a different approach, which takes the poverty context as a point of departure, and focuses on people's own valuation and assessments of what has been happening in their lives and how that was perceived to be caused by interventions/development initiatives from outside. We will also provide a few illustrations of the type of findings, but the focus of the paper is on the approach, the evaluation methodology, with our aim being to inspire others to follow suit and to provoke more debate on these types of evaluation experiments. The perspective is bottom-up, based on discussions among presumed beneficiaries of development interventions and of their assessment of social change (broadly defined). The perspective is long-term, which means a few decades. The perspective is not on single sectors or types of interventions, but on all perceived interventions in a certain area, which is small enough to make the exercise sufficiently detailed. Participatory evaluations are nothing new. However, we believe that the approaches used here provide valuable insights that are a necessary addition to the participatory approaches, which either fail to be long-term and/or actually holistic. We therefore regard our approach as being a 'toppled perspective'.

### Two area-specific evaluations

We will give two examples of evaluations, which were performed, *grosso modo*, in the above-mentioned manner, although they differ considerably and were not influenced by each other's experiences. They took place between 2000 and 2002 in Kenya and Tanzania respectively. Both regions experienced the presence of large, relatively long-lasting, multi-sector Dutch-sponsored development programmes: the Arid- and Semi-Arid Lands Development Programmes (ASAL, 1981-1999) in Northwest Kenya and the District Development Programmes (1987-2002) in Tanzania. They formed part of one of the key components of Dutch development assistance to Africa during that period, the integrated rural development programmes (see Sterkenburg and Van der Wiel, 1999) which stopped rather suddenly after 2000 (see IOB, 2008; particularly

chapter 9 about rural development, pp. 257-292 – in Dutch). Both experiences will be described, and some comparison of merits and demerits will be added.

#### *Northwest Kenya*

The West Pokot District in Northwest Kenya was considered a typically vulnerable area during the last 20 years of the last century. People had to cope with occasional droughts, resulting in poor grazing, livestock losses, crop failure and hunger. Livestock diseases undermined livelihood security. Human disease epidemics resulted in deaths and high health costs. Raids by neighbouring pastoralists, and counter-raids, resulted in the loss of both human life and livestock, the destruction of property and restrictions in movement (affecting grazing negatively). Army activities resulted in human deaths, livestock confiscation and slaughter and a general feeling of insecurity. Poverty is now widespread, and this is expressed in terms of deteriorating livestock numbers per capita, and occasional famines due to livestock deaths, harvest failure and violence. Many Pokot also express feelings of despair as a result of the feeling that they could no longer live their lives as they want to.

A large number of agencies promoting 'development' (and Christianisation) have been active in the West Pokot area since about 1979. A lot of projects started as disaster aid, during and after a devastating crisis period in the area between 1979 and 1981. The Kenyan Provincial Administration governs the area, with 'divisions' headed by a District Officer responsible for the coordination of the actions of the various 'line ministries' in the area. However, these departments generally suffered from a lack of development funds and their civil servants (most of whom originate from elsewhere in the country) had to cope with small salaries and rapidly decreasing purchasing power, which negatively affected their performance. A lot of multilateral and non-governmental agencies operated in the area. These included the Red Cross, the World Food Programme, UNICEF, the Netherlands Development Organization SNV, two Dutch-sponsored Harambee Foundations (one focusing on health and one on water), Christian Children's Fund, World Vision, and more than ten churches of various dominations. The biggest development programme in the area was the ASAL Programme (the Arid and Semi-Arid Lands Programme) for West Pokot. This was a collaborative activity between the Kenyan state and the Dutch development agency; although almost all the funds came from the Netherlands. Most of its activities were related to agriculture, livestock/veterinary health, forestry, and environment, education, water, social services and public works/roads. It operated mostly through the District Development Committee (DDC), an amalgamation of civil servants (most of them not from the District) and church/NGO representatives, although it was not linked to the Local Council. Hence, most of the people involved in the DDC were non-elected non-Pokot (while the majority of the Local Council consisted of elected Pokot councillors who nevertheless had very limited powers). As a consequence, 'government' was regarded as a 'foreign body', and some Pokot even regarded the civil service as part of 'the enemy'. Pokot often balance mistrust ('they just want to exploit or humiliate us' and 'they are just there to fill their pockets') with high expectations ('after all those

years of neglect we deserve progress' and 'the government should at last give us a, b, c').

The University of Amsterdam originally played the role of 'backstopper' for the ASAL programme. In a later phase, after the closure of the ASAL programme in 2000, the University of Amsterdam and Moi University's School of Environmental Studies in Eldoret undertook a self-funded ex-post impact study (2001, 2002). One of their research activities involved the organisation of three participatory impact evaluation workshops, being an assessment of twenty years of 'change' and of the impact of development interventions. All the research performed was related to the core question of whether those interventions indeed diminish the vulnerability of the inhabitants according to their own judgements.<sup>2</sup> The workshops in question were part of a mixed methods approach designed to allow a judgement to be made of developments from multiple perspectives (it included questionnaires, document analysis, key person interviews and the analysis of newspapers). In this paper we focus on the experiences of the participatory evaluation workshops, as these can be regarded as the most innovative of the various research methods. The total result of the long-term study will be published in a book to be published in 2009.<sup>3</sup>

#### *Northern Tanzania*

Mbulu in northern Tanzania is a district with a high level of poverty due to low incomes and deficient social services. An estimated 40-50% of the population is poor in an absolute sense, i.e. earning less than a minimum to satisfy basic needs. There are periodic famines and the majority of people express poverty in terms of food shortages and deteriorating social relations. They relate increasing poverty to the government's neglect of agro-support services and the weak performance of the district administration. There seems to be a deadlock between government and citizens, and between leaders and ordinary people about the strategy for development and poverty reduction.

The biggest development programme in the area has been the Dutch-funded Mbulu District Rural Development Project (MDRDP), one of 14 district development programmes supported by the Dutch in Tanzania since the early 1980s. The programme's main interventions were in income generation (agricultural and livestock extension, protection of natural resources, credit, road rehabilitation), health, education, building capacity of the administration, community participation and land use planning. The Roman Catholic Church was also active in Mbulu, as well as a scattering of small evangelical groups. Compared to West Pokot in Kenya the 'development activities' of the churches were rather limited and there were hardly any non-faith-based NGOs active in the area.

The Policy and Operations Evaluation Department (IOB) of the Dutch Ministry of Foreign Affairs carried out an evaluation of changes taking place in northern Tanzania based on population viewpoints. The aim was to examine the extent to which interventions had addressed the basic causes of poverty as perceived by the local population. In addition, the study examined the extent to which the interventions were in line with the dynamics of change in these rural areas, and the priorities of the popula-



tion, with these being considered as an indication of the relevance and potential effectiveness of the aid programme in reducing poverty and improving the population's living conditions. The field study, which covered the districts of Mbulu and Songea, was coordinated by MDF (Sjoerd Zanen and Jacoline Plomp) and carried out by the University of Dar-es-Salam (Chachage et al)<sup>4</sup>. We focus here on the Mbulu experiences.

### Methodology

For the evaluations of the 'vulnerability' situation in West Pokot and the 'poverty' situation in Mbulu different methodologies were used (cf documents cited).

#### *West Pokot*

The most important research activity was the organisation of three participatory impact evaluation workshops, covering five of the seven administrative divisions in West Pokot District<sup>5</sup>. The researchers facilitated a local-level assessment of twenty years of 'change', of interventions, and of the impact of interventions. Two workshops took place in 2001 (those in Nasukuta and Kodich) and one in 2002 (the workshop in Kiwawa). Each workshop lasted three days and the participants at each of these workshops were between 30 and 50 local leaders, that is elected councillors, appointed chiefs and assistant chiefs, local church leaders, women group leaders and teachers. Some civil servants also participated. They were assisted by the West Pokot Research team, which had carried out a thorough document analysis before then and which had, in one way or another, already been part of twenty years of socio-economic, geographical and cultural research in the area.

The workshop programme consisted of the following activities. People were asked (and assisted) to write personal life histories, with special attention for what is locally regarded as the major disaster period (1979-81). There was a joint reconstruction of the history since 1979, focusing on the 'problem years', and also a joint reconstruction of all development projects in the area, by all relevant agencies, and in all 'sectors'. This was followed by a major discussion of poverty and the changes in 'capabilities' between 1980 and 2002, differentiating between natural, physical, human, economic, cultural, and socio-political capabilities, on the basis of an amended version of Bebbington (1999). All this culminated in an assessment of the impact of each of the projects and activities on each of the six groups of 'capabilities', and on their importance for poverty alleviation. In addition, the participants of sub-areas were asked to grade all projects per area and to select the ten 'best' and the ten 'worst' projects. In the workshop in the third research area this was done per subgroup of men and women. Finally, there was a concluding discussion of the development prospects of the area and this frequently turned into a debate on the virtues and vices of 'donor-supported development initiatives'.

In the analysis of this wealth of data, all the development interventions were listed according to four major types of actors/donors: (1) the 'government', (2) the 'ASAL programme', (3) churches and their development agencies, and finally (4) non-church

NGOs. Although central and local government agencies were present with a variety of civil servants 'on the ground' for 'normal government duties', they were listed only if the workshop participants regarded these activities as 'development initiatives'. Often, those government development activities had been funded by a foreign donor agency (e.g. SIDA, or the World Bank). The ASAL programme was treated as a separate agency (even if it was formally part of 'the government') because of its sheer size, and people's perception of 'ASAL' as more of an NGO than a government body.

### *Mbulu*

A number of studies were undertaken as part of the evaluation and these included a thorough historical socio-economic study and a study of all project documents and policy files. A field study by a team of Tanzanian researchers was carried out in four carefully selected villages in Mbulu and together they generated a balanced overview of the various ecological and socio-economic circumstances in the research area. The team conducted structured and unstructured interviews in these selected villages, with separate interviews for men and women and for farmers and 'officials'. The team also organised focus group discussions with different population categories. Finally, the team interviewed key informants in the district centre such as politicians, businessmen, officials of government agencies, staff of the MDRDP and representatives of churches and some NGOs. Moreover, to record the perceptions of the various groups among the local population regarding their own situation, video recordings were made. Approximately 200 people were interviewed as individuals, as representatives of organisations or as a group in eleven villages in Mbulu District. The video team conducted structured and unstructured interviews, and people were also asked to respond to video recordings. The video team also organised group discussions with various population categories. This methodology implied that perceptions were obtained through both video recordings/analysis and a field study applying various types of interviews. Subsequently, the perceptions of all stakeholders were compared with other sources of information, such as statistics, and policy, progress and evaluation reports.

Answers were sought to three specific questions. Which processes can be identified in the rural areas that influenced changes in the living conditions and degree of poverty of different segments of the population (a joint analysis concerning the last two generations)? What were the main characteristics of government policy in Tanzania with regard to poverty reduction and to what extent was this policy in line with the processes of change in rural areas and the people's perceptions of poverty (a mixed analysis of documents and stakeholder interviews in Mbulu)? Moreover, how has Dutch development co-operation helped to reduce poverty, and how can the activities in question be evaluated in relation to the poverty situation and the perception of the population (a multi-method sharing of opinions by both individual as well as group interrogation)?

## Outcomes of the evaluations

### *West Pokot*<sup>6</sup>

The year 1979 was taken as an obvious starting point: it was the beginning of a period of disasters, which seriously undermined the economic independence of the mainly pastoral Pokot in the research area. Before 1979 the area was a remote backwater of Kenya, for a long time even a 'closed district', and partly administered by Uganda, which utterly neglected it. 1979 was also widely regarded as a turning point because suddenly a lot of outside agencies came to the area, mostly to provide disaster mitigation support.

During the workshops a detailed chronology of events between 1979 and 2002 was drawn up. The events recorded included cattle raids, epidemic human and cattle diseases, the activities of various government, church and NGO agencies, military action, political events, famine, food relief, droughts and floods, death of a leader, etc. Next, the perceptions of positive and negative changes in the living conditions in the area during the last twenty years were recorded. The answers were arranged according to six so-called capability domains (natural, physical, economic/financial, human, cultural and social/political). Positive as well as negative perceptions were noted for each of these domains. For instance, the example of the findings in two 'domains' in the Kiwawa workshop shows the tensions of change as perceived by the Pokot respondents in this area. In the economic/financial domain the perceived positive changes were formulated as being:

*'More businesses. Some income through the sale of miraa and the mining of gold and ruby. Interaction with other communities outside the area. More organisations and donors have come to assist the people. Money is now accepted. People feel superior when they have it. It improves one's living standard, and it can raise one's status. More (exchanges of) commodities improved the development of the area'.*

While the negative assessment was:

*Low employment and lack of job opportunities. Poor production of both livestock and crops. Inflation of prices of commodities. No credit facilities for businessmen and women available. Money can easily be stolen. Money creates poverty and envy. Civil servants who are employed far from home can easily divorce. Spread of diseases and use of drugs by youth. Loans may lead to stress.*

In the social and political domain people had a positive assessment of the following aspects:

*This community counts on the multi-party system for positive changes. More Pokot became national leaders. More local people are now in local leadership positions. More organisations are active in the area (women groups, youth groups).*

But the downside of this was thought to be:

*Little has been done by the elected leaders and the government. The community feels neglected by their elected leaders because of their greed and corruption. The government has also been corrupt. The elected leaders live far away from the people. Nepotism and tribalism are prevalent.*

The picture above reveals a strong ambiguity in perceptions. On the one hand the participants talk the 'language of development', in which some changes are perceived to be 'the fruits of modernity', like a monetary economy, more democracy and more civil society freedom. However, the perceived positive change remains *wishful thinking* to some extent, while the economic and social consequences of modernity appear quite negative as well: money, but little wage labour opportunities, rising prices, stress and lack of credit facilities; democracy, but greed, corruption, nepotism and tribalism ....

During the workshop, people discussed the roles of the various external agencies, which were contributing to change. It became clear that a lot of participants had a grudge against 'the Government'. This was mainly due to military operations when the Pokot were disarmed by force (1984-86). The government was also negatively associated with the way a hydro-electricity project was being realised without compensation for those who had lost land. People were much more positive about the many non-governmental and church agencies which are all involved in 'development projects'.

The various judgements by the workshop participants concern a total of 839 different 'projects' in these five administrative divisions (and in ten geographical research areas) during the last twenty years. These have been identified by the participants, and arranged per type of donor. Church organisations have been responsible for most projects (338.5), followed by the ASAL programme (198.5), the government (161) and non-church NGOs (141). Table 1 gives the people's summarised assessment of all these different projects.

*Table 1 Categories of project assessment in West Pokot*

Category of assessment	% of all projects
1 project never really started, or project was negligible	13
2 project existed, but had no lasting impact, 'nothing to be seen on the ground'	11
3 project is still on-going, no impact to be assessed yet	33
4 project was finished and had an impact perceived as positive	39
5 project was finished and had an impact perceived as negative	4

Where measured separately, men judged differently to women, and there were also differences of opinion in the ten areas represented during the workshops. The outcomes can be summarized as follows.

Projects by 'the government' had a higher score than average as regards 'negligible', a lower than average score as regards 'positive impact', and a remarkably high score as regards 'negative impact'. Projects, which were part of the ASAL programme, had a relatively high score as regards 'positive impact', but also a relatively high score as re-

gards 'unsustainable impact'. Projects, which had been implemented by the many *churches* present in the area, had a relatively high score as regards positive impact. Non-church NGOs had a remarkably high score as regards 'negligible projects', but a remarkably low score as regards 'negative impact'. These results are shown in Table 2, excluding the on-going projects, for which 'impact' could not yet be established.

Table 2: Assessment per type of donor

Category of assessment	Government	ASAL	Churches	Non-church NGOs
1 negligible	+	-	~	+
2 no lasting impact	-	+	-	~
4 positive impact	-	+	+	~
5 negative impact	++	~	~	--

++: more than twice the average; + more than average; ~ average (+/- 1); - less than average; -- more than half the average

The impact of all projects combined was considered highest as regards the 'human capability' (people's skills, knowledge level, health). The perceived impact was less on changes in the natural capability (pastures, agriculture, water supply), and on cultural capabilities (religion, tradition, moral questions). All four kinds of donors were active in all domains, and they had a perceived impact on all capabilities, although there were a number of interesting differences, including between the more remote and the more central areas. A summary of these results can be found in table 3.

Table 3 Impact on capability domains: most pronounced differences between donor agencies

Domain	Most remote area (Kiwawa)		Least remote area (Nasukuta)	
	%		%	
Natural	8	ASAL: +; NGOs: -	15	Gov: -
Physical	22	Gov: -; ASAL: +	18	NGOs: +
Human	28	ASAL: -; Churches: +; NGOs: -	21	Gov: -; NGOs: +
Economic	19	Gov: +; ASAL: -; Churches: -	18	Churches: -
Cultural	9	ASAL: -;	12	Gov: +; ASAL -; Churches: +; NGOs: -
Social-political	15	ASAL: -; NGOs: +	16	All donors: average!

+: > 1% more than average for the area; - > 1% less than average for the area

Workshop members were asked to choose ten projects, which they regarded as the best for their area (with the greatest positive impact), and ten projects, which they regarded as the worst for their area (with the greatest negative impact, or the largest difference between expectations and outcome). In total, the workshop participants for ten areas selected 93 'best' projects and 94 'worst' projects. The 'best' and 'worst' scores are presented in table 4.

*Table 4; 'Best' and 'worst' projects for 4 types of donors in West Pokot, Kenya*

	Best	Worst	Best	Worst
	no.	no.	%	%
Government (n = 161)	11	40	7	25
ASAL (n = 198.5)	20	24	10	12
Churches (n = 338.5)	44	14	13	4
NGOs (n = 141)	18	16	13	11
TOTAL (n = 839)	93	94	11	11

A broad picture emerges of the way the population favoured 'development' interventions from outside. This picture also sheds light on the factors influencing 'commitment', 'ownership' and 'empowerment' by those for whom the interventions are meant, which are concepts, which have figured so prominently in the ideologies of development cooperation. In the Pokot area in general churches are considered to be the best 'development agency' and the government the worst. 'Impact', in the perception of the participants, not only means reaching the targeted results of a project or programme, but also the way the activities were initiated and implemented (the process). Bottom-up managed projects, with a long-term commitment, were valued most positively. The same applies for projects treating the population 'with respect'. Building and maintaining mutual trust and long-term commitment were considered the most valuable quality of aid-providing agencies. In the area under consideration, peace building and providing basic security against violence, including the violence of government agencies, also became important issues. With long-term commitment and trust so central to positive judgements, one wonders about the wisdom of (some) donors to have limited field presences and then only for restricted periods (with or without an 'exit strategy'). Donors that are on the point of leaving are regarded as 'bad', and this clarifies a great deal about the not so positive ex-post attitude towards the ASAL programme. One of the lessons learned is that, in the initial phases of development programmes, considerable energy should be spent on understanding people's behaviour and its cultural roots rather than on concentrating on the functioning of the government machinery. Consequently, one of the major challenges in development cooperation and in development research is to reconcile the 'development focus' and the 'culture focus'. People's ideas about 'vulnerability', 'security', and even 'survival' are not only related to basics like food, shelter and protection from violence, but also to issues of identity. The perception of poverty is rooted in culture as well. In a society in which 'pastoralism' is perceived as the preferred way of life (even if only a small minority of the people can still afford to live that way) any project interventions that support the rebuilding of herds and flocks, and that improve animal health, access to water, and (improved) pasture, tend to be seen as 'good'. However, if donors do not live up to 'promises' in these areas, people are quick to judge these interventions as 'useless', 'negligible', or 'unsustainable'. However, people have also realised that they need additional support mechanisms for survival as a community, and many initiatives to improve their health, education and skills levels have been highly appreciated. However, they also realise that education without the prospects of (local) employment

is a major threat to social cohesion. A large group of educated poor people is already present in the district and they form a basis for a lot of social (and political and cultural) instability. It is a ticking time bomb, which is neglected by most of the development agents. Findings indicate that parents become reluctant (again) to send their children to school. And people generally deplore the withdrawal of 'government' from supporting the productive sector during the 1990s.

### *Mbulu*

In Mbulu an analysis in historical perspective was made of the deteriorating livelihood situation. Most parts of the district are facing increasing land pressure with farmers and pastoralists competing for land, coupled with landlessness and the out-migration of young people occur in a number of areas. Yields are stagnating or declining as a result of soil erosion and environmental degradation. Traditional livestock systems are under threat and a shortage of pastureland, increased livestock diseases, frequent droughts and inadequate veterinary services are all debilitating factors. Social developments were favourable in the 1970s, but there was a decline in the 1980s and there have been no recent signs of improvement. The enrolment rate for primary education dropped and school infrastructure and the quality of education became increasingly inadequate. Healthcare services are unevenly spread over the district and the quality of these services is poor. Safe and clean water is accessible to only 43% of the population. Because of deteriorating economic possibilities there is a social crisis among the young, with widespread theft and alcoholism. The youth tend to reject farming and migrate to towns where they find few viable alternative income opportunities.

In the people's perception, poverty is linked to the degree of harmony in the social relationships in the society. The Hadzabe (hunters and gatherers) attach no meaning to material possessions and they regard the greed of the outside world as a threat to their potential wealth (game) and way of life. For the Barabaig a poor person does not have any cattle and therefore cannot socially reproduce himself. That makes the person insignificant in social terms (very comparable to the situation among the Kenyan Pokot). Among the Iraqw, poverty refers to a lack of food but it also has a social dimension, and deteriorating relations (within the family, between neighbours, in the community), associated with stagnating food production, are perceived as poverty. Irrespective of ethnicity, people's perceptions of poverty differ from those of the government staff and district leaders. The latter perceive poverty in economic terms, in the lack of agricultural output, food shortages and low food security, and low cash incomes. According to all these poverty-related indicators, poverty is on the increase. This is in line with a more formal analysis.

A lot of villagers attribute increasing poverty to the fact that government seems to have relinquished its supervision over agricultural and livestock sectors, particularly agricultural extension and veterinary services. Farmers and herdsmen alike state that crop and cattle diseases have increased of late, that the market situation is deteriorating, and that the private sector has failed to assume the government's former role. Local people are sceptical about local governance. They note a lack of transparency in development planning and the flow of financial resources caused by the hierarchical

top-down process. Young people complain about the corruption of leaders, about the functioning of courts of law, which they consider unpredictable and outside their influence and about the lack of communication between leaders and ordinary citizens.

