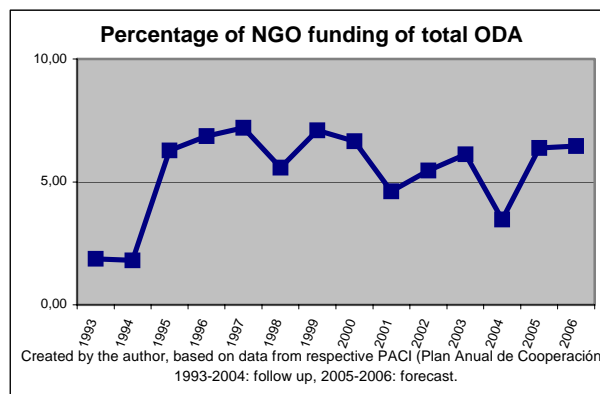


THE ADDED VALUE OF NGOs

The Government's Master Plan

After tense dealings between NGOs and the previous government¹, the new Spanish administration began with an announcement in its Master Plan to increase funding to NGOs and to base the relationship with NGOs on a new regulatory footing. The profile of the Secretary of State, Leire Pajín, whom herself has background in NGOs, gave rise to high expectations in NGO circles. In fact, a number of initiatives have already been acted on:

- The membership in the Development Council was extended to 33; the number of NGO representatives increased to 6. This indicates a more deliberative approach to policy development. However, the Council is not yet an organ for public debate given that proceedings are not available publicly.
- In 2005, a new regulatory framework of collaborating with NGOs was instated. It shifts from an approach to subcontract NGOs for specific tasks and submit them to detailed accounting towards an approach to foster their own policy formulation and hold them accountable for results. The right to initiative is given to NGOs².
- The figures of NGO funding have indeed increased slightly. As a matter of fact, more than 50 percent of the funding of Spanish NGOs is governmental³. It is expected that NGO funding will increase significantly when the new framework agreements take hold.



¹ See José Antonio Alonso 2005: La Cooperación Española Al Final De Un Ciclo, en: Plataforma 2015 y más (Ed.): La palabra empeñada - Los Objetivos 2015 y la lucha contra la pobreza - Segundo Informe Anual de la *Plataforma 2015 y más*, Madrid 2005 (CATARATA)

<http://www.ucm.es/info/IUDC/Agenda2015/Documentos/LaPalabraEmpenada.pdf>

² The new system of NGO funding has been drafted in two regulations: a funding mechanism for long-term and short-term projects and programmes (“convenios y proyectos”)

<http://www.boe.es/boe/dias/2005/05/12/pdfs/A16139-16145.pdf> ; on open funding mechanisms

(“convocatoria abierta y permanente”) <http://www.boe.es/boe/dias/2005/05/12/pdfs/A16145-16148.pdf>

; furthermore it has been defended in the Congress by the Secretary General of the Spanish Agency for International Cooperation (AECI) see: www.congreso.es/public_oficiales/L8/CONG/DS/CO/CO_320.PDF

³ In 2004 nearly half of the funding of 77 Spanish NGOs associated in CONGDE was public, of which 16 percent derived from the central State, 21 percent from decentralised governments and 10 percent from multilaterals, mostly the EU; see *Informe de la CONGDE sobre el sector de las ONGDs*, Madrid 2005 (<http://congde.org/informe2005directorio.htm>)

At the same time, the NGO sector has been accused of being too tame towards the new administration, of focussing rather on quantity than quality of official aid and of lagging behind in adapting to the new role of NGOs within the new architecture of aid. It is noteworthy that the Spanish NGO sector, receiving half of its funding for project implementation or awareness-raising from public funds, finds itself in an intrinsic contradiction – if not conflict of interests – to fulfil the twin role to be in – publicly funded – contact with poor communities overseas and to critically monitor the performance on poverty reduction of its own government. For now, the choices seem to give emphasis to project implementation capacities rather than to analytical capacities.

Service Provision and Advocacy

What is the added value of NGOs? Why subcontract NGOs to implement projects – and thereby increase the overhead costs? What is it that NGOs can do better than bi-lateral agencies, multilateral organisms or international financial institutions? What is the difference between – say – a water-well constructed by a Spanish NGO, the Spanish Agency for International Cooperation (AECI), or the EC? An argument, often proposed, is the proximity of NGOs to user groups, the participatory approach applied and the empowering attitude that claims to “show how to fish for a life-time as opposed to give one fish that will feed for a day”. Can Spanish NGOs prove this advantage?