'Development interventions' have been taking place in Mbulu since early colonial times. They form part of people's collective memory. The biggest and best-remembered interventions concerned the tsetse eradication programmes in the 1930s and 1940s, the cattle de-stocking programme just after World War II and the 'villagisation' campaign of the mid 1970s. The introduction of churches and primary education during colonial times also had a major impact on society. Lawi (in Chachage et al 2001) concluded that the common characteristic of all these interventions was that they were undertaken under pressure from a foreign or local urban elite and that the ideas on which the interventions were based often did not match the realities. From the 1970s and 1980s onward, a new wave of donor-steered village projects washed over Mbulu (RIDEPs). Although traces of agro-forestry are still visible on the eastern hills, in most cases there is no longer any tangible lasting impact from projects like fisheries, hydropower, vegetable gardens and grain-mills. Once again, the intervention agencies had no properly funded ideas on how the population could be 'developed', and the latter were more or less forced to 'participate'. Although some profited, it still did nothing to solve the issue of poverty. When the Dutch-funded MDRDP arrived (the Mbulu District Rural Development Programme), a Danish project vanished without trace and the Catholic Church relocated their social projects to dioceses farther away, with the exception of pastoral help and emergency aid in times of hunger. A number of Protestant churches have recently made their presence felt in Mbulu district, but their activities remain very small-scale. The only substantial projects were the hospital and health services initiated the Lutheran church concentrated in the southern part of the district, while the MDRDP mainly covered more northerly areas. The hospital in Haydom is the best-known and most appreciated development intervention.

The Dutch funded MDRDP dominated the development interventions in the Mbulu district in the 1980s and 1990s. It operated through the District Council. The study mentioned that the programme caused fragmentation because of the increase in activities. Improvements have been made in terms of better soil and water conservation, more effective land management, higher yields, and better varieties and dairy farming. Employment and incomes do not seem to have improved during the 10-15 years studied, nor has food security. Coverage and outreach have remained small and there have been no major breakthroughs in technology or production methods. Crucial functions of a withdrawing state (in the context of structural adjustment policies), were not replaced by a well-functioning market. The MDRDP has hardly done anything to address the decline in public services. In the area of institutional changes there are no clear indications that local government has been strengthened as a result of the MDRDP, although it was (until recently) the major justification for the programme. A self-assessment in 2000 (just before the IOB evaluation) was even slightly negative and referred to the downward accountability of councillors as being questionable, as well as to the limited participation in planning and the fact that most departments did not meet their capacity building targets. The raising of local taxes



(based on the matching principle of Dutch aid in these programmes, which meant that the volume of aid had to match Council investments) has resulted in increased poverty for certain segments of the population.

The stakeholders involved in the programme have different perceptions of the role and impact of the MDRDP. A distinction can be made between the views and opinions of civil service employees (Heads of Departments), elected Councillors, village leaders and villagers. The differences of opinion serve to clarify what is going on in the donor-sponsored development efforts in the district. *Government personnel* and particularly senior district staff share donor views and feel that the lack of financial means and expertise in the district necessitates development aid. They support the need for 'development engineering' through formal planning and expert intervention. They are generally positive about project interventions and attribute shortcomings mainly to delays in the release of donor funds and to conservative views of the farmers. In order to demonstrate the programme's success they refer to the scale or increase of activities undertaken. *Village leaders* tend to agree with district staff but are worried about the consistency and equity of the distribution of activities (they prefer an even distribution of the spread of inputs as their credibility among their supporters depends on this). They operate as brokers between the village and the outside world and are often elected because of their knowledge of government and donors. Their complaints relate to promises that were not kept, agreements that were not fulfilled, and delays caused by government and donors alike. *Councillors* (elected members of the District Council) also lobby to gain as much aid as possible for their constituents. They prefer tangible and visual results like schools, bridges, wells, clinics, and complain that too much money is spent on meetings, seminars and training courses. They express concern about unilateral actions by the donor, namely the extremely strict (unilateral) requirements laid down for planning and programming. They also mention shortcomings on the part of the Council (lack of formal education and experience and dedication of staff, and of number of staff). The *rural population*, the category, which the MDRDP is intended to reach, seems to have quite different expectations of development programmes than the district authorities. Mostly they do not distinguish between donor and government interventions (since aid is channelled through district departments) but, if they do, they see government personnel as an obstacle to an appropriate flow of development resources to the population. They complain about the mishandling of food aid in times of drought and famine (by the Catholic Church and the Council), and of the embezzlement of funds and materials, as well as corruption in general. The opinion of the population can be illustrated by the following quote: *If intervention comes from the top, it never reaches the target group. The group waits but the thing vanishes. We get Clouds but no Rain!* The lack of transparency creates suspicion and distrust of government staff, and the suggestion is: *if the donors want to help us, they should give it directly to the village – as such everybody knows how much money is concerned ... we must shorten communication lines.* In general, they feel that they do not benefit from the activities for which the *development levy* is intended, nor do the interventions result in any production or income increase. To them, the result of the taxation is government exploitation.

From these perceptions a picture emerges about the typical donor-inspired aid architecture whereby funds are channelled through district procedures, and decisions are taken by the higher organisational echelons in spite of principles of 'participation', 'ownership' etc. which were meant to be at the heart of the programme strategy. Parties at each level have their own interests and constraints, and aim to maximise the benefits from that seemingly boundless basket of anonymous donor funds.

### Conclusions based on the evaluations

Although the areas under investigation (West Pokot and Mbulu) are different, and although the intervention agencies differed considerably (even the 'rules of the game' differed considerably between Dutch assistance to the district programmes in Kenya and Tanzania), a few general conclusions may be drawn from their comparison. The evaluation methodology has in both cases resulted in both expected and unexpected conclusions. One conclusion that was similar for both evaluations concerned the disapproval by the potential target groups of the poverty alleviation approach of their own governments. In West Pokot an avalanche of church-based and non-church based NGOs became responsible for a lot of additional development initiatives, quite separate from government and even from the Dutch-sponsored ASAL programme initiatives. The local population judged these initiatives generally in more positive terms. This was particularly the case for churches with a long-term presence in the area. In Mbulu the Dutch-sponsored MDRDP had a much more monopolistic position, and here the church development activities were fewer, and tended to steer clear of government/MDRDP 'strongholds'. It appears that the appreciation of interventions by local stakeholders is often not in the first place based on these interventions reaching their purpose (*effectiveness*) or on their cost-effect relationship (*efficiency*) but on the way the intervention ('the project') was started and executed (*its process*). This emphasis on the style of intervention also includes the measure of 'respect' paid to the target groups, the measure of flexibility in dealing with changing circumstances, the long-term commitment of the intervention agencies, and the susceptibility for local inputs in the decision-making process. In spite of a rather good stakeholder appreciation of the big Dutch-funded programmes, in case the latter adopted the desired style, and in spite of the recognition of their efforts, these programmes have not been able to achieve their goal of alleviating poverty. No appreciable changes have occurred in the economic lives of the majority of the population, although other 'capitals' and 'capabilities' have often improved considerably. The income-oriented and employment-oriented interventions have either been too limited in scope, or too short, or too superficial to have any lasting impact. Often, they have remained restricted to fighting symptoms and have not really focused on the processes, which really caused poverty. Investments in services (water, health, education, women group formation) did have major impacts on mainly human and social-political capabilities of the population (the 'social side of poverty'), but in such one-sided ways that major problems were created for the future. In remote areas like the ones studied in this article, the policy theory behind withdrawing from the productive sector, and leaving that to the private sector, is flawed.

Programme policies hardly ever resulted from any long-term strategy on poverty alleviation, or from a thorough monitoring and evaluation or learning process, or from repeated problem-analysis exercises. It appears that little concern has been shown for understanding poverty (and for understanding it in its cultural context) and its causes and for basing policies and strategies on this knowledge. The appreciated 'bottom-up' principles in the programme approaches were often overruled by policy decisions at higher levels. In West Pokot the programme had to put more emphasis on 'environment' and less on 'productive activities' as a result of donor mores. In Mbulu the programme changed from a focus on the productive sector and increasing the incomes of the population, to a focus on the improvement of the service sector, and finally to a focus on local governance. The changing orientations (each with their proper sectors, priorities, criteria and conditions) were imposed on the programme in a top-down way. Increasingly the programme was supply-driven, inspired by donor ideology. The major donor assumption in the 1990s was that in a liberalized economy the private sector would automatically take over the role of the government on the market. In remote districts in East Africa this (killer) assumption has appeared to be *wishful thinking*. For the reasons mentioned above, the programmes have appeared significantly irrelevant when it comes to solving the poverty in the areas concerned, and its one-sided attention for 'services'. A lack of attention for employment and income generation creates a ticking time bomb in the form of young people who are disillusioned, educated and poor. Moreover, by continually making new demands on economy and governance, the safety valves inherent in the old systems (preferential prices, social securities, checks and balances in the local village administration) were negatively affected, and these are presently replaced by foreign regulations ('codes of conduct', 'contracts', 'tender procedures') in the name of good governance. These regulations have been instituted to enforce integrity. However, neither integrity nor transparency can be guaranteed with these new regulations, and both the local population and donors became increasingly irritated by 'corruption'.

### Reflection

Previous evaluations often focused on the programmes from within these programmes, and on the organizations carrying out 'development activities': their own *reality*, their own *language*, their own *logic*. It was then often concluded that targets and purpose had not been reached. Recommendations were formulated to improve the implementation of the programmes, and to strengthen the organizational capabilities.

Toppling the evaluation perspective, and making both the poverty question and the stakeholder impact assessment of all interventions the points of departure (the stakeholders' *reality*, *language* and *logic*) revealed fundamental problems in the set-up and in the approach to poverty alleviation in 'vulnerable' areas in East Africa. The basic problems in poverty alleviation seem to concern the role of the government, its strategy and procedures – and also the role of donors, or the effect of donor-steered aid. The problematic situation resembles the imposed 'reforms' by bureau-technocrats of the European Union, reforms that are not rooted in the societies of the Union's countries. In several European countries this has caused a lot of people to turn their

backs on the Union, in spite of the fact that all is done with the best of intentions and in the name of benefiting that same public. The benefactors, however, reason from within their own *reality*, *language*, and *logic*, and have been accused of being 'out of touch with reality', or 'alienated from the citizens'.

It so happens that, given the introduction of more centralised forms of development cooperation (Sector Wide Approach, Budget support, Basket funding, etc.), the assumption is that the government that benefits from this kind of aid is capable of dispensing this aid from central to 'decentralised' levels according to broad sector policies or even broader Poverty Reduction Strategy Papers (accompanied by elaborate procedures). Another assumption is that the population has been heard and agrees with these programmes (cf 'The Voices of the Poor'), acknowledges their importance, and will therefore 'participate' in them.

The experience with previous programmes in marginal, poor, vulnerable rural areas, like the ones which have been discussed in this article, makes us fear that the donors are drawing on governments even more than before to impose programmes of alien origin on the population, without being able to graft these onto the living environments (the *reality*, the *language* and the *logic*) of the poor population. For the donors, the assumption of dealing with 'good governance' countries (and plenty of funds being available to 'train' lower levels of administration) appears to be a sufficient guarantee for a good programme implementation at those lower levels. The question, however, is who will be accountable and who will be blamed this time when it turns out that the emperors created by the donors (again) have 'new clothes'?

Finally we reflect on the differences and similarities between the Pokot and the Mbulu approaches. Both tried to 'make the people talk', about their perceptions of change (and their assessment of poverty in their area), and about their interpretations of development interventions (and 'development' in different domains of their lives). In Mbulu focus groups were the most important source of assessment, in selected villages, combined with more 'distant' research techniques (e.g. structured interviews), and there was a greater emphasis on key people's opinions and document analysis. In Pokot the three workshops (with their mixed methods) provided most of the information, with this still being integrated in the first two workshops with the opinions of non-local civil servants while, in the last workshops, an attempt was made to be 'as local as possible'. The analysis of other sources of information (e.g. newspaper analysis, and structured interviews) is not included in this paper. An obvious and enduring problem in both Pokot and Mbulu is how to integrate the opinions of the really poor people. In Pokot-style workshops and in Mbulu-style focus groups, discussions tend to be dominated by relatively better-off participants, with more exposure to education and to 'officials'. The sheer number of participants, and explicit attempts to get balanced views, means an excessive 'local elite' bias is avoided.

Compared to the research activities in Mbulu, the workshop method in Pokot is probably more able to tap into the collective memory of all the participants to detect detailed information on more than two decades of change in the area as a whole. Of course, the combination of different types of people helps. There are young and old, men and women, different professions, different education experiences, different religion and – given the high quality 'detective sessions'- it is surprising how much can be

uncovered in a relatively brief period of time. In Pokot, the study covered the whole area and not just a small selection of villages as in Mbulu. Time was taken to fill in the 'puzzle of recent history' (and create an atmosphere of being 'detectives of change and interventions'). However, people had different views on the 'development interventions' applied to the different groups and some groups did not include the 'normal government duties' ('civil servants just being there, without projects, are useless'). A major problem in impact evaluations, the attribution problem, was tackled in a participatory way, by connecting each and every project with the assessment-of-change activity carried out previously and by creating a consistency test by asking for the ten best and the ten worst projects at the end of the exercise. In Mbulu, it was more difficult to solve this attribution problem, although here the combination of a variety of methods created more possibilities for triangulation.

The different backgrounds of the two approaches are important for explaining what could and what could not be done. The research by the University of Amsterdam in West Pokot was undertaken in complete freedom as the study was financed using the university's own funds. The IOB study in Tanzania was, however, financed by the donor of the evaluated programme, after considerable negotiations about the terms of reference. The IOB considers itself 'independent' from the rest of the Ministry, but it was not happy with some of the findings and has omitted all critical remarks about the donor from the final report<sup>7</sup>. This indicates that learning from local stakeholder assessments is not high on the donor agenda. It is interesting to see that, at present, development NGOs are, in particular, trying to develop alternatives to top-down donor-driven approaches to evaluation, although on the sideline of enforced *monitoring and evaluation protocols*, which – in the Netherlands – now go together with the new government-assisted co-financing programmes of Dutch NGOs working in Africa, Asia and the Americas. It is also interesting to see that there is more room for experimentation, and more south-north and university-NGO collaboration with a view to taking 'participatory evaluation' seriously. An example in the Netherlands is the recently started 'tracking local development' initiative of ICCO, Woord en Daad and Prisma, together with the University of Amsterdam, and universities and NGOs in Ghana and Burkina Faso. At a higher level of scale, experiences gained by Oxfam-NOVIB are also interesting (e.g., see Wilson-Grau & Nuñez, 2007). Of course, at international level, Robert Chambers (e.g., 1994) still inspires many colleagues to apply creative solutions to a continuing challenge in development studies (e.g., Brisolara 1998, and other contributions to the journal 'New Directions for Evaluation') and in studies of societal change in general, including in 'developed' contexts (e.g., Hayward et al. 2000).

We conclude by summarising some methodological recommendations, which are common to many of these studies, even if they apply them in different ways. A basic element is researchers and their target groups should jointly define poverty, since poverty is no uniform concept. Researchers and target groups should also agree on the main factors, which have caused or are causing the poverty in the research area. Since no single programme or project addresses all the factors that cause poverty, and therefore cannot alone be held accountable for changes in the poverty situation of the population, *all* the interventions in a particular area are to be included in the study, which ought, preferably, to cover at least ten, if not twenty or more years. The history

or the process of the interventions has to be studied as well, in relation to events which occurred during their implementation and which determined the *context* of the interventions. Finally, representatives of target groups should get an important voice in reconstructing 'what happened to them', and 'who was involved, with what type of intervention'. They should also be empowered to judge these interventions, using their own assessment criteria. Only an approach like this will enable researchers and target groups to at least try to address the same *reality*, try to speak the same *language*, and try to reason within the same unity of *logic*, or formulated differently: the evaluation activity will then become a process of open and transparent negotiation about values of judgement, and about impacts of activities and their relevance.

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### Notes

- 1 Ton Dietz (University of Amsterdam, AMIDSt; Dept. of Geography, Planning and International Development Studies) and Sjoerd Zanen (MDF Training and Consultancy, Ede, the Netherlands). Acknowledgements: this paper was conceived, following the seminar entitled 'Monitoring and Evaluation in the chain – creating new dialogues', organised in Ede on 14 December 2006 by MDF/Sjoerd Zanen. During this seminar Ton Dietz delivered the keynote speech, which was titled 'Embracing participative evaluation'.
- 2 Cf Dietz (1987), Dietz & de Leeuw (1999), Andiema, Dietz & Kotomei (2002, 2003).
- 3 Dietz et al. (forthcoming).
- 4 Cf Chachage, Koda, Lawi and Mihanjo (2001); IOB no. 296 (2004).
- 5 Recently the District has been split in North Pokot, West Pokot and Central Pokot. The workshops covered the whole of current North Pokot, and the dryland parts of current West Pokot District.
- 6 Basic data in Andiema et al, 2002. For Kiwawa a first analysis (with many more details than included in this paper) has been presented in Andiema et al., 2003. A further analysis of the results of all three workshops and other research activities will be presented in a book about twenty years of development interventions in West Pokot (Dietz et al, forthcoming).
- 7 All data in this text are taken from the official IOB publication (2004).





# Mission Impossible: UNAMID and the chances of it making a successful contribution to durable peace

*Jaïr van der Lijn*<sup>1</sup>

On 1 January, 2008 the African Union/United Nations Hybrid Operation in Darfur (UNAMID) replaced the African Union Mission in Sudan (AMIS). It is hoped that UNAMID will be better able to manage the conflict and as such to start reconstruction and development in Darfur. This article aims to assess the chances of UNAMID making a successful contribution to durable peace in the region. It begins by reviewing the most important developments in the Darfur conflict up until now and then examines the extent to which UNAMID fulfils the most important factors that determine the success and failure of peacekeeping operations in contributing to durable peace.<sup>2</sup> Its findings are unfortunately not very optimistic.

## **The major developments in the Darfur conflict**

### *The original conflict parties*

At present the conflict in Darfur is possibly one of the most complex in the world, involving a wide range of players. The largest party is the Government of Sudan (GoS). The Sudanese Armed Forces (SAF) are backed up by the Popular Defence Forces (PDF), a paramilitary force which is intended to support the SAF and other security organs when necessary. The Janjaweed, in turn, originate from the PDF and consist of tribal militias that are largely recruited from Baggara nomadic groups. They fight rebel organizations which are continually splitting and forming new splinter groups. The Sudan Liberation Movement (SLM) was formed in 2003 and is supported by its military wing, the Sudan Liberation Army (SLA). The aim of the SLM was originally a united and democratic Sudan with a separation of religion and the state. The Justice and Equality Movement (JEM) has no clear position on the separation of religion and state, but has a clear political program for a united and democratic federal Sudan, and has ties with the political Islamist Hassan al-Turabi. Since the end of 2004, new organizations have emerged and, since the signing of the Darfur Peace Agreement (DPA), the SLM in particular has splintered into various factions.<sup>3</sup>

*The causes of the conflict*

A number of causes are offered to explain the conflict in Darfur. Firstly, it is often argued that the Government of Sudan does not excel in good governance. Gerard Prunier claims the government of the National Congress Party (NCP) is highly racist, viewing itself as representative of the elevated 'Arabs' and looking down on the 'Africans'.<sup>4</sup> This distinction is, however, often seen as flawed, as many Arabs are more dark-skinned than many Africans. Others, like the JEM in its Black Book, point to the importance of marginalization. Throughout its recent history, Sudan has been governed by the same elites, who originate from the same region. This small minority, it is said, distributes the power and wealth of the state in a highly unequal manner, focusing on the Khartoum area and marginalizing all the other regions.<sup>5</sup>

A third cause is the regional power struggle, which makes the conflicts in Chad, the Central African Republic and Darfur interrelated. The Sudanese government supports the rebels in Chad, and the government of Chad supports the rebels in Darfur. In addition, the borders in this part of the world are rather porous. The conflicts in both countries are interrelated to such an extent that the JEM needed to assist the Idriss Déby government in Chad, when rebels were about to take over power in N'Djamena in February 2008. These higher politics feed on a fourth problem at a lower level: conflicts generated by scarcity. Due to the changing local environment and desertification, farmers and cattle herders increasingly have to compete for the scarce fertile lands in the region. Ban Ki-moon even called Darfur an ecological conflict.<sup>6</sup>

*The conflict before the Darfur Peace Agreement*

The outbreak of the conflict coincided with the breakthrough in the 'North-South' dialogue following the signing of the Machakos Protocol. The SLA attacked government targets and the government reacted harshly. Throughout the summer and autumn of 2003 attacks by Janjaweed and government forces caused widespread death and displacement amongst the Fur, Massalit and Zaghawa tribes. It was argued that the government strategy was to 'drain the swamp' by driving civilians from their villages, and thereby denying the rebels sanctuary in much of Darfur. A first humanitarian ceasefire agreement was signed in N'Djamena in September 2003, but the agreement did not hold and the humanitarian crisis worsened. Negotiations restarted in March 2004 in Chad and later in Nigeria, but the security situation only deteriorated further. One of the problems at the negotiating table was that the Darfurian rebels were too divided, and the United Nations was unable to help them unite. At the same time international NGOs started the 'Safe Darfur' campaign and accused the GoS of crimes against humanity and even genocide. The United States government, too, used the term 'genocide' in referring to Darfur. In April 2004, the African Union decided to establish the African Union Mission in Sudan (AMIS). This operation was, however, plagued from the start. Its mandate limited it to observation only, not permitting it to provide proactive protection for civilians. It became known for being 'under-everything': under-funded, under-equipped, under-staffed, etc.<sup>7</sup>

From October 2004 onwards, the parties negotiated off and on in Abuja. The African Union led the talks, with the UN Secretary-General's Special Representative Jan Pronk also engaging in mediation. At the same time, however, the GoS initiated its own process of tribal reconciliation. The Abuja talks were undermined and disrupted by the lack of commitment of the SLM/A and by the fact that the GoS continued its operations in the region. Moreover, the head of the negotiating team of the government, Mahzhub al-Khalifa, was a well-known hardliner. By April 2005, both the JEM and SLM demonstrated signs of deep internal division, which further undermined their ability to contribute to the political process in a coherent and reliable manner. Eventually the SLM/A split into two factions, one led by Abdul Wahid and the other by Minni Minawi. In spite of all these problems the AU mediation team managed to present a comprehensive draft agreement at the beginning of 2006 and pushed the parties to sign before a deadline. On 5 May 2006, the GoS and the SLM/A Minawi faction signed the Darfur Peace Agreement, while the SLM/A Wahid faction, the JEM, the Group of 19 (G19), the National Movement for Reform and Development (NMRD) and the National Redemption Front refused to do so. Since the DPA contained much that was satisfactory to different rebel groups, each group had some members were willing to support it. As a result, the agreement caused a split in the rebel movements among those who had signed it and those who had not. The factions that did not sign were subsequently further divided by the government's policies of divide and rule. Consequently, by the end of 2007, more than 25 rebel movements were active in Darfur. Although the government in Khartoum tried to reintegrate parts of the Darfurian rebel leadership into the Khartoum elite, it was not very successful. Minawi's return to Khartoum was its main achievement. At the same time Wahid became enormously popular amongst IDPs (internally displaced persons), because he refused to talk to Khartoum and demanded individual compensation for them.<sup>8</sup>

#### *The conflict after the Darfur Peace Agreement*

While the ceasefire between the signatories to the DPA was generally maintained, there were clashes between the SAF, sometimes assisted by Janjaweed militia, and non-signatory forces, as well as between signatory rebels, sometimes supported by the SAF, and non-signatory rebels. In its attacks the SAF continued to use aerial bombardment in support of its ground battles, also on civilian targets. Inside the camps, the IDP communities splintered along the same lines as the rebel groups, into those who were pro-DPA and anti-DPA. The presence of armed groups made some of the IDP camps increasingly militarized and unsafe. However, by the end of 2007, the situation was radically different to how it had been before the signing of the DPA. From 2003 to 2005 Darfurian villages had been burned by the Janjaweed with the backing of the SAF, in the same way that the war in the southern Sudan had been fought in the past. Although fights between the government and rebels do still occur, they are of a different kind and of a different intensity. In fact, at the end of 2007, the security situation on the ground was described as 'relatively calm'.<sup>9</sup> The situation could now better be described as anarchy, though it varies from region to region. The main issue in South Darfur is the situation in the camps. In a number of cases, as a result of fighting be-

tween rebel groups, some have turned into virtual war zones. The southern Darfur region is also stricken by crime, which is threatening humanitarian assistance. Whether these activities are simple crime and banditry or are related to the conflict is not very relevant. Quite often, crime and banditry are conflict-related, because the perpetrators often sell the spoils to rebels, or use them to become rebels themselves. An attack on the AMIS camp in Haskanita, for example, was designed to provide the necessary weapons and cars to equip a new splinter group. Moreover, this 'criminal violence' has the same impact on humanitarian assistance. Southern Darfur is also faced with Arab-Arab clashes. Many Arab tribes in Darfur have shifted from a position of neutrality in the conflict to an alliance with the rebels, and the government has started to lose control over the Janjaweed militia. In western Darfur, the tensions on the border with Chad remain very high. Chadian armed opposition groups have crossed the border into Sudan and are further destabilizing the region. Throughout Darfur, the population and IDPs are living in a continuous state of insecurity. Tribal structures have largely collapsed and leadership is absent. Darfurians have little in common left to rebuild their region. There is a running joke in Sudan that if you have an AK-45, a Land Rover and a Thuraya satellite telephone, you can call yourself a rebel organization and claim your place at the negotiating table.<sup>10</sup>

#### *Getting the United Nations in*

In the meantime, in the absence of a viable political mediation process, the international community turned its attention to improving the peacekeeping operation in the field. Initially the AU secretariat opposed the transition of AMIS into a United Nations operation, because it saw it as losing face. However, as the situation became increasingly problematic for AMIS, it came to see the United Nations as a way out. As early as 12 January 2006, the African Union Peace and Security Council expressed its support for the transition of AMIS into a UN operation. On 3 February the transition was endorsed by the UN Security Council for the first time. On 31 August, in Resolution 1706, the Security Council decided to expand the mandate of the United Nations Mission in Sudan (UNMIS). Up to that time UNMIS was mandated to assist the implementation of the Comprehensive Peace Agreement (CPA) in the 'North-South' conflict. With Resolution 1706 UNMIS was also given the task of supporting implementation of the DPA and the N'djamena Agreement on a Humanitarian Ceasefire on the Conflict in Darfur. Nonetheless, the consent of the GoS for the deployment of the operation was invited. However, Khartoum never gave its consent, making it very clear that it opposed a transition of the Darfur mission from the African Union to the United Nations. It viewed the move as an encroachment on its sovereignty, an attempt at recolonization, and the climax of efforts to undermine the CPA. With Resolution 1706, the GoS felt that the Security Council had overstepped its sphere of influence and lost face in Sudan.<sup>11</sup>

Nevertheless, Khartoum did participate in high-level consultations in Addis Ababa on 16 November 2006, which outlined a three-phased approach for United Nations support to AMIS. First a Light Support Package was to be provided, followed by a Heavy Support Package, after which the operation would finally be turned into an Af-

rican Union-United Nations hybrid operation. For a number of reasons, including Chinese pressure – partly in response to the ‘Genocide Olympics’ campaign – on 23 December Sudanese president Omar al-Bashir reaffirmed his government’s readiness to implement the conclusions reached in Addis Ababa. Implementation, however, was painfully slow. Finally, in April 2007, Sudanese Foreign minister Lam Akol announced Khartoum would give permission for the deployment of the Heavy Support Package in Darfur. It did, however, persist in its call that African troops should dominate any peacekeeping mission in the region. On 5 June 2007, UN Secretary-General Ban Ki-moon produced a report which contained a proposal for the deployment of the hybrid operation and on 31 July the Security Council approved the deployment of UNAMID.<sup>12</sup>

Two months later the Security Council decided to deploy a multidimensional United Nations presence in the border regions in Chad and the Central African Republic. The operation, known as MINURCAT, was initially to be supported by EUFOR Chad/CAR. The aim of both operations was to protect the citizens of Chad and the CAR and to ensure that the war in Darfur does not spill-over any further. At the same time, AMIS was pushed into an even greater downward spiral. It had initially been relatively successful, especially when it used forward patrols. As it proved not to be as effective as had been hoped, however, it lost the support of the population and the rebels and came more and more under fire. As a result forward patrols became too dangerous, AMIS decreased their frequency, thereby becoming even less effective and less popular. As a consequence, the international community got the impression that AMIS was ineffective and useless, and donors withdrew their support and started to search for alternatives. As a result AMIS became even more demoralized and this, too, affected its effectiveness further. The advocacy for UNAMID arguing that the United Nations would be able to solve the problem has raised expectations among the population that will be difficult to live up to.<sup>13</sup>

### **The chances of success for UNAMID in Darfur**

In order to assess the chances of success for UNAMID, this article examines the extent to which the operation fulfils the following nine factors, which have proved to determine the degree to which peacekeeping operations contribute to a durable peace. Durable peace is defined as a situation in which there is an absence of physical violence and the causes of conflict are sufficiently addressed.<sup>14</sup> The probability that a peacekeeping operation makes a positive contribution to a durable peace increases if more of the factors are addressed and if each factor receives more attention.

#### *The parties are willing and sincere*

At present the conflict parties in Darfur are neither willing nor able to seriously work towards peace and cooperation with UNAMID. The main problem is that, because the rebel factions are splintered, no effective political process can be set in motion. Without such an inclusive political process it is unlikely that the necessary cooperation of the parties will be obtained. The process does not, however, necessarily need to be all-

inclusive. Only the most important parties need to be involved. The initiative by the former Southern rebel organization, the Sudan People's Liberation Movement (SPLM), to unite the Darfurian rebels at the end of 2007 showed that there is some willingness and sincerity amongst the rebel organizations. However, it also made clear that the rebel groups are inexperienced. They lack an understanding of politics and negotiations and need to establish and agree upon political goals. The factions that took part in the international negotiations on Darfur in Sirte, Libya, have a stake in long negotiations because they are paid for being present. The extent to which Khartoum is really in control of the situation in Darfur is questionable. Its role, ability and capacity in Darfur are generally overestimated. Some security organizations have their own agendas and others work together with rebel organizations to establish new power bases. The Janjaweed also have their own interests and stake in the conflict. They, and the larger Arab tribes, are currently not included in the negotiation process by the African Union and the United Nations, although they are part of the conflict. In any case, Khartoum is likely to cooperate with UNAMID only to the extent necessary to prevent further sanctions. Some in the main government party, the National Congress Party (NCP) even favour solving the Darfur question because they want to be rid of the sanctions. Others are wary of the deployment of UNAMID, and especially a strong UNAMID, as they fear a repeat of Bosnia-Herzegovina and Kosovo, where – in their perception – the Serb leadership discovered too late that, by agreeing to the deployment of SFOR and KFOR, it had admitted a Trojan horse. An effective UNAMID might, they fear, lead to the arrest of members of the regime, who may have to face the International Criminal Court (ICC) in The Hague.<sup>15</sup> The indictment of President Bashir only heightens these fears and strengthens the hardliners.

On the ground, AMIS lost the confidence of the conflict parties and the general population, because it was not able to protect civilians and was seen to be partisan. As it had to coordinate all its actions with the GoS, the people and the rebel parties no longer viewed it as an honest broker. Expectations are currently high that UNAMID will be able to perform this role. If it manages to maintain an impartial image and is able to protect civilians, it may obtain the cooperation of most parties and the support of the population. It will, however, be very difficult to fulfil these expectations, because the majority of the forces are the same as those deployed in AMIS. Moreover, UNAMID needs the support of the rebels and the government to be able to fulfil its tasks. As such, the operation will have to cooperate with Khartoum and local security organizations, and in the absence of any leverage, it will probably have to negotiate most of its actions. It is therefore also likely to be viewed as partisan. Initial indications are pessimistic: IDPs in the camps have started to protest against the United Nations,<sup>16</sup> and UNAMID has already lost a number of personnel in attacks.

*The operation is able to provide the parties involved with a sufficient sense of security*

The Khartoum government does not feel physically threatened by the rebels, and therefore does not need more security. The rebels, the IDPs and other civilians, and the Khartoum-related militia do, however, feel insecure. Under chapter VII of the Charter of the United Nations UNAMID has the mandate to:

*'support early and effective implementation of the Darfur Peace Agreement, prevent the disruption of its implementation and armed attacks, and protect civilians, without prejudice to the responsibility of the Government of Sudan.'*<sup>17</sup>

This means that the GoS bears first responsibility for the protection of civilians. If it does not fulfil this responsibility UNAMID may use force, both when the GoS is not present and when this is opposed to its wishes. This does not mean, however, that UNAMID has the capability and strength to confront the government. It is therefore unlikely to provide the rebels and the Khartoum-related militia with a real sense of security.<sup>18</sup> If UNAMID implements the DPA, they may still be willing to cooperate provisionally, as long as the operation has the necessary 'carrots and sticks'. The rebel parties and the militia are likely to test UNAMID to see how resolute it is. If it responds weakly they will probably think it lacks the necessary sticks and they can essentially ignore it. If the operation shows its teeth, it may be able to partly control the rebel parties and the militia, at least temporarily. Minor attacks by both groups should therefore be expected. The GoS is, however, more likely to test how far it can push back its limits by dragging its feet further on visa regulations, etc.<sup>19</sup>

*The operation pays sufficient attention to the causes of the conflict, both in breadth and in depth*

UNAMID is only likely to be able to address the causes of conflict if the rebels are united and the political process results in a political agreement. In theory the Comprehensive Peace Agreement provides a solution to many of the causes of conflict in Sudan. If implemented, it will set in motion a process of political transformation and democratization that may also lead to the causes of the conflict in Darfur being addressed. However, the CPA does not include power and wealth sharing agreements for the conflict parties in Northern Sudan, including Darfur and consequently does not address the problem of the marginalization of Darfur. Worse, the CPA has legitimized the NCP as the political party in power in the North. By allocating government positions to the NCP and the SPLM proportionately on the basis of a mathematical power-sharing model, it has fossilized access to power and made power-sharing more difficult for the Northern opposition. In addition, it has given the South the opportunity to secede, which, if it happened, would place Darfur in a more unfavourable position to the NCP. As Darfur and other marginalized regions would no longer have a partner in the SPLM and the South, their position in the power balance would deteriorate. Moreover, the ecological causes of the conflict between the farmers and the nomads that determine the underlying conflict at a more local level cannot be addressed at a regional level. These causes are, however, highly important, as the most violent clashes have taken place in areas where the ecological issue was most pressing. In addition, it is likely that, as with UNMIS, UNAMID will face the perverse issue that peace for a large number of IDPs and especially refugees is in fact worse than war. The situation in many camps is better than in their places of origin, with sanitation, education and health services often provided. As a result, many IDPs are not likely to want to return

and have already started to make their new homes more permanent. The DPA hopes to address some of these problems and causes, but thus far not to the extent that most Darfurian rebel groups are willing to accept it. Without an inclusive political peace process for Darfur leading to a peace agreement, it is not likely that any of the causes of the conflict will be addressed and UNAMID will probably not be able to do much more than address the consequences of the conflict. Unfortunately, military and political processes are currently not interlinked and mediators do not appear to have a solution for many of the causes.<sup>20</sup>

*The operation receives cooperation and support from significant external actors and parties*

Since 2004, cross-border operations by elements of the Chadian Army and the SAF, as well as by rebels from both countries, have been reported. Relations between the two governments are currently cool, partly because each supports and arms rebel organizations in the other country. On 28 November 2006 Chad declared that it was at war with Sudan over the latter's support of Chadian rebels. Also in the Central African Republic, the Khartoum regime has been accused of supporting the rebels. The signing of a peace agreement between the government of the CAR and various rebel groups on 28 January 2007 has, however, improved the security situation in that country. The governments of Chad and the CAR have agreed to the deployment of MINURCAT and EUFOR Chad/CAR, and this is also likely to have a positive impact on security in Sudan. As a result, the neighbouring countries are likely to support UNAMID.<sup>21</sup>

As far as the Security Council is concerned, the permanent members are not very likely to act strongly on Darfur. Russia remains a major supplier of weapons to the GoS, and China is a major consumer of Sudanese oil. Although China has become more active since the 'Genocide Olympics' campaign, it is still not willing to increase pressure on Khartoum. The position the US and the UK claim to adopt is merely hot air, as both countries have an interest in the NCP government, which they consider an ally in the war on terror. France's attention is directed at 'la Francophonie' and its main concern is therefore to prevent further spill-over from Darfur. Although the international community is far from united, in 2004 the Security Council was able to decide in favour of a weak arms embargo and personal sanctions. It also supported the establishment of UNAMID. However, if UNAMID loses the support of the parties and the wider population, the Security Council may, as in the case of AMIS, become less supportive.<sup>22</sup>

*The operation is deployed promptly and at the right time*

UNAMID is not being deployed at a 'ripe moment for conflict resolution' in the Darfur conflict. The time was ripe for a UNAMID-style operation when AMIS was deployed, but that moment has now passed. The situation may only become ripe again if the political process is successful. It is, however, unlikely that someone in the NCP establishment will again dare to put their position at stake, as Vice-President Taha did in



case of the CPA. Nevertheless, the United Nations and the African Union hope that the operation will contribute to the peace process, as its deployment may create its own dynamics, tilting the balance of power in favour of peace.<sup>23</sup>

Although UNAMID was supposed to be operational by 1 January 2008, this date was no longer feasible for three main reasons. Firstly, the GoS is certainly not helpful, and is even obstructive. It was slow to respond to the list of potential Troop Contributing Countries, and it has slowed down deployment through tiresome visa and customs procedures and by delaying the release of land to build camps and offices. It is, however, too easy for the United Nations to hide behind the unwillingness of the NCP. The second reason for the delay is that the UN itself is not capable of early deployment. The Troop Contributing Countries have thus far not provided the necessary troops, resources and equipment. There is still, for example, a shortage of helicopters, while many of the pledged forces still need to be trained and equipped. Thirdly, Darfur lacks even a basic infrastructure, as a consequence of which it has not yet been possible to establish many of UNAMID's logistical and information structures and capabilities. Camps still have to be built, water provided, etc. The engineers required to build the camps for the Heavy Support Package have still not finished that job and have not been able to start building for UNAMID. One reason for this is that the contract with the engineering company PAE was taken over in 2008 by another company, Dynacore. At the end of 2007, however, the Dynacore personnel had not yet received their visas. In the period from January to June 2008 Dynacore was therefore likely to be busy preparing for the further deployment of the Heavy Support Package. This period, however, is also likely to be decisive for the speed at which UNAMID and its police force can be deployed because, ideally, the preparations for these units, like building the camps, should also take place during the same period. Nonetheless, in spite of all these obstructions and problems, UNAMID will most probably be able to deploy quicker than the two years that UNMIS required. At the time, UNMIS had no logistical framework in Sudan, whereas UNAMID can use the logistical facilities and networks set up by UNMIS. UNMIS currently has a network up and running from the harbour in Port Sudan to the airfields in Khartoum and El Genina, which means that this network, in any case, will not need to be established. Estimates on a realistic date for UNAMID to be operational range from 1 January 2009 to June 2009. As a consequence of the delays, the only real difference between AMIS and UNAMID on 1 January 2008 was the ceremony at which the AMIS personnel put on different coloured berets. The first early impact battalions were only deployed a number of months later. These are, however, part of the heavy support package. Since UNAMID is essentially only a 'rehatted' AMIS, the operation is not likely to be able to live up to the high expectations of the rebel parties and the population and is therefore likely to lose their goodwill and cooperation.<sup>24</sup>

*The operation has competent leadership and personnel, and clear command structures, at its disposal*

On paper, in accordance with the Addis Ababa Conclusions, unity of command and control. This means that the operation has a single command and control structure, and that this structure and the backstopping are provided by the United Nations. This alone makes UNAMID likely to be more effective than AMIS.<sup>25</sup> Nevertheless, in his report planning the establishment of UNAMID, the Secretary-General already observed:

*bearing in mind that unity of command and control is a basic principle of peacekeeping, further clarity and agreement on the United Nations role in command and control will be required by United Nations troop- and police-contributing countries in order for them to provide personnel for the hybrid operation.*<sup>26</sup>

According to the structures laid down for UNAMID in the report of the Secretary-General, the operation is led by the Joint African Union-United Nations Special Representative for Darfur, Rodolphe Adada of the Republic of Congo. He has authority over the whole peacekeeping operation in Darfur, and has to oversee the implementation of the mandate. He has to report to both the Chairman of the African Union and the Secretary-General of the United Nations. The Force Commander, General Martin Luther Agwai of Nigeria, and the Police Commissioner have been appointed by the African Union in consultation with the United Nations. Both have to report to the Joint Special Representative. The overall management of the operation is conducted according to the standards, principles and procedures of the United Nations. The AU and UN strategic headquarters of UNAMID is meant to consult effectively with the Joint Support Coordination Mechanism in Addis Ababa.<sup>27</sup> Although on paper the command structure may be relatively clear, the Secretary-General warns:

*The operation will be an unprecedented undertaking, which will pose significant challenges for both organizations, including the issue of unity and coherence of command.*<sup>28</sup>

In practice the command structure of a hybrid operation, like UNAMID, is inherently weak. Personnel at the United Nations Department of Peacekeeping Operations have already made clear that for them this is a 'once and never again' experiment.<sup>29</sup>

The political, military and police leadership of UNAMID is generally regarded to be better qualified than that of AMIS. They made a good first impression and some argue that they are top quality. However, the quality of the Force Commander has already been called into question, because he has been accused of appointing friends to higher positions. In addition, he has made promises to the rebel leaders which he could not fulfil, and as a result he may already have lost credibility in their eyes. Moreover, after an initial positive start, he left for New York and left all the important issues to his deputy. The British Chief of Staff is, however, generally viewed to be excellent. As well as the operation itself, the political process suffers from its unprofessional approach and the fact that the AU mediator Salim Salim is unhappy in his role.<sup>30</sup>

The quality of the military forces deployed in UNAMID is likely to be affected by Khartoum's demands that the force has to be predominantly African. It insisted on this to ensure that the operation is as weak as possible. In practice UNAMID is likely to

amount to AMIS forces with more African infantry forces added. The additional forces are, however, currently trained up to United Nations standards by Western countries. The recruitment of qualified local civilian personnel in Darfur is likely to be less problematic than in UNMIS, because in Darfur a larger segment of the population is university educated. In addition, international staff are more likely to apply for this mission, because it is viewed as a CV-builder. Nevertheless, as half of UNAMID personnel is required to come from the African Union and half from the United Nations, it is likely to be difficult to find enough qualified African personnel for the higher positions, because they will have to meet United Nations criteria. It is rumoured that the criteria will be adjusted and that less-qualified personnel will be hired for higher positions. As a consequence more capable non-African staff may have to work under less qualified African heads. In addition all positions in UNAMID are scaled one position higher than in UNMIS to ensure that personnel can be found. These recruitment issues are also likely to cause delays.<sup>31</sup>

*The operation is part of a long-term approach*

At present UNAMID cannot implement the DPA, nor is it part of a political process towards a future peace agreement. It is therefore too early to say to what extent it is likely to be part of a long-term approach. In the absence of a political process, UNAMID will mainly address the short-term effects of the conflict. The operation can, however, still evolve.

*The different policy instruments within and outside the operation must be coordinated*

Apart from the normal issues of cooperation and coordination that peacekeeping missions always face, UNAMID is confronted with a number of extra challenges. First of all, UNAMID is explicitly not an 'integrated' mission. The country team – the UN development agencies and the UN humanitarian organizations – decided not to be associated with the operation out of fear for their own security. UNDP, for example, only wants to coordinate with UNAMID, not be an integral part of it. At the same time, with UNAMID, the country team is faced with a huge, better paid organization. It is argued that, if UNDP wants to consult on an equal footing, it may have to increase the levels of payment of its staff. Secondly, UNAMID faces significant challenges in managing its own joint AU/UN command structures as a hybrid operation. Already during the planning phase, friction developed between the UN and the AU. Representatives of the latter sometimes felt they were the underdog in the cooperation, unhappy with the 'arrogant' position of some of the UN staff. The least that can be said is that the United Nations staff were not very sensitive on this issue. The Joint Coordination Support Mechanism, for example, was meant to take decisions, but is currently used only to exchange information. The United Nations wants it to have a liaison role, while the African Union would like to see it play a more leading role. In addition, there is an attitude within the United Nations that, since it is paying for the operation, it can largely dictate the rules of the game. As the Special Representative of the Secretary-General and the Force Commander are paid by the United Nations, they tend to bow

more to the UN than to the African Union. Furthermore, both organizations – or parts of them – are facing their own transition processes and have their own goals and interests. The AU is relatively new to peacekeeping and still has to learn. The UN Department of Peacekeeping Operations is in the process of restructuring and the section which has to establish UNAMID is also being affected. Thirdly, Sudan is the first country where two peacekeeping operations are being deployed simultaneously. These operations will have to coordinate their approaches on a variety of issues, including the rule of law, elections and disarmament. On many of them, it is very impracticable for UNAMID to have a separate mandate from UNMIS. Fourthly, UNAMID will also have to coordinate with MINURCAT and EUFOR Chad/CAR, which are basically deployed to address the same conflict, but across the international border. To give an example, disarmament in Darfur is related to disarmament in the rest of Sudan (UNMIS), but also to similar processes in the whole region (MINURCAT). As arms tend to flow to the disarmament process where the compensation per submitted weapon is the highest, a region-wide policy is needed.<sup>32</sup>

The indictment of Sudanese President Bashir by the ICC is not helpful for the UNAMID operation either. It is a classic example of the dilemma of peace versus justice. UNAMID is clearly directed at the diplomatic process towards peace and addressing humanitarian issues, whereas the ICC strives for justice. Both issues need to be addressed, but the one may affect the other.