In the last decade the role of NGOs has changed within the overall picture of development. The new aid architecture puts the State in the centre of services delivery, as they are entitlements for its citizens. There have been calls from the donor community for a new role of NGOs: donors would focus, within a comprehensive development framework – put into practice in the Poverty Reduction Strategy Papers process (PRSP) –, on the State’s capacities and targets for better services. Meanwhile, NGOs would shift their actions on strengthening local civil society to hold governments accountable for the quality of the services and claim their rights for better basic services. This sounds like a convincing division of labour. However, there have been critiques that this simple opposition of service delivery versus advocacy overstates the number of different roles that civil society organisations can take on, that service delivery and social transformation are closely linked and that particular local contexts provide for distinct spaces for engagement⁴. In practice, however, much NGO action falls behind these considerations and the administrative and political context is often poorly analysed, limiting itself to a charity-based, mere servicing of immediate needs⁵. In that light, Northern NGOs have been accused of providing band-aid in a short-sighted fashion and, worse, actively preventing citizen mobilisation to claim improved services by the State.

Additionally, the relation between Northern (multinational) NGOs and their smaller Southern partners does not enter in this framework. One organisation that has

⁴ Sarah Lister & Warren Nyamugasira 2003: Design Contradictions in the „New Architecture of Aid“? Reflections from Uganda on the Roles of Civil Society Organisations, in: Development Policy review 2003, 21(1). The study finds a number of potential roles for NGOs such as pressurisers, monitors, service deliverers, innovators, mobilisers. See also the excellent stocktacking in Alan Fowler 2005: Aid Architecture – Reflections on NGDO Futures and the Emergence of Counter-Terrorism; INTRAC Occasional Papers Series No: 45; Oxford January 2005 www.intrac.org/resources_database.php?id=173

⁵ An excellent work to sensitise NGOs to take the administrative and political context into account is done by the ODI’s Research and Policy in Development team; see its latest toolkit for NGOs Robert Nash, Alan Hudson and Cecilia Luttrell 2006: Mapping Political Context: A Toolkit for Civil Society Organisations, London, www.odi.org.uk/RAPID/Publications/Documents/Political_Context_Toolkit_web.pdf

reacted to this contradiction is ActionAid that has reverted its internal governance by decapitating its central, Northern leadership structure, moving its headquarters to the South and decentralising into national chapters with equal rights. Likewise, it has implemented an internal staff incentive and learning system that encourages questioning power relations with beneficiaries.

One could argue that the move of the Spanish NGO sector towards a more professional, structurally informed approach is still pending. This would focus rather on citizen rights of the poor than on charity-based provision of assistance to “beneficiaries” and, therefore, shift, in the North, from being an implementation agency for the Spanish government to being a watchdog and, in the South, from providing services to empowering the poor to mobilise and claim their rights. The debate about the added value of NGOs is a controversial one with a series of valid postures. However, it needs to be discussed. The CONGDE has recently published an informative paper on the Spanish Official Development Aid. It is a comprehensive review of the instruments and the current developments in aid programming. It mentions the difference between reimbursable, concessionary and non-reimbursable aid financing. And, thereby, it stresses that any funding via NGO has grant character. The report, however, does not raise the issue of the comparative advantage of development funding via NGOs. If the grant character is the only comparative advantage of NGO-funding, could not aid just as well be provided via bi-lateral grants without intermediaries?⁶ Or are there other added values?

Mechanisms to ensure the quality of aid

The legitimacy of NGOs can recur to two sources. Either NGOs have an extensive base of members or supporters – documented by contributions or donations – and throw the number of people concerned with the issue they represent into the weight; or they can claim to be particularly knowledgeable in certain issues due to their research knowledge or technical and operational competences or their closeness to certain target groups. Both membership-based NGOs and content-based or specialised NGOs do have to ensure the quality of their services.