#### *The operation provides 'ownership'*

It is too early to say whether UNAMID is likely to provide 'ownership'. This depends largely on the extent to which it is able to fulfil its expectations. As far as the population is concerned, 'ownership' is likely to depend on the dissemination of information on the operation, and the extent to which it is visible and effective, regarded to be impartial, able to win the hearts and minds of the population, for example, through the implementation of Quick Impact Projects, able to deploy promptly, etc. For the parties to obtain 'ownership' over UNAMID, they will have to reach an agreement. As already said, the outlook is not very positive. Like AMIS, UNAMID is likely to be seen as partisan by the rebels as most of its activities have to be coordinated with the government. Especially in the short term, the rebel parties and the civilian population are unlikely to see much of a difference from AMIS, because UNAMID has been deployed late and with similar forces. If UNAMID does not show its teeth at an early stage, it is likely to fall into the same vicious circle into which AMIS became trapped. The IDPs and the civilian population are then likely to have even less 'ownership' of the operation and lose faith in it. At the same time, the government in Khartoum never wanted the operation in the first place, and is therefore not likely to feel any ownership over UNAMID either.<sup>33</sup>

#### **Concluding remarks**

Reviewing the factors relating to success or failure for UNAMID gives little reason for optimism, as the operation is not likely to contribute to durable peace. The parties are

not very willing or sincere. The rebels are too inexperienced and incapable and, above all, too splintered to negotiate. UNAMID is not part of a political process, and in the absence of such a process topped-off by a peace agreement, the operation can at best address the consequences of the conflict, not its causes. Whether this is likely to be done within the context of a long-term approach is too early to say. It is however unlikely, because there is no political agreement or process. A process of arms control, for example, is not likely to be possible. From the start, the operation is likely to be tested to determine the extent to which it is willing and capable to act forcefully. If it does not immediately show its teeth, it is unlikely to gain the respect of the parties and to provide the rebels, the Khartoum-related militia, the civilian population and the IDPs with a sense of security. However, due partly to obstruction by Khartoum, but equally as much to the incapability of the United Nations and the unwillingness of the Troop Contributing Countries, the operation has been deployed late and is not likely to be fully operational until June 2009. Initially, therefore, it is likely to be too weak. In addition, the deployment has not come at a ripe moment for the resolution of the conflict, being either too late or too early. Although neighbouring countries are supportive of UNAMID, the permanent members of the Security Council have not been in favour of giving the operation a strong mandate and have been unwilling to put pressure on the parties. To a certain extent they all have interests in the NCP regime and are not likely to give them up. The quality of the force and the leadership is likely to be better than that of AMIS, but its command structures are inherently weak due to its hybrid character. Coordination problems between the United Nations and the African Union are inevitable. In addition, the operation is likely to experience major problems coordinating with the rest of the United Nations system, with UNMIS, and with the other peacekeeping operations in neighbouring countries. As UNAMID is not likely to live up to the high expectations, especially of the rebel organizations, the IDPs and the civilian population, these groups are likely to lose faith in it and are unlikely to 'own' its outcomes. UNAMID is thus not likely to be able to contribute to durable peace. At present this is also not primarily its mandate. Its main occupation is to provide the local population and the IDPs with some breathing space.

With the present deployment of UNAMID the international community is fighting the war as it was five years ago. The situation has now changed radically, from an organized conflict between the rebels on the one side and the government and the Janjaweed on the other side to anarchy. It is therefore questionable whether the deployment of UNAMID is actually what is needed to address current problems in Darfur. However, the train of the international community has finally been set in motion. After a long period of pressure Khartoum has finally given in and allowed UNAMID to be deployed. How could the international community then decide that it is the wrong operation for the current situation? It has therefore been deployed in the hope that, if the political process is back on track, the force can be regarded as an early presence. Moreover, as mentioned above, if it is successful it may provide the civilian population and the IDPs with some breathing space. On the other hand, it should be kept in mind that, if the United Nations also loses the support of the rebel parties and the civilian population, no other organization is likely to be able to do the job. In that case, one can only hope that Darfur does not become another Somalia. Next to doing noth-

ing there is, however, no real alternative in a situation defined by anarchy and lack of cooperation. The international community is being confronted with the limits of what it can do in terms of conflict management.

### Notes

- 1 Jair van der Lijn is associated with the Netherlands Institute of International Relations 'Clingendael' and Centre for International Conflict Analysis & Management, Institute for Management Research, Radboud University Nijmegen. This article is based on research commissioned by the Dutch development organization Cordaid. It is to a large extent based on interviews with key experts and stakeholders, including academics and representatives from Sudanese and international non-governmental organizations (NGOs), the conflict parties, the international community, international organizations and UNMIS. For this purpose a field study was undertaken from 24 October to 17 November in Khartoum and Juba (Sudan) and Addis Ababa (Ethiopia). The interviews conducted during this study were held under the agreement that there would be no direct quotations and that references should not be traceable directly to individuals. For these reasons the references have been clustered and the interviewees have been coded. More information on this can be obtained from the author. The research and its findings are the author's and can in no way be attributed to Cordaid.
- 2 The factors for success and failure are derived from, and the underlying methodology used in this study developed in: Jair van der Lijn, *Walking the Tightrope: Do UN peacekeeping operations actually contribute to durable peace?* Amsterdam, Rozenberg Publishers, Dutch University Press, Purdue University Press, 2006.
- 3 UN DOC S/2004/453, 22; Alex de Waal, 'The Wars of Sudan', 16.
- 4 Gerard Prunier, *Darfur: The Ambiguous Genocide*, Cornell University Press, 2005.
- 5 *Seekers of Truth and Justice, The Black Book: Imbalance of Power and Wealth in Sudan*, 2004 as retrieved from <http://www.sudanjem.com/sudan-alt/english/english.html>.
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- 8 UN DOC S/2004/881, 50-51; UN DOC S/2004/947, 44-47; UN DOC S/2005/10, 45-46; UN DOC S/2005/240, 36-37; UN DOC S/2005/305, 26-27; UN DOC S/2005/467, 32-33; UN DOC S/2005/523, 20 and 24; UN DOC S/2005/592, 18; UN DOC S/2005/650, 25; UN DOC S/2005/719, 25-26; UN DOC S/2005/825, 27 and 32; UN DOC S/2006/59, 23; UN DOC S/2006/148, 23-24; UN DOC S/2006/306, 24-25; UN DOC S/2006/430, 20 and 23; UN DOC S/2007/764, 30-33; Gerard Prunier, *The Ambiguous Genocide* (2005), p. 176; Interview 1; Interview 2; Interview 7; Interview 20; Interview 36; Interview 47; Interview 48; and Interview 49.
- 9 Office of the European Union Special Representative for Sudan, Military Advisor, *Weekly Report 45 20007*, 13 November 2007.
- 10 UN DOC S/2006/870, 4, 8-9 and 21; UN DOC S/2006/1041, 5-20 and 31; UN DOC S/2007/104, 2-3, 8, 25 and 31; UN DOC S/2007/764, 4-5, and 12; Alex de Waal, 'The Wars of Sudan', p. 18; Interview 10; Interview 27; Interview 50; Interview 51; Interview 52; and Interview 53.
- 11 UN DOC S/PRST/2006/5, 3 February 2006; UN DOC S/RES/1706 (2006), 31 August 2006; UN DOC S/2007/764, 49; Nsongurua J. Udombana, 'Still Playing Dice with Lives: Darfur and Security Council Resolution 1706', 98; Interview 21; and Interview 52.
- 12 UN DOC S/2006/1041, 40, 43 and 56; UN DOC S/2007/104, 11-13; UN DOC S/2007/307/Rev.1, 5 June 2007; UN DOC S/RES/1769/2007, 31 July 2007; Gerard Aziakou, UN,

- African Union Launch Frantic Round of Darfur Diplomacy, p. 1; and Reuters, Sudan Says Willing to Talk on UN-AU Darfur Operation (April 23, 2007) p. 1.
- 13 UN DOC S/RES/1778 (2007), 25 September 2007; UN DOC S/2007/488, 10 August 2007; [www.hrw.org/backgrounder/africa/chad0207/1.htm#\\_Toc159748686](http://www.hrw.org/backgrounder/africa/chad0207/1.htm#_Toc159748686); Roland Marchal, 'Creeping Conflict', *The World Today* no. 4 (2007) 21; Interview 27; and Interview 52.
  - 14 Jair van der Lijn, *Walking the Tightrope: Do UN peacekeeping operations actually contribute to durable peace?* Amsterdam, Rozenberg Publishers, Dutch University Press, Purdue University Press, 2006.
  - 15 Interview 1; Interview 2; Interview 8; Interview 10; Interview 27; Interview 36; Interview 52; Interview 54; and Interview 55.
  - 16 Interview 27; Interview 35; Interview 56; Interview 57; Interview 58; and Interview 59.
  - 17 UN DOC S/RES/2007/1769 (2007), 31 July 2007.
  - 18 Interview 21.
  - 19 Interview 21; and Interview 31.
  - 20 Interview 4; Interview 20; Interview 35; Interview 53; Interview 54; Interview 55; Interview 56; and Interview 60.
  - 21 UN DOC S/2004/947, 10f; UN DOC S/2006/160, 17; UN DOC S/2006/1041, 15-19; UN DOC S/2007/97, 2-4, 14, 28; UN DOC S/2007/104, 8; UN DOC S/RES/1778 (2007), 25 September 2007; and UN DOC S/2007/488, 10 August 2007.
  - 22 Imran Shafi, 'Action not words', *The World Today* no. 10 (2006), 6; Nsongurua J. Udombana, 'Still Playing Dice with Lives: Darfur And Security Council Resolution 1706', *Third World Quarterly* no. 1 (2007) 104 and 110; UN DOC S/RES/1556, 7; Interview 20; Interview 36; Interview 47; and Interview 56.
  - 23 Interview 5; Interview 6; Interview 20; Interview 31; Interview 35; Interview 48; Interview 52; Interview 55; Interview 56; Interview 57; Interview 58; and Interview 59.
  - 24 Interview 5; Interview 6; Interview 20; Interview 31; Interview 35; Interview 48; Interview 52; Interview 55; Interview 56; Interview 57; Interview 58; and Interview 59.
  - 25 UN DOC S/RES/2007/1769 (2007), 7; Interview 5; and Interview 6.
  - 26 UN DOC S/2007/307/Rev.1, 63.
  - 27 UN DOC S/2007/307/Rev.1, 56-57; and <http://www.reliefweb.int/rw/rwb.nsf/db900sid/EGUA-76BPP8?OpenDocument>
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  - 29 Festus Aboagye, *The hybrid operation for Darfur: A critical review of the concept of the mechanism*, Occasional Paper 149, August 2007, Institute for Security Studies, Tschwane (Pretoria); Interview 5; Interview 6; Interview 27; Interview 61; and Interview 62.
  - 30 Interview 5; Interview 6; Interview 27; Interview 46; Interview 48; Interview 49; Interview 54; Interview 57; Interview 58; and Interview 59.
  - 31 Interview 5; Interview 6; Interview 9; Interview 14; Interview 20; Interview 25; Interview 48; Interview 49; Interview 61; and Interview 62.
  - 32 Interview 4; Interview 8; Interview 9; Interview 27; Interview 35; Interview 44; Interview 46; Interview 48; Interview 49; Interview 52; Interview 55; Interview 57; Interview 58; and Interview 59.
  - 33 Interview 27; Interview 35; Interview 56; Interview 57; Interview 58; and Interview 59.





# Clusters or Clutter: Structuring Humanitarian Space in Chad

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This article examines the concept of humanitarian space and provides an empirical example of the concept, describing the humanitarian activities in Chad and in particular how they are coordinated through the cluster approach. In short, the article asks whether the cluster approach has increased and structured the humanitarian space in Chad. For the Netherlands, this question has special relevance as, in the summer of 2008, 73 Dutch marines were deployed to Chad as part of the EUFOR mission.<sup>2</sup> Moreover, with Darfur and the Central African Republic next door, the extent of humanitarian space in Chad influences and is in turn influenced by the humanitarian crises in these two countries.

This article begins by examining what humanitarian space actually means. It then provides a brief background of the context and evolution of the cluster approach, followed by a concise overview of the humanitarian crisis in Chad. Next, it summarises the main results of an evaluation of the cluster approach conducted by one of the authors in Chad in August 2007. Subsequently, it discusses the future of the approach. The article ends with conclusions on the impact of the cluster approach on humanitarian space in Chad.

## **The meaning of humanitarian space**

The concept of humanitarian space became part of the humanitarian debate in the 1990s, but the idea behind it is as old as war itself. Limiting hostilities so that its victims can be aided and protected has always been a major concern. The Dunantist principles of humanity, neutrality, impartiality and independence were intended to provide such a space. The concept thus concerns the extent to which humanitarian actors can provide succour to people affected by a humanitarian crisis.

Briefly, there are normative and empirical definitions of humanitarian space. The normative ones base themselves on the idea that humanitarian assistance is a right and humanitarian organisations should have unimpeded access to the victims of conflict. This approach is rooted in a strict interpretation of international humanitarian law, including human rights conventions and refugee law. MSF, for example, defines humanitarian space as 'the ability to independently assess the needs of the population; retain unhindered access to the population; conduct, monitor and evaluate the distribution of aid commodities; and obtain security guarantees for local and expatriate aid personnel.'<sup>3</sup>

Empirically-based approaches see humanitarian action and international humanitarian law as extremely valuable but argue that humanitarian organisations need to find and negotiate their place – and space – among many other actors, including the state, military forces, rebel groups, the local population and donor countries. From this perspective, humanitarian organisations can be seen as potential providers of aid, but also as the enablers of conflict or the obstacles to a needs-based response. With this type of approach the actual implementation of aid by different parties, and not only its justification by humanitarian organisations, comes to the fore.<sup>4</sup> We will use the latter perspective in this article by studying the impact of the cluster approach on humanitarian space.

In the Netherlands, research on the issue of humanitarian space has until recently been limited.<sup>5</sup> This article is partly based on a Dutch-language edited volume on humanitarian space that is to be published in 2008.<sup>6</sup>

### **The cluster approach**

The uncomfortable truism that ‘the humanitarian community is a community in name only’ already explains the need for new and more effective coordination efforts. The odd amalgam of organisations that usually respond to humanitarian crises and disasters consists of international governmental organisations, the Red Cross movement, non-governmental organisations of widely different persuasions, bilateral actors from a broad range of donor countries, regional entities, local governmental and non-governmental institutions – a nearly endless list. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has its hands full, both at the global level where its role is normative and where it builds awareness as it helps raising money, and at the field level where it is expected to assess needs and structure the activities of the numerous players.

The cluster approach developed as part of OCHA’s recent reform efforts was meant to be a response to this challenge:<sup>7</sup> creating a ‘cluster’ of actors around each key sector of humanitarian action who would jointly take responsibility for that sector, both at the global level and in field operations. The idea was that this would lead to enhanced predictability, accountability and partnerships.<sup>8</sup> In some sectors, it was clear from the beginning which organisation should be seen as the leader – say WHO in health. The question was, however, whether UNICEF, UNFPA and UNAIDS should be involved, for example, or the major NGOs working in the area of health, and perhaps representatives from sectors that have no clear immediate leader, such as camp management, water and sanitation, or shelter. The cluster approach adopted by the UN’s Inter-Agency Standing Committee (IASC) has solved this in principle by identifying the core sectors that needed unambiguous leadership, and by establishing a cluster of actors for each sector that jointly take responsibility for the sector, with one agency as the leader.<sup>9</sup>

At global level, this has meant the development of joint needs assessment methodologies, joint standards for equipment, common rosters and similar integrative initiatives. At country level, the cluster approach has been rolled out and sectoral coordina-

tion has been tightened up on a case-by-case basis as crises called for more effective interventions, characterised by common planning, sharing of resources and a clear division of labour. One arena where a sudden increase in humanitarian action was called for as the situation deteriorated in 2007 was Chad. This article focuses on the strengths and weaknesses of the cluster approach in terms of their impact on humanitarian space, as seen from a field perspective.

### **Chad: A chronic crisis?**

Chad is one of the poorest countries in the world: the mortality rate of children under five is estimated at 191 per 1000. Fourteen percent of children under five are severely malnourished, and 37% of children under five are underweight.<sup>10</sup> According to UNDP's 2007 Human Development Report, Chad ranks at the very bottom, 170th out of 177 countries listed. Estimated life expectancy at birth is 50.4 years.<sup>11</sup>

Potentially, a great deal could be done. Oil is a key resource for the country, second only to the primary agricultural economy. Chad became an oil-producing country in 2003. However, oil revenues have not translated into improved living conditions for the local population despite the optimistic outlook for the country's economy.<sup>12</sup> Instead, the oil wealth is lining the pockets of a small coterie close to the president, Idriss Déby. The GDP of \$1.427 per year is, therefore, grossly misleading. Together with the spill-over from the conflict in Darfur, ethnic tensions and competition among the elites to obtain a share of the new-found oil wealth have caused a recent increase in violence. Chad is one of those weakly governed and economically poor countries where regular life for most people continually teeters on the brink of disaster.<sup>13</sup> Increased insecurity has complicated the situation, especially in eastern Chad. Incidents such as car hijackings and violent robberies were already a major concern for humanitarian workers, while conflicts between armed militias of various persuasions have driven more and more local people away from their homesteads. In January 2008, a coalition of the three main rebel groups converged on the capital N'Djamena and only the president's elite forces and a Sudanese rebel group held them back, with French forces providing logistical and intelligence support.<sup>14</sup> This threat to stability has not gone away. The deployment of a EUFOR stabilisation force in the east of Chad may also lead to increased insecurity in the short term – especially if the rebels perceive EUFOR as an extension of French support for the president.<sup>15</sup>

There are three unresolved structural issues that impact on the humanitarian situation: first of all, the lack of a settlement of the crises in Darfur and the Central African Republic; secondly, the need for a settlement of the conflict between the government of Chad and the rebel militias in the opposition; and finally the continued prevalence of inter-community Chadian tensions, based on ethnic fault lines as well as conflicts over increasingly scarce resources.<sup>16</sup> There are an estimated 240,000 Sudanese refugees and about 50,000 Central African refugees in the country. Moreover, as of early 2008, the number of internally displaced persons (IDPs) had by some counts reached 170,000. At the same time, around 30,000 Chadians had taken refuge in Cameroon.<sup>17</sup>

### Rolling out the cluster approach

At the time a first evaluation was conducted, in mid-August 2007, the cluster approach was only just being implemented in Chad.<sup>18</sup> The beginnings were inauspicious: there were some tensions between UNHCR and OCHA, founded on disagreement about their respective roles. UNHCR had led the overall humanitarian effort in Chad, including activities for IDPs, until the end of 2006, when OCHA established itself in the country. UNHCR did not want to include refugees into the cluster approach, arguing that it has a clear mandate with defined accountability, international standards for service delivery, and a well-defined autonomous area of action – the refugee camps themselves. Other actors argued that this was an artificial distinction as long as the relief operations for both types of displaced persons rely on the same actors and the same support systems in the same socioeconomic context. In other words, at country level, there seemed to be no clear and unambiguous policies as to the applicability of the cluster approach. The dispute was resolved in favour of UNHCR. The tensions, however, remain.

The fact that the humanitarian actors cannot operate in a governance vacuum further complicates matters, and limits humanitarian space. The government of Chad does take some interest in IDP issues. It officially insists on a substantive role, and very formally issues decrees, known as *'arrêtes'*, to institutionalise the coordination process. As it regulates access and work permits for the NGOs, it maintains control through its management of red tape. Before the violence escalated on both sides of the border, in 2004, the government took part in a joint body, together with UN system, to coordinate refugee issues (with UNHCR in the lead). By mid-summer 2005, various sectoral working groups, particularly health, education, and watsan (water and sanitation), were functioning quite effectively, with active government participation. By 2006, however, government priorities had shifted to defending against rebel incursions and humanitarian issues were placed on the back burner. It has not, however, given up control on access. Not only does it keep a tight lid on visas for aid workers, it also regulates travel within the country, so that movement from one zone to another requires internal travel permits. Entire areas can simply be completely cordoned off from aid organisations.

As the severity of the IDP problem suddenly began to overshadow the refugee issue in early 2007, the UN system in Chad was definitely motivated to introduce the cluster approach, and a number of steps were taken. In May 2007, OCHA organised workshops in N'Djamena and Abeche. These were well attended, and provided a stimulus 'to get things right'.<sup>19</sup> A letter went out in June to John Holmes, the Emergency Response Coordinator – head of OCHA – in New York, requesting approval to introduce the cluster system formally, and setting out the proposed structure. He accepted this proposal, be it with minor caveats.<sup>20</sup> Meanwhile, each of the clusters made major efforts in the period between late May (when OCHA held workshops to familiarise the UN Country Team with the cluster concept) and the beginning of the evaluation in mid-August 2007.

During the first six months of the year, preparations had been made to ease into the cluster approach by refining and strengthening the existing sectoral groups. Most

importantly, a national level 'IASC Chad' had been established, consisting of UN system country directors, the Country Team, and the ICRC, with NGO participation, to provide strategic guidance and policy advice to the clusters. As a first step, the Humanitarian Coordinator submitted a draft strategy paper for ratification by the newly appointed group, in order to map out the policies and strategies that should guide humanitarian action to help people affected by conflict. This draft was also reviewed by members of the NGO community in a separate workshop, and on the basis of their comments, the Humanitarian Coordinator presented a second version to the IASC Chad in August.<sup>21</sup> At the time of the evaluation, these strategies and policies had not yet been formally approved, but they were already being applied in practice. Since then, they have been formalised.

Interestingly, the cluster approach in Chad is designed to bridge relief and development by linking the impact of relief provided to IDPs and their host communities to the needs of the population as a whole. This makes a lot of sense in a context where some 80% of the population live in abominable conditions, with health indicators pointing at a quality of life that would in other settings be defined as verging on a humanitarian crisis.

The Chad IASC's report also stresses that the UN Country Team is there officially to 'assist and promote' the government's efforts at all levels, as the government is ultimately responsible for the security and well-being of all persons within its territory. The document includes early recovery and reconciliation, as well as environmental protection, as valid components of the humanitarian assistance cycle, beyond purely life-saving activities. It emphasises the leadership role of the government, and in that context it states that the minimum standards for service delivery to IDPs and affected populations should not necessarily be the internationally accepted Sphere standards, but rather take into account the standards that prevailed in local communities before the upheavals that created the exodus of IDPs.

The strategy adopted in Chad provides common, jointly agreed humanitarian needs assessments, carried out by the clusters with host communities being involved in the process. As far as possible, the focus will be on facilitating the return of the IDPs to their communities of origin, and on assistance in these communities. Hence, there will be a link between the humanitarian programmes and the development-oriented UN Development Assistance Framework (UNDAF) process, aimed at the entire population, in order to create sustainability in the Country Team's efforts. In this respect, the National Committee for Assistance to the IDPs, CNAPD, will be a full partner in the policy and programme development process.

Yet, the report also remarked that there is a need for contingency planning in relation to potential mass displacements. Moreover, there will be horizontal as well as vertical coordination, the provision of good field-capital communications, and inter-cluster exchanges to identify the many links and cross-cutting issues among the various sectors. The work done by the sectoral working groups that existed before the introduction of the cluster approach was incorporated into the new system.

New inter-cluster cooperation mechanisms are to be introduced at different locations and are to be supported by OCHA. These will operate in the capital N'Djamena (IASC Chad, Country Team, Cluster Leads meetings), Abeche, a regional centre (with

the participation of the government and development actors), and Goz Beida, a hamlet in the East, in the middle of the IDP camps. Consequently, there will be at least three tiers of coordination – and four if the IASC Chad is considered a separate layer. This has considerable implications for OCHA's workload, staffing and budget. The structure of the cluster distribution in Chad is presented in Table 1.

*Table 1 Cluster Distribution in Chad*

	Clusters	Humanitarian	Development	Government
1	Protection	UNHCR	UNICEF, UNFPA, UNDP	Ministry of Territory Administration, supported by Ministries of Justice and Defence
2	Food Security	WFP	WFP, FAO,	Ministry of Agriculture
3	Education	UNICEF	UNICEF	Ministry of Education
4	Water and Sanitation (watsan)	UNICEF	UNICEF	Ministry of Environment, Direction of Hydraulics, and Sanitation
5	Health	WHO	WHO, UNICEF, UNFPA, UNAIDS	Ministry of Public Health
6	Nutrition	UNICEF	UNICEF, WFP	Ministries of Health and Agriculture
7	Emergency Shelters	UNHCR		Ministries of Territory Administration and Social Action
8	Non-Food Items	UNHCR		Ministries of Territory Administration and Social Action
9	Site management	UNHCR		Ministries of Territory Administration and Social Action
10	Early recovery	UNDP	UNDP	Ministry of Planning
11	Logistics	WFP		Ministries of Planning, and Infrastructures
12	Emergency Telecommunications	UNHCR		Ministries of Planning and New Technology of Communication
13	Environment	FAO	FAO	Ministry of Environment

### **Effectiveness of the cluster approach: an evaluation by cluster**

The cluster approach was evaluated in two ways: by cluster and by using a set of criteria elaborated in a semi-structured questionnaire. These criteria included the degree to which earlier gaps in the provision of aid are filled, the promotion of predictable leadership, the role of partnerships among humanitarian organisations, and the role of standards. The following describes the situation as of August 2007. Since then, major efforts have been made to address the problems identified in the initial assessment. Not all the evaluations of the specific clusters are summarised here, but a few representative activities deserve to be singled out.

### 1 *Education*

UNICEF, the cluster co-lead (with Save the Children UK), has set up cluster meetings at both regional and local levels (in Abeche and Goz Beida). Terms of reference have been agreed upon, and key partners have been identified. The standards used are based on the Inter-Agency Network for Education in Emergencies (INEE) model. This cluster has its roots in an earlier sectoral working group on education, set up in 2005, which planned programmes for refugees from Sudan and the CAR as well as for IDPs. The working group was chaired alternately by UNICEF, the Ministry of Education, and the Ministry of Social Action, with participation by NGOs such as the IRC, INTERSOS, CARE and CORD.<sup>22</sup> It is not clear how the split between coordination for refugees and for IDPs will affect the sector. However, for the moment Jesuit Refugee Services, Premiere Urgence and Save the Children UK appear to be the key NGOs in the cluster, as they are the only ones providing services to IDPs. The cluster is now co-chaired by the Secretary-General of the Regional Governor (or by the Secretary-General of the Prefect at the Departmental level). The intention was to have primary school facilities available for some 10,000 children from the IDP and host communities by the beginning of the 2007-2008 school year. At the IDP sites and in the host communities, construction activities were clearly visible, and summer schools were already operating. The clusters meet regularly at regional and departmental levels and, with UNICEF as the main source of funding, stringent coordination is guaranteed.

### 2 *Water and sanitation*

UNICEF sees itself as the natural leader in this sector, since it has been providing water to more than 100,000 refugees since 2004. As it is handing over that task to others, the shift to IDPs is a logical extension of its previous work. Its main partner is Oxfam, which has considerable technical capacity, and which works at the IDP sites with UNICEF funding. The budget for water and sanitation at the IDP sites has mushroomed from \$8 million in 2006 to \$25 million in 2007, meaning that UNICEF has to make a major effort to scale up by bringing in new people and additional equipment. This is not easy, as French is a requirement, in addition to technical skills, and as Chad's landlocked isolation makes it hard to ship in goods – everything comes by way of Cameroon, and gets stuck at the border since UNICEF does not pay bribes.<sup>23</sup> Water is hard to find in Eastern Chad, and only mechanical drilling will reach down as far as needed, which may be as deep as 70 metres. Resource mobilisation has been disappointing, and as of July 2007, only 59% of the required funds under the 2007 CAP (Consolidated Appeal Process) budget had become available.

UNICEF has effectively set up cluster teams in Abeche and Goz Beida, and the clusters have already agreed terms of reference, standards and work plans. The government's Departement Hydraulique is an active co-chair. 'Who-does-what-where' mapping has been completed. Not all NGOs active in the water sector, however, attend the cluster meetings and coordinate their delivery – this creates confusion for beneficiaries and cluster partners alike.

### 3 Health

While WHO has a focal point for the cluster approach in N'Djamena, all the action occurs at regional level. In Abeche, WHO has four main areas of concern: epidemiology, public health, nutrition and laboratory work (the latter in support of its epidemiological pursuits). As cluster lead, WHO has just started there – it held a first meeting in July 2007, and further meetings are scheduled monthly. Terms of reference have been agreed, a work plan drawn up, and gaps identified. The WHO staff in Abeche argue that nutrition has unjustly been taken out of the health sector. In the words of the WHO nutritionist:

'We find it difficult to have a nutrition cluster on its own, and think it will not be good for nutrition programmes to be coordinated as an isolated entity. Nutrition is an integrated component of health and agriculture. For example: activities related to 'management of severe malnutrition' or 'promotion of infant and young child feeding' are or should be integrated into Integrated Management of Child Illnesses (IMCI). Nutrition surveillance has a better chance to have a good coverage and to be effective if integrated into national disease surveillance systems or into early warning systems from ministry of agriculture. Vaccination campaigns are a very good opportunity to improve the coverage of vitamin A supplementation. Ministries of health and ministries of agriculture are existing ...but no ministry of nutrition...'

The Terms of Reference of the cluster are complete, and the cluster is led by the Ministry of Health, while WHO chairs and provides the secretariat. UNICEF, UNFPA, UNHCR and the Italian NGO COOPI are currently participating. Other NGOs, and in particular HIAS, IMC, the four national MSF teams and the Red Cross Movement organisations are in the process of joining. The cluster's first activity was to develop a contingency plan in case there is an outbreak of cholera, malaria, or hepatitis E. The cluster would like to expand and have a presence in Goz Beida and in Koukou (both 'towns' with large settlements of IDPs), but that is a matter of funding and recruitment. WHO's new responsibilities as cluster lead also have a financial impact, and funding goals have not been met. While WHO received some additional support from ECHO, it only received \$3.2 million out of the \$5 million it sought under the 2007 CAP.

Standards are not a major problem for the cluster since there are national health standards developed by WHO. These have now been adapted to local conditions. The health sector does not make a distinction between refugees and IDPs or host nationals – everyone signed off on these standards, including UNHCR. Thus, the cluster covers both groups.

Health care has to be sustainable, and the cluster plans ahead for returns and early recovery. The government encourages returns, but WHO takes the position that this requires a restoration of the old health centres (or new ones), medicine kits to accompany the returnees, and a waiver of cost recovery policies.

As cluster lead, WHO has stressed the importance of inter-cluster coordination and policy guidance. OCHA should invest in leadership training for the cluster leads, and manage the relationships among the clusters very carefully. For example, health and watsan go together, as do health and nutrition. Vertical coordination is crucial. In the past, UNHCR did all this for all beneficiaries, now OCHA serves only IDPs. More clout is needed, especially with regard to the NGOs. As one NGO participant put it: 'It's nice



to meet colleagues, get information, divide up responsibilities, share and produce data on diseases that might spread, do some contingency planning – but we don't share materials, we all have our own donors and resources'. The absence of MSF in the cluster creates gaps in information, and occasionally leads to tensions (such as a turf war between COOPI and MSF) or disagreements (on issues such as the level of malnutrition among children in IDP sites).

#### 4 *Site management*

Most of the IDP sites have no management structure in place, except for 'chefs de village', local administrators. Although a goal was set to have site managers assigned to at least six of the major IDP sites by the end of June 2007, this did not materialise. With UNHCR as the single participant, the cluster had not developed any group activities. However, with the arrival of Concern and of Islamic Relief, UNHCR intended to launch the cluster in time for the 2008 CAP preparations. Some of UNHCR's work thus far has been performed in conjunction with the Protection cluster, with an emphasis on a large-scale enumeration and profiling exercise. This project was, however, not completed and, as a consequence, there is still some uncertainty about the number of IDPs in Chad, and the demographics of the sites have not been described. UNHCR staff stressed that they would need additional resources and capacity to meet all their obligations as cluster lead.

#### 5 *Early recovery*

This is a 'network', to be led by UNDP. While much has been done at global level to define the concept of early recovery and its relationship to the traditional humanitarian range of activities, UNDP has not yet initiated activities at country level, and there are no early recovery programmes identified as such in the 2007 CAP revision, which itself focuses on short-term goals. However, the strategy paper developed by the IASC Chad clearly states the importance of managing the transition from relief to development, and the cluster approach is actually projected to carry over into the recovery and the development phases, albeit with a sometimes different cast of actors.

#### 6 *Logistics*

NGOs such as Save the Children UK and the International Medical Corps are sceptical about the effectiveness of this cluster. Senior WFP staff in N'Djamena are also concerned that they have been given responsibilities beyond their capacities, citing a lack of clarity about their role and arguing that they have no money to do what they know they should do. They would like to develop a state-of-the-art information system about the best routes, the local availability and cost of transport capacity, airports and storage, expanding partners' access to joint inventories, cartography, satellite imaging, mapping. Ultimately they would like to set up a system that would have value beyond emergencies, well into recovery and even development. They would also like to be able to transport goods for NGOs when asked to do so, have insurance coverage to allow them to accept the liability and provide better air services to the outposts. Unfortunately, all this requires resources. WFP's staff in N'Djamena were wondering

whether the CAP would mobilise funds and include strengthening of the cluster in its objectives, as WFP headquarters in Rome had promised?

A staff member from WFP's regional office in Dakar was detached specifically to set up the logistics cluster in Chad. There were meetings with IINTEROS, IRC, IFRC, COOPI, Oxfam, GTZ, Save the Children UK, and UNHCR to agree on common terms of reference, but the underlying issues of mandate and capacity were beyond his remit to resolve.

### **Evaluation by criteria: improving management**

The evaluation per cluster shows that although the roll-out of the cluster approach went reasonably well, several sectors have made less progress than others. This section looks at an evaluation of the humanitarian system as a whole and discusses the impact of the cluster approach on humanitarian space.

#### *1 Filling gaps*

Overall, the main gap in Chad is lack of capacity. The size of the IDP problem, and its recent expansion in 2007 (from some 110,000 at the beginning of the year to an estimated 170,000 by the start of the rainy season in July), has caught the UN system and its partners off guard. Technical expertise is in short supply, particularly as regards watsan, site management, education, logistics and coordination.

Most senior leadership can be found in the capital, N'Djamena. However, as one moves to the regional centres, such as Abeche, and from there to the delivery centres located among the IDP sites, such as Goz Beida, it becomes apparent that the UN system's humanitarian leadership in Chad has no depth. Many of the cluster leads are not represented at the delivery point level at all (e.g., in Goz Beida only UNICEF, UNHCR, WFP and OCHA are present), although there are an estimated 90,000 IDPs in the area. Other major concentrations of IDPs, such as those around Dogdore (27,500) or Arkoum/Alacha/Goundiang (22,000), have no agency presence at all and even OCHA has no staff there. The few UN system staff in Goz Beida are itinerant (OCHA's sole representative was on a three-month standby arrangement; WFP has one international consultant on a short-term contract instead of a staff member). This has serious consequences for the quality of coordination and decision-making, as well as for the flow of analytical information.

Field level staff capacity varies enormously depending on the financial and organisational strength of the agency concerned. As services are mainly provided through implementing NGOs, the only technical expertise visible at ground level is that of the NGO community. The implication for the cluster approach is that de facto cluster leadership at the sites often has to be sought among the NGOs, as the nominal leads are absent. OCHA has been quite active in inviting additional NGOs to come to Chad to fill gaps such as site management, and its efforts are starting to bear fruit. Many of these capacity gaps can be quantified, but this kind of analysis has not yet been performed for Chad. The fact that OCHA has no monitoring and evaluation capacity in Chad may partly explain this lack of information.<sup>24</sup>

Preparedness and surge capacity for the various clusters is to a large extent determined by the quality of sectoral coordination before the cluster approach was introduced. Sectors that were well organised at the start of the IDP crisis in 2005 had no problem transferring their existing arrangements to the new structure. Water and sanitation, driven mainly by Oxfam, worked well to begin with, and UNICEF's assumption of the role of cluster lead has led to a very rapid expansion of its capacity (with more people on the way). Health, where several NGOs also already had a good working relationship as implementing partners for UN agencies, also adapted easily to the new framework. Most cluster leads, especially at field level, argued that preparedness and surge capacity were mainly a function of funding, as their pipelines worked well in principle.

Closing of information gaps: ever since the arrival of OCHA on the scene in Chad there has been a dramatic improvement in the accessibility and reliability of information about humanitarian needs in Chad. OCHA's information unit was up and running in no time, and even has a strong presence at provincial level (thanks to a DfID-funded short-term expert). This means there are good maps which show the distribution of affected populations. Who-does-what-where maps have also been prepared and are regularly updated (so that it is clear which partners cooperate in which sector in which site). Good demographics, however, are lacking. OCHA in Goz Beida has compiled different estimates of the population in each of the sites. UNHCR, Oxfam GB, WFP/PAM, the IRC and the National Committee for Assistance to IDPs have each submitted figures, and they differ dramatically. These fluctuations in estimates are sometimes as much as 40 to 60% for all sites, meaning that the number of IDPs cited for Chad as a whole is highly suspect. This also means that data on food and water delivery (such as x amount of calories and y litres per person per day) has to be interpreted very cautiously.

An overall needs assessment was updated in May 2007, and presented to the donor community as the 'Chad IDP Emergency Assistance 2007 CAP Revision'. It provides a detailed context analysis, specific objectives and approaches, and it culminates in a 'Ninety-Day Plan'. This consists of 'response plans' for eight sectors: protection, water and sanitation, food security, emergency shelter and non-food items, health/nutrition, education, logistics and coordination. For each of these, strategies are described, and basic 'logical frameworks' are presented, showing target zones, planned activities, expected outcomes, constraints and the bare bones of a work plan. Each sectoral plan also identifies the sector lead, and the budgetary requirements of each of the participating agencies as well as their partners. The cluster approach is clearly visible to the extent that leadership is defined and commonality of purpose among the actors is assured.

Underserved thematic areas, such as site management, have received increased attention since the cluster approach has been rolled out. Whether this is because OCHA has arrived on the scene or because the need to fortify the clusters has drawn attention to existing gaps, it is clear that the efforts to bring in new NGOs to add expertise and operational capacity are the outcome of a renewed impetus to get things right.

Stockpiles of food supplies have been built up (with WFP as the single actor), but there are shortages of non-food items and medical supplies at many of the sites, and

the dismal state of the infrastructure (roads impassable during the rainy season) does not help. The lack of a robust humanitarian air-transport system (WFP and UNHCR maintain a minimalist network, mainly to move people) compounds the problem. Some NGOs have rented donkeys to keep goods moving.

### *2 Promoting predictable leadership*

To transcend the non-committal construct of a 'coordination mechanism', the cluster lead needs clout and authority. Where agencies brought these to the table, for example in the health sector, or in watsan, their leadership was welcome; where capacity was lacking, such as in the environment cluster, the entire sector was essentially dead on arrival. Predictability is clearly a function of capacity and resources.

The concept of 'provider of last resort' is closely related to this. The commitment that comes with this role requires deep pockets, and a certain freedom to allocate funds beyond the limits of an organisation's own narrow mandate. Few agencies appear to have such leeway, and that damages their credibility as cluster leads. For NGOs, the obligation to serve as 'provider of last resort' makes it virtually impossible to accept cluster leadership. At best, NGOs with sufficient capacity will take on the role of 'convenors', for example in field duty stations where the cluster lead has no presence, or minimal expertise. However, to make it possible for the most capable player to serve as cluster lead, NGO or UN actor, there should be a 'fund of last resort', or possibly a linkage to the UN's Central Emergency Response Fund (CERF) or pooled humanitarian funding – a common system guarantee that the cluster lead will not be deserted in the hour of need.

### *3 Improving partnerships*

Most, if not all, of the NGO staff members who were interviewed expressed doubts about the realism of the partnership model envisaged in the cluster approach's guidelines. As they pointed out, many of them are 'implementing partners', an elegant term to describe a sub-contracting relationship, whereby the UN agencies provide the funds and determine the work plan. In that context, a NGO is not truly independent, and has to be cautious about speaking its mind in a cluster setting.

NGOs that came in with considerable resources of their own were less concerned about their independence, but they too had misgivings, particularly about the concept of NGO cluster leadership. They argued that they could not accept the burden of serving as agent 'of last resort' as they had no mandate to fund activities beyond their own programmes and they did not want to be placed in a position where they would have to decide on the allocation of resources to fellow NGOs, or take on a monitoring or supervisory role.

NGOs also stressed that the concept of partnerships should be based on trust and respect. However; when it came to practical touchstones of such trust such as the possibility of accessing CERF funding on a basis of equality, such trust was clearly lacking and funds were only available on a sub-contracting basis, rather than as outright grants. Clearly, some actors were more equal than others. This also becomes apparent when one examines how access to humanitarian flights within Chad is rationed: NGO staff are last on the priority list.

The system worked best when there was an adequate number of NGOs at the table, in addition to the UN system cluster lead, and when the cluster lead was able to gain respect based on technical competence and substantive leadership (in areas such as health, education, water and sanitation). The cluster lead should also be able to resolve conflicts between partners, such as the turf battles between MSF and COOPI, or UNICEF's sudden decision to stop funding WATSAN in the refugee camps (leaving the IRC with the burden and the bill). If the cluster lead cannot exert authority, the cluster approach is no more than a cosmetic makeover of the sectoral groups.

#### *4 Enhancing standards*

The requirement that the clusters achieve clarity about the standards they intend to apply for the IDP population, and the corresponding policy debate at the level of the IASC Chad, has increased the international community's awareness of the sensitivity of working in an environment where the government has the ultimate responsibility for the wellbeing of its citizens, and thus calls the shots. What one sees in Chad is a valiant effort by humanitarian actors to raise the standards used for each sector to a level that gives people some modicum of dignity and prospects for survival – the arguments used often already look forward to the achievement of the Millennium Development Goals and the need to plan humanitarian action with a long-term recovery and development perspective.

The extent to which this debate informs the work of the clusters depends on the energy and resources of the cluster lead, the level of participation by the government, the number and nature of the NGOs involved in the cluster, and the extent to which international standards already exist that have been accepted by the government. The need to keep some balance between the services provided to refugees and to IDPs, given that they are often located in the same areas and among the same host populations, adds another layer of complexity to the debate.

#### **The future of the cluster approach**

The main concern brought up by UN system staff and NGOs alike is the lack of a strategic/structural dimension to give the clusters an overarching framework and sense of purpose. They claim that the clusters are too technical. Who looks at the impact of interventions on the recipient population? Who assesses the socioeconomic situation, the balance among ethnic groups, the opportunities for conflict resolution? How does the humanitarian community deal with the unintended side effects of aid, building dependencies and creating expectations? Who does the cultural mapping, or discusses sustainability? In a similar vein, monitoring and evaluation capacities – and feedback – need to be developed rapidly to be able to continuously improve both the execution of the cluster approach and the humanitarian aid itself.

It is felt that the IASC Chad does not, as yet, provide guidance in these areas, and that there is no serious policy analysis. Most people who were interviewed last August had not yet seen the strategy paper developed by the IASC, but those who did acknowledged its merit, while arguing that it could not substitute for strong leadership. The fact that OCHA has arrived on the scene only recently, and that it is severely understaffed, has left the Humanitarian Coordinator without the robust secretariat that

derstaffed, has left the Humanitarian Coordinator without the robust secretariat that is so sorely needed. The presence of UNHCR raises turf questions that are painful to arbitrate, and the need for the Humanitarian Coordinator to serve simultaneously as Resident Coordinator creates a sometimes uncomfortable dilemma – the Resident Coordinator has to stay close to the government in order to get anything done, while the Humanitarian Coordinator should be able to take some distance, protest human rights abuses, activities that threaten peace, and gaps in social services that condemn people to a highly vulnerable and miserable existence. The issue of the IASC draft guidance notes on coordination with the government would be very timely.

In addition, four structural problems remain that can disrupt the humanitarian effort: the security situation, including its international aspects, the role of the state, the role of the donor governments, and the role of NGOs.