Departing from a tradition of charity, there has been a number of calls to professionalise the work of NGOs and to add technical know-how and managerial structure to the good will and values. Both the general audience and the public donors request more and more professional structures, while the role of volunteers has been clearly reduced and defined to auxiliary work. The days are over in which “development workers” without previous knowledge would be let loose in poor communities in the South. Nevertheless, the so-called third sector in Spain continues to be a place where poor salary conditions on the one hand and lack of specialisation and managerial excellence on the other create a vicious circle that prevents the take-off to both attractive careers and efficient organisations. This is particularly true in comparison to Northern European standards.⁷

What, then, are the instruments to ensure the quality of aid provided by NGOs? There are internal, mixed and external mechanisms. Whereas ‘internal’ refers to an attempted self-regulation of the sector, mixed systems refer to voluntary

⁶ CONGDE 2006: AOD hoy – Discurso y Realidad, Madrid; http://autonomicas.congde.org/documentos/222_1.pdf

⁷ A distinct level of expertise as well as remuneration more comparable to the public or private sector can be found amongst those associated in www.bond.org.uk or amongst the Northern members of www.concordeurope.org.

certification mechanisms, and 'external' refers to imposed accountability and evaluations in order to qualify for contracts.

As one example for **internal mechanisms**, the CONGDE has agreed on a code of conduct – a reaction to the decrease in public perception of NGOs.⁸ It claims values such as solidarity, justice and transparency and a certain approach towards participatory development. It has particularly tried to steer away from a charity-focussed way of presenting recipients of NGO assistance as passive and NGO workers as heroic. As such, the discussion on the code of conduct has moved the culture of Spanish NGOs and supporting civil society away from a paternalistic approach towards a more political stance. Along these lines, the code of conduct is geared towards holding NGOs accountable.

Does this succeed? In order to operationalise "accountability", one needs two mechanisms: one for the detection of deviation and another for the subsequent sanction. The code of conduct could easily fail in both. (1) Detection of deviation is difficult because the concepts ("justice", "participatory development", "dignity") are vague and there is practically no internal debate on how to make them measurable. The code does, though, set standards of disclosing strategies, dependencies and financial records, and imposes therefore transparency on all subscribing NGOs. Detection of inadequate behaviour in recipient countries is far more difficult. Still scarce are the systematic, independent in-country evaluations that would include stakeholders and could prove the reports wrong on disrespectful aid workers that create their little kingdoms in far-away countries. (2) Even more difficult is the second part – sanction. Neither the CONGDE as such nor other NGOs expel or expose to public scandal other organisations with poor record in either effectiveness or approach.

There are other mechanisms for endogenous, self-imposed control in the sector. There are a number of foundations that try to improve professionalism, management quality and ethical standards by offering certifications. These NGO Support Organisations can be defined as **mixed systems** of voluntary exposure against external evaluation.⁹ A valuable, voluntary mechanism of accreditation is, for example, the guided self-assessment offered by Fundación Lealtad. In ten dimensions it offers an appraisal to NGOs and certifies their standards of strategic planning, human resources management, accountability and transparency. Q-ONG is another initiative that proposes promoting the quality in the so-called third sector, mainly focussing on quality management systems. It is undertaken by organisations working domestically in areas of social care and protection. There are valuable lessons learnt that are not yet applied to international NGOs.¹⁰ However, these are voluntary mechanisms and not all NGOs comply to adhering with quality assurance. Some might just be too small, just founded or have other than bureaucratically verifiable mechanisms – such as extraordinary commitment of

⁸ CONGDE (no date): Código de Conducta un marco para la solidaridad http://congde.org/documentos/marco_doc; see as well the report on the public perception of NGOs <http://congde.org/Docinteres/Informepercepcion.pdf>

⁹ see the discussion of support services to managerial and technical quality of NGOs in INTRAC 1999: NGO Support Organisations: Role and Function, Oxford <http://www.intrac.org/publications.php?id=62>

¹⁰ One example of quality management in social welfare & protection NGOs is the Quality network of the NGO Platform on Social Action: www.q-ong.org; The website of Fundación Lealtad www.fundacionlealtad.org; see for examples of managerial help-line the Portal "SolucionesONG" www.solucionesong.org. A vivid source of information sharing is the web-portal Canalsolidario, the Spanish version of Oneworld www.canalsolidario.org

voluntary personnel to values – that ensure the impact of their action. Others might just not be up to the performance.¹¹