- 1 The security situation will remain tense as long as the rebellions within Chad, and the crises in Darfur and the Central African Republic continue.<sup>25</sup> One possible problem for EUFOR will be that the armed support of the French forces to the president has destroyed the possibility that it will be seen as a neutral force by the rebel groups. The humanitarian organisations are therefore likely to keep their distance from EUFOR. In this respect, EUFOR will need strong concurrent diplomatic initiatives to be able to get the government and the rebel groups around the table. If the international community cannot coax the government to improve access and accountability, the benefits of the increased humanitarian space are likely to diminish once again in the near future.
- 2 Officially, the government is part of each cluster, and is designated as the overall authority responsible for meeting the needs of all people in its territory. In practice, the government does not provide leadership and this often makes things difficult for the humanitarian actors when it comes to visas, work permits and travel authorisations, and in some cases contributes to the conflicts that fuel the displacement. It certainly does not want to institute a democratisation process. Yet it is dependent on the international community for its security so that they can, in principle, use this leverage.  
The government has created two National Committees, one for assistance to refugees and one for assistance to IDPs, but these seem to function more as components of the national security structure (gendarmerie, telecommunications) than as humanitarian actors. On the other hand, officials in the National Committee for Assistance to Refugees expressed their disappointment that, after having been invited to the cluster approach workshops, no real partnership had developed, and little leadership was forthcoming on the part of the UN system. If they want to build capacity, UN staff should be detached to the Committee. The government could not understand the conflicting relationship between OCHA and UNHCR either.
- 3 Relatively few donors have a presence in Chad, at least not beyond the official diplomatic level. The response to the 2007 CAP has been lukewarm, although it was well prepared and realistic in its assumptions. Possibly, as Chad's role in the complex dynamics of the region's many conflicts becomes more visible, in particular

when EUFOR has become fully active, and as Chad's oil reserves attract more attention, the donors will begin to see Chad as an essential component in their overall strategy for Africa. This, in turn, might lead to a higher level of investment in its security, wellbeing and growth – recovery is not the right word, as there is preciously little to recover. However, tricky questions remain as to whether donor governments can sustain focused attention to use their diplomatic, military and financial leverage to democratise the government, resolve the conflict, distribute oil wealth more equitably, and neutralise – or even better, although unlikely, mitigate – the Darfur and CAR conflicts.

- 4 The proximity of the Resident Coordinator/Humanitarian Coordinator to the government, and the close links between the UN system and the government in general, are a reason of concern for many NGOs, since they do not necessarily believe that the government is a force for the good, committed to its people's wellbeing. These NGOs, therefore, prefer to keep their distance, and tiptoe very carefully around the clusters, keeping information close to their chest, using their own standards. They cannot be ignored, as they often come with major resources and considerable technical skills – the cluster leads will have to keep their door open, and use personal diplomacy to establish and maintain good working relationships.

### **Conclusions: clusters and humanitarian space**

It appears that the United Nations and donor governments have until recently underestimated the scope of the crisis in Chad, and have not devoted sufficient human resources to building a strong, in-depth humanitarian leadership and coordination presence. The arrival of EUFOR means there is now an increased political and media focus on the events in Chad, certainly on the part of the Europeans. OCHA has had little time to strengthen its operations in Chad; if it manages to do so, it will find that the work done by the humanitarian actors in country thus far, energised by the cluster approach, has created sufficient capacity to launch an enhanced effort, filling the gaps. Currently, the different partner organisations understand each other better, planning has improved, and there is clarity on the final responsibilities and standards in each cluster. In this sense, humanitarian space has improved because, on the one hand, structural and thematic coherence has been strengthened and, on the other, considerable attention has been paid to needs and standards which will help to maintain the traditional humanitarian principles as well as build trust with various local partners and target groups.<sup>26</sup>

There is also considerable enthusiasm – and potential – within the Country Team and among the NGOs to benefit from the enhanced structures and accountability offered by the cluster approach. Further improvements hinge on the level of support coming from the global clusters, from the donors, and from the senior staff at the country level. In order to be sustainable, the cluster approach should be viewed against a backdrop whereby the field delivery stations are seen at the top of an organisational chart, given that they are the most important units of the entire construction, with the regional offices under them as support structures, in turn supported by the

focal points in the country's capital, with everything resting on the foundation of the organisations' respective headquarters.

In this way, the entire system should be conceived as a delivery process, whereby policies, financial resources, people, supplies, technical guidance, information technology support and security services all move up the line to ensure that no field office goes without, while information and needs assessments with specifications for support come down that line, triggering renewed upwards movement. This implies that the best, most experienced staff should be assigned to the front lines instead of the capitals, and that the sometimes pitiable crew of inexperienced and poorly supervised low level operatives typically found on UN system premises in the field stations be replaced by an A-team. Many NGOs have already adopted this staffing and support model, and the superior quality of their field staff is often embarrassing to the UN. In this respect, it is ironic that the cluster approach has reinforced the bargaining position of the UN system vis-à-vis NGOs.

To sum up, the cluster approach is enlarging humanitarian space in Chad, creating more opportunities to work impartially, with priorities based on needs, and with improved access to those who have been most seriously affected by the violence and displacement. At the same time, the best of coordination mechanisms cannot end the national and regional conflicts. Moreover, the humanitarian actors cannot address such issues as corruption and weak governance. Neither the UN system actors nor EUFOR will have sufficient clout to address these structural factors encircling the humanitarian space. Humanitarian action is simply no substitute for political engagement, which requires far more consistent international attention.



### List of abbreviations

CAP	Consolidated Appeal Process
CAR	Central African Republic
CERF	Central Emergency Response Fund
CNAPD	National Committee for Assistance of Internally Displaced People (Chad)
COOPI	Cooperazione Internazionale
CORD	Christian Organisation for Relief and Development
DfID	Department for International Development (UK)
ECHO	European Community Humanitarian Aid Department
ERC	Emergency Response Coordinator
EUFOR	European Union Force
FAO	Food and Agriculture Organisation
GDP	Gross Domestic Product
GTZ	Gesellschaft für Technische Zusammenarbeit
HIAS	Hebrew Immigrant Aid Society
IASC	Inter-Agency Standing Committee
ICRC	International Committee of the Red Cross
IDP	Internally displaced person
IMC	International Medical Corps
INTERSOS	Organizzazione Umanitaria Per L'Emergenza
IFRC	International Federation of Red Cross
INEE	Inter-Agency Network for Education in Emergencies
IRC	International Rescue Committee
MSF	Médecins Sans Frontières
NGO	Non-governmental organisation
OCHA	Office for the Coordination of Humanitarian Affairs
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Fund
UNFPA	United Nations Population Fund
PAM	Programme Alimentaire Mondial (WFP)
WFP	World Food Programme
WHO	World Health Organisation

## Notes

- 1 Dirk Salomons is Director of the Humanitarian Affairs Programme at the School of Public and International Affairs at Columbia University, New York. Dennis Dijkzeul is Professor in the Management of Humanitarian Crises at Ruhr University Bochum, Germany.
- 2 <http://www.consilium.europa.eu/uedocs/cmsUpload/ForceStenghtbyNationsinA0002092008.pdf>, consulted on 22 September 2008.
- 3 Tanguy, J. and F. Terry (1999) On Humanitarian Responsibility, *Ethics and International Affairs*, Vol. 13, 1999, at <http://www.doctroswithoutborder.org/publications/opedsarticles/>, last accessed on January 28, 2008.
- 4 See Hilhorst, D. and B. Jansen (forthcoming) *Humanitaire Ruimte Als Arena: Een Perspectief op De Alledaagse Praktijk*, in Dijkzeul, D. and J. Herman (Eds) (forthcoming) *Humanitaire Ruimte: Tussen Onpartijdigheid en Politiek*.
- 5 For example Bos, P.L.J. (2003) *Crisis Management in a Crowded Humanitarian Space: The Politics of Hosting Refugee Influxes*. Crismart, National Defence College, Stockholm.
- 6 Dijkzeul, D. and J. Herman (Eds) (forthcoming) *Humanitaire Ruimte: Tussen Onpartijdigheid en Politiek*.
- 7 OCHA's reform was influenced by Kofi Annan's UN reform and the Good Humanitarian Donorship Initiative. Informally, the 2005 evaluation of the humanitarian response to Darfur, led by Ms Adinolfi (EU/ECHO Secretariat), also played a large role.
- 8 IASC Guidance Note on Using the Cluster Approach to Strengthen Humanitarian Response, 24 November 2006.
- 9 The IASC brings together the main humanitarian organisations at the global level. OCHA runs its Secretariat.
- 10 UNICEF Briefing Book on the Cluster Approach for IDPs in Eastern Chad, July 2007.
- 11 UNDP (2007) *Human Development Report 2007/2008*, New York: UNDP; Basingstoke: Palgrave MacMillan.
- 12 Compare French, H. (2004) *A Continent for the Taking: The Tragedy and Hope of Africa*, New York: Vintage Books, p.71.
- 13 Pegg, S. (2005) Can policy intervention beat the resource curse? Evidence from the Chad-Cameroon Pipeline Project, *African Affairs*, Advance Access published December 5, 2005.
- 14 Economist (2008) Chad: The aftermath, *Economist*, February 23, 2008, p. 48.
- 15 Economist (2008) Colonial baggage: the lessons of Europe's muddle over its military mission to Chad, *Economist*, February 9, 2008, p. 34; Tull, D.M. (2008) The Chad Crisis and Operation EUFOR Chad/CAR, *SWP Comments*, pp. 1-4.
- 16 Massey, S. and R. May (2006) Commentary: The crisis in Chad, *African Affairs*, 105/420, pp. 443-444.
- 17 <http://ochaonline.un.org/Default.aspx?alias=ochaonline.un.org/chad>, last accessed on April 12, 2008.
- 18 For more information on research methods and persons interviewed, see Stoddard, A, A. Harmer, K. Haver, D. Salomons, and V. Wheeler (2007) *Cluster Approach Evaluation*, Final Draft, Humanitarian Policy Group and Overseas Development Institute, London, available at [www.humanitarianinfo.org/iasc/content/documents/working/OtherDocs/Cluster%20evaluation%20final.pdf](http://www.humanitarianinfo.org/iasc/content/documents/working/OtherDocs/Cluster%20evaluation%20final.pdf).
- 19 Author's interviews with stakeholders.
- 20 For example, 'Environment' has remained a cluster, notwithstanding the ERC's reservations.
- 21 The draft report describes the role and functioning of the new cluster system in some detail, summarising the operational guidelines issued by OCHA in November 2006.
- 22 While most of these NGOs are well known internationally, CORD (Christian Organisation for Relief and Development ) may not be as familiar: it is a reputable British peacebuilding charity.
- 23 Here, it is hard to 'compete' with the private sector, which has more flexibility in paying for 'facilitation services', in a context where civil servants do not get paid, or only nominally, but are

understood to tax their clients at source. UN financial rules and regulations are puritanically rigid.

- 24 In the absence of monitoring and evaluation capacity within OCHA, there is no record on whether cross-cutting issues, such as gender or the needs of especially vulnerable groups, have been taken into account in the work of the clusters.
- 25 Marchal, R. (2006) Tchad/Darfour: Vers Un Système de Conflits, *Politique Africaine*, No. 102, June 2006, pp. 135-154.
- 26 On the issue of trust, see also Dorothea Hilhorst (2007) *Saving Lives or Saving Societies? Realities of Relief and Reconstruction*, Universiteit Wageningen, p. 26.



# Overviews



# Development Cooperation of the Netherlands in 2007

Paul Hoebink

*'Development cooperation is our common concern. It is one of the best investments we can make towards a more stable world and worldwide prosperity. Everyone reaps the benefits: not just in developing countries, but here too. It is a question of solidarity and judicious self-interest.'*

Bert Koenders, 16 October 2007

2007 brought The Netherlands a new cabinet and thus also a new Minister for Development Cooperation.<sup>1</sup> Bert Koenders, this new minister in the coalition cabinet, was spokesperson for the Labour Party on foreign affairs and later also development cooperation in the Dutch parliament for nine years. In October the Minister came with a new policy document, indicating the new focus he want to give to Dutch development cooperation. Fragile states, better opportunities for women and girls, growth and equity, climate change and energy are the focus areas, to which the Minister want to give special attention.

## **A new Cabinet and a new minister**

On 22 February 2007 after the elections a new government was formed, consisting of the Christian Democrats, the Labour Party and, for the first time in Dutch political history, the Christian Union, one of the smaller Christian (Dutch Reformed) parties. Bert Koenders (1958) of the Labour Party was appointed Minister for Development Cooperation in the Balkenende IV government. Koenders studied political science first at the Free University in Amsterdam and graduated later in political and social sciences at the University of Amsterdam. He received an MA from Johns Hopkins University, after studying at the School of Advanced International Studies in Bologna and Washington DC from 1979 to 1981.

Koenders then worked from 1983 to 1992 as a personal assistant to several Labour Party MPs and as coordinating foreign policy assistant for the Labour Party's parliamentary group. From 1984 he was also part-time adjunct professor of international relations at Webster University in Leiden and from 1987 part-time consultant and European director of Parliamentarians for Global Action in New York. From 1993 to 1994 he worked in Mozambique, South Africa and Mexico as a staff member and political advisor to the Special Representative of the UN. He moved to Brussels in 1995

to work at the European Commission's Directorate-General for External Relations, until 1997.

In 1997, Bert Koenders returned to Parliament, but this time as an MP for the Labour Party as a spokesperson on Foreign Affairs, and later, when the spokesperson on Development Cooperation failed, also on Development Cooperation. He had at the same time a long series of positions: visiting professor of international relations at Johns Hopkins University in Bologna, member of the Governing Council of the Society for International Development, member of the Supervisory Council of the Institute for Multiparty Democracy, president of the NATO Parliamentary Assembly, chair of the board of the Parliamentary Network on the World Bank, etcetera..

### **A new minister and a new policy**

On 16 October minister Bert Koenders presented his in new policy letter, '*Our Common Concern: Investing in Development in a Changing World*' to the House of Representatives. In this policy letter Koenders announced his new priorities. First was that the Netherlands would step up investment in fragile states, which have to win much ground in their way to achieve the Millennium Development Goals. An enhanced policy focus on four areas was indicated:

- ◆ Security and development
- ◆ Growth and equity
- ◆ More rights and opportunities for women and girls
- ◆ Sustainability, climate and energy

With regard to security and development, the policy paper stated that the good governance criterion has resulted in a lack of funding for fragile states that need in principle foreign aid most. It is hoped that investing in fragile states gives a major boost to security as well as development in these countries and also creates regional stability. It means that Afghanistan, the Horn of Africa, the Great Lakes region and the Middle East will all be receiving extra attention and funding from the Netherlands in the coming years.

The policy paper stresses that economic growth and a more equal distribution are the second focus area/ If it is the objective to bridge the gap between rich and poor, then greater emphasis should be given not only to growth, but also the distribution of this new wealth. This (re)distribution is considered is to be vital. It means that the developed world should encourage developing countries to take part in the world trade system, also by providing better access to their markets. But at the same hand developing countries should stimulate the type of private sector growth that will benefit the poor, but also invest in sectors hich are important for the poor like the informal sector and agriculture.

It is stated in the policy paper that very little progress has been made on Millennium Development Goal 3 (the promotion of gender equality and the empowerment of women), and Millennium Development Goal 5 (the reduction of the maternal mortality rate). The reduction of this mortality rate is seen as an important element of sexual and health rights. Equal rights for women and girls are presented as an absolute



priority for the Dutch government and a precondition for the achievement of other Millennium Development Goals.

In the coming years there will be more focus on the importance of the environment and energy in achieving the Millennium Development Goals. It must be recognised that climate change and biomass represent opportunities for developing countries. This must not, however, negatively impact on the access of the poor to scarce natural resources, biodiversity and energy.

There is widespread support for development cooperation in Dutch society and many people contribute by donating their time or money. This is something to be proud of. Development cooperation is a responsibility not only for governments, but also for the public at large. We are all responsible for ensuring that world poverty is halved by 2015. As a country, and as part of an international community, we owe it to each other.

In recent decades, we have learnt that simply giving money is not enough. Other factors, such as the political will of both rich and developing countries, global market opportunities and the degree to which countries enjoy peace and security also play a role. Dutch development policy aims to enhance all these factors by deploying political instruments, linking other policy areas to poverty reduction (improving policy coherence) and taking advantage of our position in the international vanguard.

Every year, the Netherlands contributes 0.8% of its GNP to poverty reduction. This makes it one of the few countries to meet the internationally agreed norm for development aid. Half of this money goes to Africa, where poverty is most acute. We aim to help solve conflicts in the Great Lakes region and the Horn of Africa by adopting a regional approach, because without peace and security there can be no development.

The Netherlands supports initiatives in 36 partner countries to improve governance, focusing on human rights and a business climate conducive to jobs and good incomes. The same themes underpin Dutch efforts to improve education, water and sanitation, the environment and reproductive health and to fight HIV/AIDS. The Netherlands concentrates on these areas because, as both individual and concentrates on these areas because, as both individual and interrelated priorities, they are essential to achieving the MDGs by 2015.

### **Dutch aid in figures**

Net official development assistance from the Netherlands rose by 5.2 per cent in 2006, due partly to the strong euro in relation to the dollar, but for the major part due to stronger economic growth in the Netherlands. Only Ireland, Spain, the United Kingdom, Austria, Finland and Sweden had higher growth of their development aid budgets, while comparable donors showed slower growth of their budgets (Denmark) or even a reduction (Norway). Total aid in 2006 was \$ 5,452 million, representing 5.2 per cent of total Official Development Assistance from DAC-countries in 2006.

This all means that the Netherlands is the sixth donor in absolute terms behind the USA, the UK, Japan, France and Germany, larger than Spain and Italy. The Netherlands is the sixth largest donor already for a longer period, since the UK surpassed it

in the second half of the 1990s. The UK has now in 2006 become the second largest donor, surpassing for the first time Japan. In relative terms, net official development assistance as percentage of Gross National Income, the Netherlands are in 2006 at the fourth place, behind Sweden Luxembourg and Norway. In this top-5 positions have changed a bit, Luxembourg and Sweden coming up, Denmark and Norway losing ground.

*Table 1 Official Net Development Assistance from the Netherlands (2005-2006) (in millions of US dollars and percentages)*

	2006	2007
Net Official Development Assistance	5,452	5,115
Official Development Assistance as percentage of Gross National Income	0.81	0.81

Source: Development Assistance Committee, Press Communiqué, 3 April 2007.

Looking at the thematic distribution (see table 2), it becomes clear that the social sectors has become the main aid receivers in Dutch development aid. Table 2 presents the distribution of aid over themes not only of decentralised funds (managed by the embassies), but also from central funds (managed by the Ministry in The Hague) and multilateral funds towards the 36 partner countries. Education received 27.9 per cent of aid in 2006 and was supported in 16 of the 36 partner countries. The health sector was supported in 15 of the 36 partner countries and was receiving 26.8 per cent. Good governance and human rights was an important theme in most countries, 22 of the 36, but received relatively little assistance in financial terms, 16.5 per cent.

*Table 2 Distribution of Dutch development assistance over priority themes, bilateral and multilateral, in 36 partner countries (2005-2006) (in millions of euro)*

Theme	2006	2007
Education	459.2	
Sexual and Reproductive Health and Rights	112.1	
HIV/AIDS	329.6	
Environment	215.4	
Water and Sanitation	177.8	
Good Governance and Human Rights	271.2	
Private Sector Development	410.8	
Total	1,646.5	

Source: Resultaten in ontwikkeling. Rapportage 2005-2006. Den Haag: Ministerie van Buitenlandse Zaken, 2007; Resultaten in ontwikkeling. Rapportage 2007-2008. Den Haag: Ministerie van Buitenlandse Zaken, 2009.

In private sector development most funds are spent from the central budget, but are administrated often by external partners, like the Netherlands Development Finance Company (FMO) nor the Centre for the Promotion of Imports from developing coun-

tries (CBI). The 25 per cent dedicated to this theme, is distributed over a wide range of activities, mostly in the form of projects.

Debt relief to Nigeria and Iraq received strong critique from parliament in 2005, but in 2006 only 5.4 per cent of total aid consisted of debt relief grants. Most of the \$ 294 million involved however was debt relief for these two countries.

### Note

- 1 In The Netherlands there is Minister *for* Development Cooperation, because he is a Minister without portfolio: he doesn't have his own department and budget. The Directorate-General for International Cooperation (in the Dutch acronym DGIS) of the Ministry of Foreign Affairs can be considered as the Minister's department. His budget is part of the Foreign Affairs' budget. He has a final say on this budget and is member of the Cabinet.



# From 'licking wounds' to 'private initiatives' Dutch private development cooperation in 2007

*Lau Schulpen*

As far as Dutch development cooperation is concerned, the year 2007 will most likely be remembered as the year in which Bert Koenders took office as minister in the fourth Balkenende government. Like most of his predecessors, he was confronted with a budget that left relatively little room for change. The €2.3 billion available for the most important programme in the field of civilateral aid (the Cofinancing System, MFS), for instance, are untouchable and the same applies to many other funds which have effectively been earmarked years in advance. Nevertheless, there are always margins (small as they may be) that an inventive new minister can use to increase his grip on the ministry's policy and budget. Koenders has indeed made good use of these margins – certainly in the interaction between the ministry, civil society and private companies.

However, 2007 was much more than a year of 'using margins'. In August 2006 the assessment procedure for the MFS was finalised and the outcome of this process continued on into 2007. Not only because several of the NGOs which applied for a MFS grant formally objected to the outcome but also because of two evaluation studies looking into the entire MFS process. Besides this, the official start of the MFS in January 2007 meant that it was time to concretise the tailor-made monitoring system for NGOs. Lastly, 2007 can be regarded as a stepping stone towards the broad dialogue between the ministry and civil society which in turn should feed into a new grant scheme that is going to replace the MFS from 2011 onwards.

Interestingly, nearly all the above civilateral issues took place within the confines of the Dutch 'development industry' itself. Almost no attention was paid to any of these developments from outside the 'industry' apart from a few newspaper articles. The 'public heat' during 2007 came largely from outside the traditional development sector and started off with the publication of a critical report on the activities of Private Initiatives (PIs). This led to a debate on the value (or not) of these kind of small do-it-yourself development organisations. Naturally, traditional NGOs were immediately included in the discussion as PIs were (mistakenly) compared with them. More important perhaps is the fact that some of these NGOs fund PIs and, as such, have a direct stake in the discussion. Based on the above points of departure, this article provides a broad overview of developments in Dutch private development cooperation during 2007.