As mentioned above, a new **external mechanism** for quality assurance has been introduced by the new regulation of NGO funding of the AEI. The new framework agreements (“convenios”) foresee a detailed test of the programmatic and managerial capacity of NGOs in order to accredit NGOs for the implementation for larger programmes. Likewise, the new contractual regulations foresee new procedures of evaluation programmes. As in September 2006, agreements have been reached with 20 NGOs for general tasks, with six for sector tasks.¹² There have been critiques that these agreements are overly bureaucratized, that the administrative burden is too high for NGOs and that it puts at a disadvantage the smaller NGOs. As an instrument for external quality control it has yet to prove its relevance and effectiveness. From a more principal point of view, it could seem as an instrument for the domestication of NGOs.

Questions for discussion

Here we present a number of questions for discussion:

- NGOs claim to work for international solidarity. What does this concept refer to exactly? There is an important driving force in charity-based approaches which is the sentimental, value-driven conviction that no human being should suffer poverty and that Samaritan action is needed immediately. On the other hand, there is a discourse of a right-to-development which sees poverty as a violation of social and economic (human) rights. It claims a global system of fair redistribution and often ends up in rather long-term bureaucratic measurements, justifications and actions to reform institutions. Where does “solidarity” position itself between charity and entitlements?
- One function of the cooperation between government and NGOs is the information of the general public about the cause of development aid. Spanish public opinion shows a high and stable support to International Development Aid.¹³ The introduction of new aid instruments and the decline of public awareness after the 2005 campaigns could possibly threaten this achievement. Does the government have the right means to monitor public opinion? What instruments should collaboration between the Spanish Secretariat for International Cooperation (SECI) and NGOs entail to maintain public support? What are their respective roles?
- The new regulations for NGO financing (*convenios*) foresee a certification process and a documentation of the quality of the work done. Is it true that the justification and accountability is shifting from a monitoring of due process and the fulfilment of bureaucratic procedures towards a management for results? Is the Spanish Aid Agency AEI institutionally and by its staff prepared to lead this shift? What are the experiences?

¹¹ The register of developmental NGO of the Spanish Development Agency counts with more than 1000 NGOs. <http://www.aeci.es/05registro/02registro/5.2.0.htm>. In the CONGDE there are only 90 NGOs and 15 regional umbrella organisations registered. Some of the AEI-registered NGOs, however, only have regional coverage and might be organised in regional umbrella bodies.

¹² http://www.aeci.es/07subv/02sub_ONGD/7.2.4.2.htm

¹³ See José Moisés Martín en OECD 2003 : Public Opinion and the Fight Against Poverty http://www.oecd.org/document/31/0,2340,en_2649_34105_2498143_1_1_1_1,00.html; See also European Commission 2005: Attitudes towards Development Aid, Brussels 2005 http://europa.eu.int/comm/public_opinion/archives/ebs/ebs_222_sum_en.pdf; Jude Fransman & Henri-Bernard Solignac Lecomte 2005: Mobilising Public Opinion Against Global Poverty, Paris 2004 <http://www.oecd.org/dataoecd/33/41/31484642.pdf>



- Other countries have a more strategic approach of co-founding NGOs. By co-founding programmes two goals are met. On the one hand, large NGOs become a mechanism for harmonisation and serve like a pooled fund. On the other hand, and this is particularly true for co-funding with the EC, the visibility of Spanish aid could increase significantly. Does the AECI seek these advantages? Do NGOs offer them?
- Should there be a clearer distinction between the roles of humanitarian and developmental NGOs? How can the confusion in mandates and public perception be avoided?
- The very funding mechanism of decentralised development cooperation requests NGOs to be physically present in the donor commune, it asks for a mixture of service delivery and community sensitisation at home, and imposes promethean tasks of reporting. How ready are NGOs to refuse funding arrangements that make no sense in terms of aid effectiveness? On the contrary Spain has developed promising models of pooling municipal funds.

Foroaod – Spanish Development Aid

FRIDE organised the project “Spanish Development Aid - Mid-term Review and a Proposal for a Participative Consultation” between June 2006 and April 2007. This project aims to develop a consultation process about the current Spanish government’s development cooperation policy. We have created a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of “More Aid, Better Aid”. A set of recommendation guidelines were developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy.

www.foroaod.org