### Setting the stage for change?

In the ministry's general policy paper, Koenders hardly pays any attention to the role of NGOs. The paper states mainly that 'this letter outlines the general framework for development cooperation. The government is going to issue a follow-up memorandum which will examine the implications for the multilateral and nongovernmental channels (DGIS 2007a: 6). In his numerous speeches during 2007, Koenders only occasionally referred to NGOs, CSOs or private development cooperation directly. Still, several issues can be distilled from these speeches that show future 'points of attention' when dealing with NGOs. Apart from the general focal points in Koenders' policy (e.g., failed states, reproductive rights, a more politicised development cooperation), another noticeable feature was the importance attached to the MDGs, to the emphasis on partnership and complementarity between CSOs and other actors in development (including the private sector), to the dominance of the political role of CSOs, to the need for context-specific analysis and interventions, to the desire for a larger flexibility in the ministry's NGO instruments, and to the inescapability of (mutual) accountability.

The 2008 budget (the first prepared under Koenders) is much less revealing about the ideas of the new minister concerning CSOs. Apart from the obligatory remarks about the importance of NGOs (e.g., 'a powerful civil society in developing countries is a building block for sustainable development'), the budget calls for a diversification of the role of NGOs in different types of countries (e.g., failed states) (DGIS 2007: 103). It also emphasises the need for a reorientation of DGIS policy towards civil society in which the MDGs, complementarity between CSOs and bilateral aid, and demand-driven capacity building of Southern CSOs are considered essential elements. The relative silence from the side of the ministry is understandable as the larger part of the 'NGO budget' is already earmarked up to 2010 and it was perhaps felt unwise to present too strict ideas about the role of CSOs before the dialogue (held in May/June 2008) even started.

Nevertheless, his speeches and the budget reflect the fact that the minister has taken a number of steps forward and the way he sees the future role of CSOs. Only in May 2008, at the start of the long-awaited dialogue between the ministry and civil society, did the minister more clearly state his points of departure in this field (Koenders 2008). His announcement then showed that his earlier statements were not only empty talk but in fact building blocks for a new policy. Which of these building blocks will survive remains to be seen – at the end of 2008 the ministry is going to publish a new NGO policy which in turn will form the starting point for the assessment framework of the grant scheme for NGOs for the period from 2011 onwards.

### Enlarging the grant scope

With more than € billion of his entire budget already earmarked for the MFS (2007-2010), the possibilities for the new minister to leave his mark (particularly in financial terms) on CSOs during this cabinet period seemed extremely limited. Still, Koenders was able to expand this limited room for manoeuvre and the most visible way took the

form of the Schokland Agreements. Even the government policy statement included an announcement of the government's intention to 'actively contribute to the realisation of the Millennium Development Goals'. As a member of the cabinet (and the one with what can perhaps be called first responsibility in this field), Koenders 'translated' this cabinet-wide Project 2015 into the Schokland Agreements. During the Schokland Conference, a total of 35 such agreements were signed in which more than 230 ministers, local councils, development organisations, companies, universities, etc. committed themselves to contributing to the MDGs.

Few (if any) of these agreements had already been worked out in detail at the time of signing. This gave Koenders some time to finalise the promised Schokland Fund of €50 million for the period 2008-2012. This Fund is meant for 'innovative, society-wide initiatives that demonstrably and effectively contribute to 'one or more of the Millennium goals' (DGIS 2007c). In effect, only programmes involving at least two different Dutch parties (each with a distinctive contribution) are eligible for funding. The ministry emphasises the fact that the Fund is not a separate grant arrangement but 'an experimental, boosting or matchmaking facility'.

The first Schokland Fund round ended in April 2008 with a total of 25 applications. Of these, seven were approved under the Fund for a total of nearly €1 million (leaving a total of €4 million earmarked for this first round). Two other proposals were also sanctioned (for nearly €3.4 million) but will be funded under the Research and Innovation Programme. Interestingly, of the 25 applications only seven were signed in June 2007 during the Schokland Conference. The remaining 18 were thus new ones, leading Koenders to state that '[the] Schokland [Conference] was only the beginning of something much bigger'. Certainly in one case (and probably in more) this statement was warranted. One of the concrete outcomes of Schokland was the establishment of the MDG-3 fund. This fund was set up by the ministry as part of its contribution to the Schokland agreement, together with a number of Dutch NGOs.

Other 'policy frameworks' – each with its own budget – were also initiated or became operational in 2007. As a result, the 'sports and development cooperation' policy sets aside a total budget of €6 million for the 2008-2011 period of which €0 million is reserved for activities of embassies, Dutch sports organisations and development organisations. As far as humanitarian aid is concerned, NGOs can apply for additional funds during 2008. No budget is mentioned here but there is a preference for projects of 'several hundred thousands of euro'. A separate policy framework for demining is attached to the humanitarian aid framework. Finally, and prompted by successful lobbying by new NGOs which did not manage to qualify for the MFS in 2006, a new grant scheme for 'young and innovative' organisations was established with a total budget of €20 million for the period 2009-2010. Interestingly, but not surprisingly, these new funds, which are meant to subsidise, cofinance or stimulate the activities of (mainly) CSOs, are relatively small. This simply shows again that firstly the room for the minister to engage actively with 'development actors' is (financially) limited and secondly that Koenders is stretching that room to the limit.

### Licking wounds

The first cofinancing programme (MFP) between the Dutch government and NGOs started in 1965 with a budget of around €2.4 million. Over the 1998-2001 period, the funds available for the cofinancing organisations (MFOs) had increased to nearly €1.3 billion. All that time, the MFP was restricted to only a few organisations (from three in 1965 to six in 2006, with the last two being added only in the last few years). In 2003, a separate funding scheme started which was intended for theme-based organisations (Theme-based Cofinancing Programme – TMF) (also see: Schulpen 2007a). Over the four TMF rounds between 2003 and 2006, the ministry received some 470 funding applications of which 48% were approved and 52% rejected. Since 2007, MFP and TMF have been merged into the MFS. The MFS provides grants for a period of four years (2007-2010) for which in principle all Dutch NGOs can apply. The applications are not assessed by the ministry itself but by an outside Advisory Committee.

In May 2006, this Advisory Committee received a total of 114 applications for an MFS grant. Four months later, 58 applications were (partly) approved and the remaining 56 were rejected. The discussion of the assessment procedure started almost immediately after (see, for instance, Schulpen & Ruben 2006). Six weeks after the long-awaited MFS decision, forty NGOs lodged an objection.<sup>1</sup> Some of these objections concerned the 25% criterion of DGIS,<sup>2</sup> the idea that the policy paper was incorrectly translated into the assessment framework and the way deductions were calculated (Cornelissen *et al.* 2008: 47-48).

While these objections were being processed, it was discovered that some mistakes had been made in calculating the amount of grant per organisation. These mistakes were then straightened out in the sense that organisations with an excessively low assignment were granted a higher and correct amount, while those which were actually granted more than was their due remained at that higher amount. In effect, the total MFS amount for the 2007-2010 period grew by some €3 million to €1,123 million. It took up to mid-2007 before all objections had been processed. In most cases, the objection was rejected but in five cases, the NGOs indeed received a higher amount. In one case, a full rejection was transformed into a full assignment. The whole exercise added another €16 million to the total MFS amount for four years.

The total amount of €1,139 million still stands halfway through 2008. Although not all legal proceedings have been concluded, the most important ones have been finalised and in none of the cases did the court find grounds to reverse the findings of the complaints commission. One of the biggest casualties of the MFS thus remains Plan Nederland (the former Foster Parents Plan) whose application, objection and appeal were rejected. In the meantime, and strengthened by a continuing downward trend in fundraising performance, the organisation was left with no other option than to implement drastic reductions to its programme and its staff. In that sense, the losers included two key NGOs (Plan Nederland and NiZA).

For many, the MFS exercise therefore turned into a major wound-licking exercise. One could say this partly also holds for the ministry itself. The time and energy the ministry had to devote to the MFS after the assessment will most likely outweigh what it won by not doing the assessment itself. Besides, the system as such has been criti-



cised and not only by those that lost out. It remains to be seen what the major lessons are that the ministry itself draws from the entire process. For now, it can only be hoped that these lessons will find their way into the successor to the MFS system. The same can be said for the lessons that were drawn in the two official evaluation studies of the MFS.

### Reflection still awaited

The entire MFS exercise was evaluated in two rounds. The first was a joint evaluation by the ministry and Partos covering the period from the 2004 dialogue up to April 2006 (i.e. the time by which all applications had to be submitted). Effectively this evaluation reported on the 'coming into being' of the MFS including the drafting of the MFS policy and the MFS assessment policy. The second evaluation was initiated by the ministry alone and dealt with the period from April 2006 up to October 2007. It therefore focused on the entire assessment procedure and its aftermath (including the objections mentioned above). In August 2008, neither evaluation reports were yet official due to a lack of a response from the ministry. Only once this response has been received will the reports be sent to parliament and become public. They are most likely to play a role in the drafting of a new MFS for the period starting from 2011 onwards and it will therefore be interesting to see what some of the major findings of both studies are.

Perhaps the most important conclusion of the first evaluation is that the NGOs broadly subscribe to the points of departure laid down in the MFS policy, but that they are rather critical of the implementation. Essentially, a distinction can be made between the more general MFS policy and the way this policy was later 'translated' into an assessment framework, an application form and financial rules. Whereas the general policy was (at least partly) based on the outcome of the 2004 dialogue and other consultations (and CSOs thus had a say in it), the 'translation' was essentially an exercise outside their influence. As Dietz & De Ruijter (2007) state: 'an important part of the sector felt estranged from the process'.

The issue of translation comes back in several of the conclusions. For example, it is stated that the MFS policy is 'substantially broader than a few classic development co-operation themes', but that the application form is narrower due to the 'emphasis on measurability of objectives'. Besides, due to time pressure, this translation ('as so often happens in this kind of processes') 'shifted from content wise and qualitative appreciations towards procedural, judicial and quantifiable aspects' (*ibid*).

The latter issue is also a major concern in the second evaluation report which speaks even more strongly of a 'mechanical assessment' with a focus on standardisation in which the 'coherence of the proposal' got lost (Cornelissen *et al.* 2008: 37-38). Other critical remarks are made with regard to the underestimation of the workload by the external assessment committee, the differences in assessment style by the reviewers, and the fact that in practice the expectations were less clear than anticipated between the external committee, the ministry and the secretariat. At the same time, it was also concluded that the objections were dealt with 'according to regulations'. With regard to the likelihood that objectives of the MFS will be reached, the evaluation is

understandably hesitant due to the short time span. Nevertheless, it is clear that these objectives of complementarity, partnership, innovation and socialisation are not debated as such. They are essentially 'work in progress' which has already taken up a longer period and as such cannot only be attributed to the MFS.

### **Trying out new things**

In 2006, the IOB issued an evaluation which focused on the question of to what extent 'results reached at one end of the [aid] chain [i.e., with partner organisations and target groups] impact on the aid-policy and -management in the first half of the chain with the ministry and cofinancing organisations'. In its generally diplomatic wording, the IOB concluded that 'the feedback of result information left a lot to be desired' (IOB 2006). More interesting were the reasons for this conclusion which showed some of the main characteristics of the monitoring and evaluation by different actors in the aid chain. Southern partners were therefore assessed as having an M&E system that produces valuable information for their own management needs but which did not produce data at an aggregate (impact) level. The M&E activities of the cofinancing organisations in turn are regarded as focusing on the activities of and relations with individual partners and much less on a strategic policy level. This makes their system less suitable for accountability and policy formulation at sectoral and/or thematic level. The ministry, in contrast, emphasises proper implementation of the grant agreement with the cofinancing organisations and not the strategic and policy level.

With hindsight this evaluation showed some of the weaknesses of the existing M&E system and the negative consequences for (mutual) learning capacity and feedback to policy renewal. The monitoring system for the new MFS organisations was designed to tackle such shortcomings and to provide a tailor-made system. The essence of this tailor-made system is that NGOs themselves propose the indicators by which they want to be monitored. This also means that the system means an end to the often extensive descriptions of activities that NGOs used earlier in their annual reports. Now it is the intention that monitoring takes place on the basis of indicators and targets at four levels: input, output, outcome and sustainability (DGIS 2007). This new system should at the same time lead to a reduction in the administrative burden of NGOs and to regular dialogues between the ministry and individual NGOs in order to increase the learning capacity of both partners and contribute to policy formulation.

This tailor-made system was already recommended in 2004 following a dialogue between the ministry and CSOs in the Netherlands (ECDPM 2004: 10). The word 'tailor-made' does not feature in the entire MFS policy and assessment policy. The policy only states that organisations should have an 'adequate planning, monitoring and evaluation system' which in turn is seen as essential for their learning capacity. In the assessment framework, the external committee used its own interpretation of the regular elements in any monitoring and evaluation system (i.e., input, output, outcome, impact). This own interpretation, which was at the time not corrected by the ministry, led to what the ministry would later call a 'Babel-like confusion' (DGIS 2006).

In order not only to end this confusion but also to provide 'a clear picture of the NGOs' results and a strong learning capacity within the development cooperation sector' (DGIS 2007b), the ministry embarked on setting up a new monitoring system for MFS organisations. After a 'working session' with the MFS organisations involved in October 2006, the NGOs provided a draft monitoring protocol in November that year. The ministry then took its time to assess and approve the protocols: the final monitoring protocols were only agreed upon in September 2007 (Weber 2008: 18).

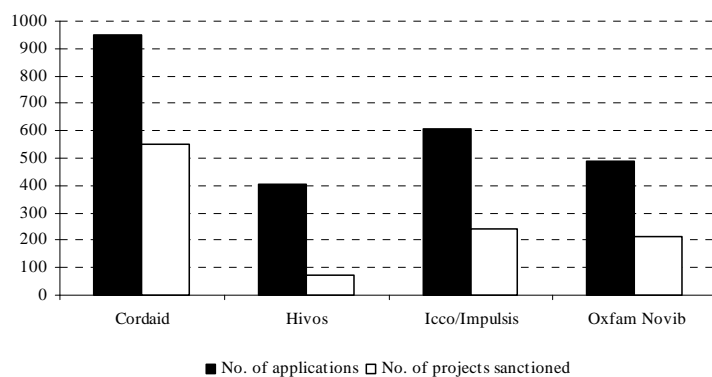
A first assessment of the new monitoring system (covering the period up to September 2007) showed the results to be mixed (Weber 2008). This holds for the contribution of the system to the learning capacity of both ministry and NGOs and for the contribution to a 'good content-wise progress control and accountability'. Overall, the system is seen as contributing to the learning capacity of the NGOs themselves. Regarding the question of whether DGIS is also learning, the report is much more critical and mainly because 'preconditions, such as a quality management system and a knowledge management system, [within DGIS] are partly lacking' (*ibid*: 29).

Critical notes (particularly on the part of the NGOs) are made regarding the loss of 'valuable qualitative information' and that the system strengthens MFS organisations in asking their partners to align their monitoring system. This is essentially the same kind of critique expressed by Dutch CSOs during the 2008 dialogue. Accountability (and in its wake issues concerning the learning capacity, monitoring & evaluation and knowledge management) was one of the main issues during this latest dialogue. CSOs were very critical of the accountability system to which they had to adhere as it is seen as having severe consequences for the relationship with their partners, as focusing on short-term results and as being detrimental for the learning capacity of the sector. Such disqualifications are interesting because the monitoring system introduced in the wake of the MFS was meant to prevent precisely these kinds of negative impacts. It only strengthens the idea that the tailor-made monitoring system is not yet performing as was intended and that the (internal) debate on monitoring and accountability is not over yet.

### Discussing Private Initiatives

Up to some ten years ago, the Dutch development community was fairly easy to define, with essentially three types of players: bilateral, multilateral and civilateral (i.e., development NGOs) donors. Since then, this 'development field' has been shaken up by a growing number of 'unusual suspects' who have become active in the field of development (Context 2005: 9) rendering the old tripartite division outdated. This process of broadening and deepening the active involvement of people and groups in development is known as the socialisation of development cooperation. Within that process of socialisation, a specific place is occupied by Private Initiatives (PIs) defined here as (groups of) citizens involved in (funding) concrete individual-exceeding development interventions (Schulpen 2007b). It is not known how many of these PIs there are in the Netherlands (with guestimates ranging from anything between 6,000 and 14,000). One of the few sources which can be used here is Linkis, the digital desk for grants to PIs set up by a few of the bigger NGOs in the Netherlands.

Table 1 PI projects sanctioned by Linkis organisations (2007)



Source: Linkis 2008: 6-7

From January 2007 onwards, Linkis became part of the branch organisation for Dutch development organisations, Partos. Although it was also decided during the year that two other PI funding organisations (i.e., NCDO and Wilde Ganzen) should place their projects on the Linkis site, the annual report (Linkis 2008) only provides data on those PIs funded by the 'front-office' organisations (Cordaid, Hivos, Icco/Impulsis, and Oxfam Novib).<sup>3</sup> Over 2007, these four NGOs received a total of 2,447 applications for funding of which 1,080 (44.1%) were sanctioned. Table 1 shows that Hivos is not only the smallest of the large NGOs but also has the smallest PI desk with only 73 PI projects sanctioned over 2007. Icco/Impulsis and Oxfam Novib approved 243 and 214 PI projects respectively, while Cordaid alone accounts for 51% of all projects granted.

All in all, it seems that with an approval rate of nearly 58%, Cordaid does best as far as PIs are concerned, followed by Oxfam Novib (43.9%), Icco/Impulsis (40.2%) and finally Hivos (17.9%). Not surprisingly, Cordaid also has the largest sum available for PIs. Over 2007, the organisation sanctioned and spent some €7 million. An average project therefore represents €12,700. Table 2 shows that these average project costs differ substantially per Linkis organisation.<sup>4</sup>

From 2004-2007, the number of PI projects funded by the Linkis organisations gradually increased from 678 to 1,080. This could be seen as an indication that the front offices have become better known. It may also indicate that the number of PIs in the Netherlands is still growing. Unfortunately, the latter cannot be confirmed for the simple reason that our knowledge of what some call the 'fourth pillar' within development cooperation (Develtere & Stessens 2006) and others the 'philanteral channel' (Schulpen & Kinsbergen, *forthcoming*) is still in its infancy. For now, the general consensus is that there are anything between 6,000 and 14,000 Dutch PIs. According to a Dutch member of parliament, many people in the Netherlands are therefore guided by the need for 'moral masturbation' (Koelé 2008).<sup>5</sup>

Table 2 Approved and disbursed contribution to PI projects (2007)

	Cordaid	Hivos	Icco/ Impulsis	Oxfam Novib	Total
Total amount (bas.)	7.000.000	600.000	4.800.000	5.000.000	17.400.000
Total amount (in %)	40.2%	3.4%	27.6%	28.7%	100.0%
Average contribution per project	12,700	8,200	22,400	23,400	16,000

Source: own calculations based on Linkis 2008: 6-7.

Despite the general lack of knowledge of and insight into the world of PIs, over the last few years it has become clear that there are essentially two different views on these new actors in development. The first view is that PIs are the best thing that ever happened to development cooperation. They are regarded as a perfect channel for people-centred development interventions as well as an ideal channel for strengthening public support in the Netherlands. At the opposite end of the spectrum are those that feel that PIs are amateurs who are unlikely to contribute to anything that will benefit people in developing countries. For the larger part this discussion is based on hearsay and gut feelings which show that, as Blokker (2008: 229) stated in the context of an entirely different debate, 'most discussions in the Netherlands [are] mainly based on belief in which not facts but opinions dominate'.

The first independent research into the activities of PIs was not published until the end of 2007 (Schulpen 2007b). Although based on a relatively small sample of PIs and their projects in only two countries (Ghana and Malawi), this study fuelled the PI debate by stating, among other things, that PIs work in splendid isolation, largely fail to monitor and evaluate their projects and often have a rather paternalistic attitude towards their Southern partners (also see Schulpen & Kinsbergen, *forthcoming*). Naturally, this debate was held first of all among PIs themselves, many of which acknowledged several of the more critical notes. Perhaps more interesting, however, was a feeling that suddenly everybody seemed to be talking about them. They obviously had to get used to being not only part of the public debate on international cooperation but also to being criticised for the way they were doing their work.

However, the debate also took place within and among the Linkis organisations which, as principal funders of PIs, carry at least part of the responsibility for the lack of effectiveness of PIs in the field of development. This internal debate seems to have had at least three outcomes. First of all, several of the Linkis organisations have toughened their assessment criteria. Secondly, the possibilities for funding issues such as capacity building have been expanded. Thirdly, the training of PIs in development work now features more prominently on the agenda although it seems that for now such training is essentially taken up by each Linkis organisation on its own. It would be more logical to combine these training efforts. However, the problem here is that PI funding remains an important way for the larger NGOs to show their contribution towards strengthening public support. As such, PIs are considered an element of the competition between NGOs and not an element of the development effort and thus potential allies in fighting poverty.

### Final remarks

As shown above, 2007 was not the most vibrant year for private development cooperation in the Netherlands. For a large part, it was a kind of interim year. Following the MFS period as a whole, both the NGOs and the ministry were happy with a less eventful year, although the perceived calm was rather superficial. Underneath, the struggle continued with the aftermath of the MFS and, particularly, with a new minister who was likely to have some different views on the role of NGOs and who (at least for the good listener) hid elements of this view in his speeches. On the surface it was (for a change) another type of organisation that felt the heat: namely the Private Initiatives. The latter discussion will undoubtedly continue and the 'MFS struggle' will certainly surface again from 2008 onwards. The first step has been taken in that respect given that the dialogue has taken place and that those involved are now waiting for the reaction of the minister and for details on how he is going to reconcile his own ideas with those of a sector that is, in all its diversity, struggling to find its place in a changing world.

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### Notes

- 1 Of these, 32 were from organisations that were fully rejected in the MFS, four were from NGOs which were partly sanctioned and the remaining three from NGOs with an (almost) full assignment.
- 2 One of the so-called threshold criterion was that an organisation should prove its ability to mobilise 25 percent of own (internal) funding.
- 3 In earlier years, also Plan Nederland had a front office, which was abandoned after the ministry decided not to award a new grant under MFS.
- 4 It should be kept in mind that the contribution of the Linkis organisations is normally around 50% of the total costs of PI projects. An average project supported by one of the Linkis organisations thus has a total budget of slightly more than €2,000.
- 5 In an article in one of the leading Dutch newspapers, Koelé cites member of parliament Boekestijn of the right-wing liberal party about the reasons why development cooperation is some kind of (political) taboo in the Netherlands. According to Boekestijn: 'As a nation we feel better if we do good deeds. Call it moral masturbation'.





# Business and Development in the Netherlands in 2007

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## **Introduction**

Like international businesses around the world, Dutch companies play an increasingly important role in international development, through active contributions to poverty reduction as well as the impacts in developing countries of ordinary business activities. This review describes the main developments regarding the role of Dutch business in development during 2007, sometimes referring to events in 2006 that are important to understand current trends. As there were more developments worth mentioning that this review could cover, the events, issues, and trends presented below were selected by the author based on practical, political, and academic relevance.

## **Business aspects of development policy**

In February 2007, the new Dutch government presented its coalition agreement. The document includes four points for development policy: promoting a stronger position of developing countries in the world trade system, a focus on the Millennium Development Goals (MDGs), additional development funding earmarked for sustainable energy, and adjusting the Development-Related Export Transactions Programme (ORET).<sup>1</sup> Each of these points has implications for business in general or, more specifically, for the role of Dutch companies in development cooperation.

The new Minister for Development Cooperation, Bert Koenders, presented his vision on the world trade system at the annual Africaday of the Evert Vermeer Foundation on 14 April.<sup>2</sup> With a view to the expiration of the Cotonou agreement on 31 December 2007, which would end unilateral preferential access to the European Union for former European colonies in Africa, the Caribbean and the Pacific (ACP), there was enormous pressure to conclude negotiations for reciprocal Economic Partnership Agreements (EPAs) replacing the Cotonou agreement. The Minister emphasised that trade interests of European countries should not have priority and ACP countries should have sufficient possibilities to protect their markets against imports from Europe if those imports could harm economic development. While acknowledging there existed strong opposition to this principle in the Dutch government and in other

European countries, Koenders insisted that the international trade regime should not become worse for ACP countries as of 1 January 2008.

In a letter to the parliament in June, Koenders and the Minister for Foreign Trade, Frank Heemskerk, further explained that the Dutch government would support asymmetry in EPAs, allowing developing countries not to open their markets fully or immediately.<sup>3</sup> In November and early December, when the outcome of EPA negotiations was still unclear, the Dutch government called for emergency solutions, but this was only supported by the UK, Ireland and Denmark. At the very last moment, some groups of ACP countries signed interim agreements, but for ten ACP countries not classified as least developed countries, market access to the European Union did deteriorate.

The focus of Dutch development policy on MDGs has stimulated framing contributions of business to development in terms of impacts on MDGs as well. The Dutch government continues to promote the MDGs as a collective responsibility of the government and other actors, including business and civil society,<sup>4</sup> much in line with the partnership focus that characterised the approach of Agnes van Ardenne, the previous Minister for Development Cooperation. The most prominent example in 2007 of promoting collective responsibilities was the Schokland event, which is described in the next section. Other initiatives emphasising business contributions to MDGs are described in the section on development impacts of Dutch multinationals.

On the one hand, it is surprising that many large companies have embraced the trend of focussing on MDGs, because the MDGs were originally formulated by donor countries as collective goals for official development aid. When it comes to human rights, the position of most companies is different. Efforts by the UN to formulate human rights obligations of multinational enterprises<sup>5</sup> have met with strong opposition from business associations, which argued that the protection of human rights is a responsibility of governments, not of companies. On the other hand, the contrast between endorsement of MDGs and human rights fits with the trend that most multinational enterprises prefer to emphasise their positive contributions to society, such as to the achievement of MDGs, rather than potential negative impacts, such as violations of human rights, and their efforts to prevent these.

Climate change and sustainable energy have quickly become a major issue in foreign policy and, at least in the Netherlands, also in development cooperation. Following the publication of a study on sustainable biomass production in March 2007,<sup>6</sup> Koenders highlighted that biomass production offers opportunities for development if produced in a sustainable manner. Biomass production can contribute to local energy needs in developing countries as well as export activity, but at the macro level there is a risk that it displaces food production and increases food insecurity.<sup>7</sup> Together with the Minister of Environment, Jacqueline Cramer, Koenders supports the development of international criteria and certification systems for sustainable biomass production.<sup>8</sup>

Perhaps the most substantial policy change regarding the role of business in development cooperation is the renewal of the ORET programme. Two evaluations of the programme were completed in 2006, concluding that most ORET projects had been successful but contributions to poverty reduction were sometimes limited.<sup>9</sup> Some projects involved the financing of money-destroying machines or coast patrol ships, for

example.<sup>10</sup> The programme has long been criticised as a form of mostly tied aid that should be phased out.<sup>11</sup> The Confederation of Netherlands Industry and Employers (VNO-NCW), on the other hand, has always strongly defended the programme.

In his speech at the Africaday, Koenders stated that development cooperation should start with the principle 'do no harm' and referred, among other things, to pure export promotion. He announced substantial changes to the ORET programme, making it more focussed on poverty reduction. A few weeks later, it was announced that the existing ORET programme would be closed because the budget limit for 2007 had been reached. Subsequently, some alleged the new Minister would be against the involvement of business in development cooperation, which Koenders strongly denied.<sup>12</sup> The announcements prompted a letter from 46 companies, including some Dutch subsidiaries of foreign multinationals, arguing the ORET programme should remain open until a renewed programme would be in place. The companies made several recommendations for changes, such as a focus on the financing of public infrastructure and on investments in goods and services unavailable in the recipient country, no complete untying of the programme or limitation to the poorest countries, and a new name that is not associated with export subsidies.<sup>13</sup>

The Minister responded by explaining that the €19 million budget for ORET expenditures in 2007 had increased by €5 million compared to 2006.<sup>14</sup> Instead of limiting business instruments, ORET expenditures will grow substantially to €218 million in 2008 and €194 million in 2009.<sup>15</sup> In an advise sent to the parliament in December 2006, the Advisory Council on International Affairs (AIV) recommended that measures to improve the business climate in developing countries have a general nature, such as stimulating financial sector development, or be aimed at underdeveloped markets or regions, but do not consist of support to specific companies.<sup>16</sup> Koenders and Heemskerk insisted that business instruments supporting individual companies have an added value, though, provided these instruments meet the right criteria. This also applies to ORET. The renewed programme will probably be opened in mid-2008.<sup>17</sup>

### Partnerships and supply chain initiatives

To stimulate initiatives from society at large aimed at the MDGs, on 30 June 2007, the Ministry of Foreign Affairs organised a public event at Schokland, a protected polder area rather in the middle of nowhere. Through the event, the Ministry invited new innovative cooperations, with a concrete added value beyond existing initiatives. The Ministry of Foreign Affairs also created the Schokland Fund, with a budget of €50 million for the period of 2008 to 2011, to facilitate new and experimental initiatives contributing to the MDGs.<sup>18</sup> The event resulted in 37 Schokland agreements for partnerships of a rather diverse nature.<sup>19</sup>

A few agreements appear to be public commitments of individual organisations, such as the plans of Nuon to reduce CO<sub>2</sub> emissions, and of regular alliances, such as the pledge of Hivos, Mama Cash, and Triodos Bank to dedicate their expertise and an additional €5 million to enhance economic independence of women. Furthermore, some Schokland agreements provide a general basis for future cooperation only or consist mainly of a pledge to a common goal. For example, several Ministries, devel-

opment organisations, and Dutch banks agreed to support better meso credit through enhanced coordination of activities. The individual partners were then invited to make their own specific commitments. Similarly, in line with the sustainable energy policy mentioned earlier, energy companies and other partners made a long-term commitment to set up a certification system for sustainable biomass. The partners defined general terms of engagement and the government committed €150,000 to the programme.

In one partnership, the additional engagement appears to come from the Ministry rather than from the private partner. Philips and the Ministry of Foreign Affairs agreed to provide 10 million people in Africa, who currently lack access to electricity, with affordable energy services, such as solar energy and efficient cooking systems. Over the past years, Philips has already invested in the development of such services, resulting for example in the completion of an efficient woodstove design in 2006.<sup>20</sup> The agreement mentions that Philips will continue the development of new products, a process that already has its own dynamics, while intended joint market research and pilot projects for the introduction of new services are being prepared in more detail.

One of the more innovative initiatives is the establishment of The Currency Exchange (TCX), a joint venture of the Netherlands Development Finance Company (FMO), African Development Bank (AfDB), Development Bank of South Africa, ABN AMRO, Oikocredit, Cardano Risk management, and the Ministry of Foreign Affairs. TCX aims to mitigate foreign exchange risks for entrepreneurs in developing countries, who are currently forced to borrow or settle accounts in a foreign currency, by diversifying and covering these risks. As of February 2008, the partners have invested €200 million in the initiative.<sup>21</sup>

Another rather interesting initiative is an agreement against maternal mortality, signed by 20 organisations, including the Dutch companies Kinesis Pharma, Bioconnection, DRC-Medical, and Organon, and UK-based GlaxoSmithKline (GSK). The agreement lists concrete commitments of all partners, mostly concerning the implementation of individual projects. The partnership aspect mainly consists of enhanced coordination of activities. It also involves the sharing of knowledge and expertise to develop a new formulation of oxytocin, an essential medicine to reduce bleeding after childbirth, more suitable for use in developing countries. Considering that this is an enormous challenge, though, it is a bit surprising the partnership was established at the national level with mainly Dutch partners.

The *Initiatief voor Duurzame Handel* [Initiative for Sustainable Trade] or IDH is probably the most high-profile Schokland partnership. For several years, Dutch organisations had already been calling for the establishment of a broad multistakeholder initiative (MSI) similar to the Ethical Trading Initiative (ETI) in the UK, but this had never succeeded. This time, the Schokland agreement between Ahold, trade unions, and various NGOs and Ministries, clearly acted as a catalyst. The IDH should provide a platform for companies, trade unions and NGOs to cooperate to improve labour and environmental conditions and the position of small producers in international supply chains. The Dutch government will also be actively involved.

Because a generic MSI did not exist in the Netherlands, the number of industry-specific MSIs has rapidly increased over the past years. The Dutch Tea Initiative and

Working Group on Sustainable Natural Stone are two of the latest examples. Each MSI has its own (model) code and governance structure. The IDH would not change this, but aims to support existing MSIs, provide a common platform for exchange of experiences, and enhance sustainability in supply chains in which developments have so far been limited. In addition, it aims to boost the impact of established MSIs, for example regarding the supply chains of garments, wood, flowers, and coffee. During the second half of 2007, two so-called quartermasters confirmed sufficient support for the initiative from all stakeholders and provided recommendations for the structure of the IDH. In 2008, the explorations continued with assessments of existing MSIs.

The establishment of the IDH might stimulate progress in the area of sustainable purchasing, for which the Dutch government adopted the ambitious targets of 100% sustainable procurement by the central government and 75% by municipalities by 2010. Many consider it unlikely that these targets will be achieved unless sustainability standards are set very low. During 2007, the development of sustainability criteria fell considerably behind schedule, MSIs and industry organisations were not properly consulted, and most municipalities were still poorly informed.

In the meanwhile, there have been interesting developments regarding individual MSIs and certification schemes. Utz Certified, formerly known as Utz Kapeh, celebrated five years of existence on 10 October 2007. During this period, the market share of coffee (partly) produced in accordance with Utz Certified, Rainforest Alliance, Max Havelaar, or organic agriculture standards, has rapidly increased, surpassing 25% in 2006.<sup>22</sup> At the celebration event, Sara Lee, the parent company of Dutch market leader Douwe Egberts, announced that in 2008 the company will again double its volume of Utz Certified coffee. A brief conflict about criteria for ethical coffee occurred when the municipality of Groningen specifically required Max Havelaar coffee in a procurement tender. Douwe Egberts applied for an injunction, arguing that Utz Certified should be accepted as an equivalent alternative. The summary judgement on 23 November rejected this, confirming that fair trade is a unique system. UTZ Certified is currently broadening its product scope. It started the development of a certification scheme for ethically produced cocoa in collaboration with Solidaridad and Oxfam Novib and the companies Cargill, Heinz Benelux, and Ahold. During 2008, criteria will be tested in pilot projects in Ivory Coast.<sup>23</sup>

In October 2007, Milieudedefensie (Friends of the Earth Netherlands) urged the Unilever presidency of the Round Table on Sustainable Palm Oil (RSPO), a global MSI, to respond adequately to social and environmental problems caused by RSPO member companies. In July 2007, Milieudedefensie had complained about serious problems at Indonesian plantations of Wilmar, a large palm oil trader and prominent RSPO member. Wilmar later admitted it had violated laws and regulations.<sup>24</sup> In November, the RSPO adopted final criteria for sustainable palm oil and started the development of a certification system. Following up on the Schokland agreement it had signed, the Dutch energy company Essent decided in December to use only 100% RSPO-certified palm oil residuals for the production of sustainable energy.<sup>25</sup>

### Corporate responsibility in developing countries

On various occasions, Koenders and Heemskerk referred to the importance of promoting decent work and labour rights in developing countries, and valued the work of NGOs, such as the Clean Clothes Campaign, in this area.<sup>26</sup> A study on progress in the area of corporate responsibility concluded in February 2007 that Dutch companies have become more responsive to stakeholders, but only a small group of leading companies has adopted a proactive approach.<sup>27</sup> In December 2007, the new government presented its view on corporate responsibility and the agenda for the next years. Out of the seven areas for concrete actions identified by the government, three are of particular relevance for developing countries.<sup>28</sup> The first is strengthening international diplomacy on corporate responsibility. The government intends to make corporate responsibility an intrinsic part of the promotion of international business and of economic diplomacy, including foreign trade missions. The second is promoting corporate responsibility in supply chains, mainly through the above-mentioned IDH and existing MSIs. The third relevant area concerns the exemplary role of the government in sustainable purchasing and in business programmes for development cooperation.

An evaluation of corporate responsibility requirements in business programmes had just been completed. So far, the main requirement consists of a declaration of intent by beneficiary companies to comply with the OECD Guidelines for Multinational Enterprises, a broad set of corporate responsibility guidelines endorsed by the Organisation for Economic Co-operation and Development (OECD).<sup>29</sup> For some programmes, additional performance requirements apply. The evaluation concluded this policy has been effective in deterring companies with a dubious track record, but less so in stimulating higher standards of responsible business behaviour. The authors recommended to disseminate more information on best practices and provide incentives for beneficiary companies to achieve concrete context-specific corporate responsibility targets.<sup>30</sup> The government intends to implement these recommendations.

During the first half of 2007, the government also reformed the Dutch National Contact Point (NCP) for the OECD Guidelines.<sup>31</sup> The task of NCPs is to assess alleged violations of the Guidelines, facilitate a dialogue to resolve conflicts, and, if no agreement is reached, issue a public statement. The reform largely followed the recommendations of OECD Watch, the NGO network monitoring the implementation of the Guidelines, which had raised concerns about the functioning of NCPs.<sup>32</sup> The Dutch NCP has been detached from the Ministry of Economic Affairs and currently has a unique governance structure with four independent board members, combining NGO, trade union, business, and academic backgrounds.<sup>33</sup>

Since the latest revision of the OECD Guidelines in 2000, some twenty complaints about violations of the Guidelines, officially called specific instances, have been raised with the Dutch NCP.<sup>34</sup> The only new case in 2007, filed by a trade union from Brazil, was somewhat vague and concerned the involvement of Philips Brazil in a publicity campaign. The campaign consisted of radio and newspaper advertisements communicating a general message of dissatisfaction and resulted in a demonstration with some participants shouting slogans against president Lula.

A previous case, filed by the Clean Clothes Campaign (CCC) and India Committee of the Netherlands (ICN) on 13 October 2006, was recently withdrawn after a major escalation and high-level mediation by Ruud Lubbers, a former Prime Minister of the Netherlands. The complaint concerned a range of serious labour rights violations at two Indian suppliers of the Dutch jeans company G-Star. The NGOs requested the Dutch NCP to mediate a dialogue with G-Star and the suppliers, and called for a social dialogue at the local, to develop a remediation plan. In January 2007, one of the suppliers threatened to start legal proceedings against the NGOs if they would continue their campaign and in February, a civil judge extended a prohibition for Indian labour organisations to communicate about the conflict for an indefinite period. The Dutch NGOs continued to publicise the case, including in a radio programme on 13 June. The next day, the Indian supplier filed charges against the Dutch organisations as well.

After this, the conflict quickly escalated further. The NGOs intensified the publicity campaign and parliamentary questions were asked, while the Indian court issued an international arrest warrant for CCC and ICN staff and their Internet providers. In November 2007, during a Dutch trade mission to India, the conflict reached the political level when the Indian Minister of Foreign Trade accused his counterpart Heemskerk, who was poorly informed, of protectionism, and threatened with a boycott of Dutch products. Two weeks later, G-Star stopped sourcing from the Indian suppliers. The conflict was eventually resolved on 29 January 2008 when a compromise was negotiated. All legal charges against labour organisations and activists were dropped while the campaign was ended and the OECD complaint withdrawn. An ombudsperson will be appointed to deal with complaints of the Indian workers and G-Star announced to resume buying from the two suppliers.<sup>35</sup>

Another major controversy concerned the investments of Dutch institutional investors. A TV documentary by Zembla, broadcasted on 18 March 2007, showed that Dutch pension funds invested in shares of companies producing cluster bombs and land mines. In addition, they held shares of Freeport McMoran, a mining company causing severe environmental damage in Irian Jaya (Indonesia), and of supermarket chains Wal Mart and Tesco, which failed to address child labour in their supply chains.<sup>36</sup> The pension funds responded by establishing a Practical Commission that elaborated recommendations for more responsible investment management.<sup>37</sup> A few months later, Oxfam reported that Dutch banks and insurance companies, somewhat predictably, held shares in controversial companies as well. Public criticism spilled over to Oxfam Novib itself, because the organisation is engaged in a partnership with ABN AMRO. Oxfam Novib announced it would reconsider the cooperation if the bank would not increase efforts for responsible investment.<sup>38</sup> However, subsequent event warranted a more profound reorientation, as explained in the next section.

### **Development impacts of Dutch multinationals**

Due to economic globalisation, it has become increasingly difficult to identify Dutch companies and multinationals. This was highlighted by a wave of large foreign take-overs in 2007: a consortium of Fortis, Royal Bank of Scotland, and Santander acquired

ABN AMRO, Candover took over Stork, Danone acquired Numico, Schering-Plough bought Organon Biosciences from Akzo Nobel, and Mittal Steel merged into Arcelor.

From a development perspective, a major problem of large acquisitions is that corporate responsibility policies may suffer a setback if the new parent company has lower ambitions in this area. For instance, ABN AMRO may have received considerable criticism about its investment strategies, but one could argue the acquiring banks have less developed corporate responsibility approaches. Zain's acquisition, also completed in 2007, of Netherlands-based Celtel, the leading mobile phone provider in Africa, stands out because of the continuation of existing corporate responsibility policies. Celtel is committed to provide cheap mobile phone services and the company's flagship social programme, Build Our Nation, aims to support MDG2 by donating books and other school supplies. The Kuwaiti Zain Group appears to have a commitment to corporate responsibility of its own similar to Celtel.

The nationality of multinationals has also become difficult to determine because investment structures and operational structures do not always coincide. A SOMO report published in November 2006 showed that various multinationals usually perceived as foreign companies have their ultimate headquarters in the Netherlands, often for fiscal reasons. Examples are Fujitsu-Siemens, Ikea and Mittal Steel. Other multinationals have their financial headquarters here, such as mining giant BHP Billiton and brewery company SAB Miller. A follow-up report in 2007 highlighted that the combination of Dutch tax regulations attracting headquarters and financing companies facilitates tax avoidance in other countries. The associated tax revenue losses for developing countries were roughly estimated between €100 million and €1 billion.<sup>39</sup> One might consider this a development impact that can partly be attributed to a specific type of Netherlands-based companies as well.

Some development-oriented initiatives tend to overlook tax payments by multinationals, but other initiatives do take these into account. Two studies initiated by the National Commission for International Cooperation and Sustainable Development (NCDO), both published in November 2006, illustrate the difference. The first study, an Economic Impact Assessment of Heineken in Sierra Leone, attempts to measure all cash flows generated by a company and associated multiplier effects.<sup>40</sup> The focus of this study is on the development impacts of a company's core business. The second study attempts to rate the contributions of ABN AMRO, Akzo Nobel, BHP Billiton (see above), Heineken, Philips, and TNT to each of the MDGs.<sup>41</sup> This study also considers a company's contribution to MDGs unrelated to its core business, but disregards issues like tax payments.<sup>42</sup> The development of the MDG measurement framework continues and the results of a new scan are expected for mid-2008.

Contributions to the MDGs also form part of the mission of the Netherlands Network of the UN Global Compact.<sup>43</sup> This network was founded by ABN AMRO, Shell, TNT, and Unilever in April 2006 and officially launched at a conference in May 2007. It aims to further the contribution of business – within its sphere of influence – to sustainable development. The network stimulates Dutch companies to become signatories, facilitates peer feedback on communications and experiences, and establishes a platform for joint projects. Essent, Philips, DSM, and ASN Bank signed up to the Global Compact during the year. To some extent, the reference to MDGs in the net-



work's mission is surprising, because the UN Global Compact has a set of core values of its own in the areas of human rights, labour standards, environment, and anti-corruption. However, the focus on MDGs fits into current trends in development initiatives, as argued before.

At the launching conference, discussions were guided by insights from the joint research of Oxfam and Unilever on the development impacts of Unilever in Indonesia. This influential study analysed whether and how the company's core business contributes to poverty reduction at the macro and micro level, through direct employment, supply and distribution chains, and the sale of consumer products.<sup>44</sup> Oxfam Novib commented during the discussions that compliance with the Global Compact principles will enhance business impacts. Furthermore, it considered contributions to MDGs very positive, but warned that these entail a risk that companies might focus on easy targets outside their core business.<sup>45</sup> This is likely to remain a main challenge for Dutch business for 2008 and beyond.

## Notes

- 1 *Coalitieakkoord tussen de Tweede Kamerfracties van CDA, PvdA en ChristenUnie* [Coalition agreement between the Parliamentary fractions of the Christian Democratic Party, the Social Democratic Party, and ChristianUnion], 7 February 2007.
- 2 A.G. Koenders, Minister for Development Cooperation, *De Afrika tapes* [The Africa tapes], Speech at Africaday of the Evert Vermeer Foundation (EVS), Den Haag, 14 April 2007.
- 3 A.G. Koenders, Minister for Development Cooperation, and F. Heemskerk, Minister for Foreign Trade, Letter to the parliament regarding Private Sector Development in developing countries, 29 June 2007, DDE-478/07.
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