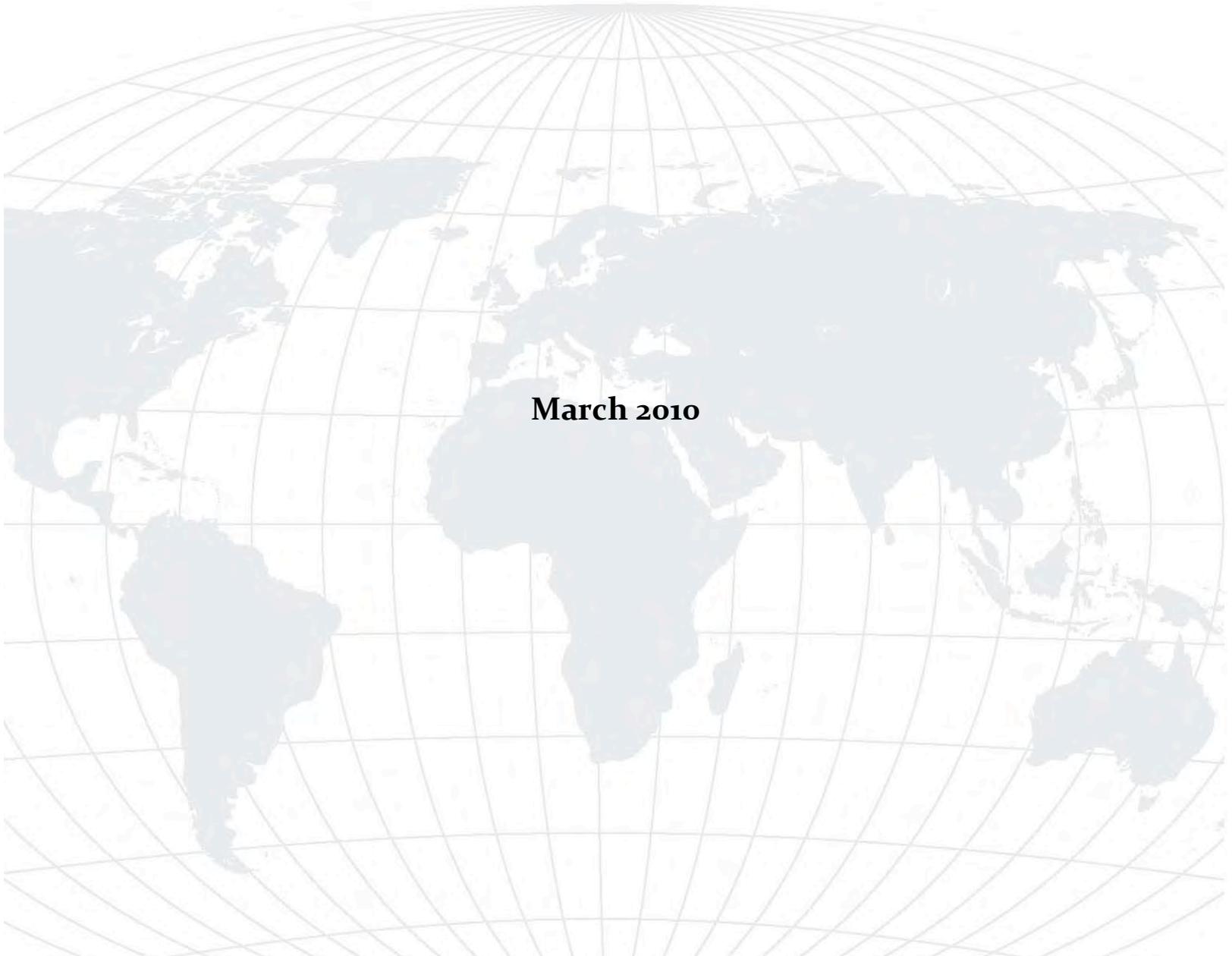


**The Listening Project Issue Paper:
Structural Relationships in the Aid System**

March 2010



This document was developed as part of a collaborative learning project directed by CDA. It is part of a collection of documents that should be considered initial and partial findings of the project. These documents are written to allow for the identification of cross-cutting issues and themes across a range of situations. Each Issue Paper represents the views and perspectives of a variety of people at the time when it was written.

These documents do not represent a final product of the project. While these documents may be cited, they remain working documents of a collaborative learning effort. Broad generalizations about the project's findings cannot be made from a single case or Issue Paper.

CDA would like to acknowledge the generosity of the individuals and agencies involved in donating their time, experience and insights for these reports, and for their willingness to share their experiences.

Not all the documents written for any project have been made public. When people in the area where a report has been done have asked us to protect their anonymity and security, in deference to them and communities involved, we keep those documents private.

Background on the Listening Project and this Issue Paper

CDA Collaborative Learning Projects, with colleagues in international and local NGOs and donor agencies, started the Listening Project to undertake a comprehensive and systematic exploration of the ideas and insights of people who live in societies that have been on the recipient side of international assistance efforts. Those who work across borders in humanitarian aid, development assistance, environmental conservation, human rights, and peace-building efforts can learn a great deal by listening to the experiences, analyses and suggestions of local people as they reflect on the immediate effects and long-term impacts of such international efforts.

From late 2005 through 2009, the Listening Project listened to more than 5,800 people through 20 *Listening Exercises* organized in a variety of places, including: Aceh (Indonesia), Afghanistan, Angola, Bolivia, Bosnia-Herzegovina, Burma/Myanmar, Cambodia, East Timor, Ecuador, Ethiopia, Kenya, Kosovo, Lebanon, Mali, Mindanao (Philippines), Solomon Islands, Sri Lanka, Thailand and the Thai-Burma border area Zimbabwe, and an exploratory visit to the US Gulf Coast. Reports from each of these field visits are available on the CDA website.

The Listening Teams were made up of staff from international and local NGOs (and in some places, donor representatives), with facilitators from CDA. The teams did not work from pre-established questionnaires or a rigid interview protocol. Rather, they explained to people that, as individuals engaged in international assistance work, they were interested to hear how local people perceived these efforts. Most conversations were with one or two individuals, though in some cases small group discussions were held. Conversations were not pre-arranged, except for appointments with government officials, academics and others who required advance notice.

In every place, Listening Teams talked both to people who had and had not directly received international assistance or who had been involved in the delivery of assistance, as well as with people who had not directly benefitted or been involved, but who were close enough to observe the effects of outside assistance. Teams listened to community members, government officials, community-based and civil society organizations, religious leaders, teachers, business people, health workers, farmers, traders, and many others. In every location, teams heard from people who represented different ethnicities, religions, genders, ages, and socio-economic backgrounds.

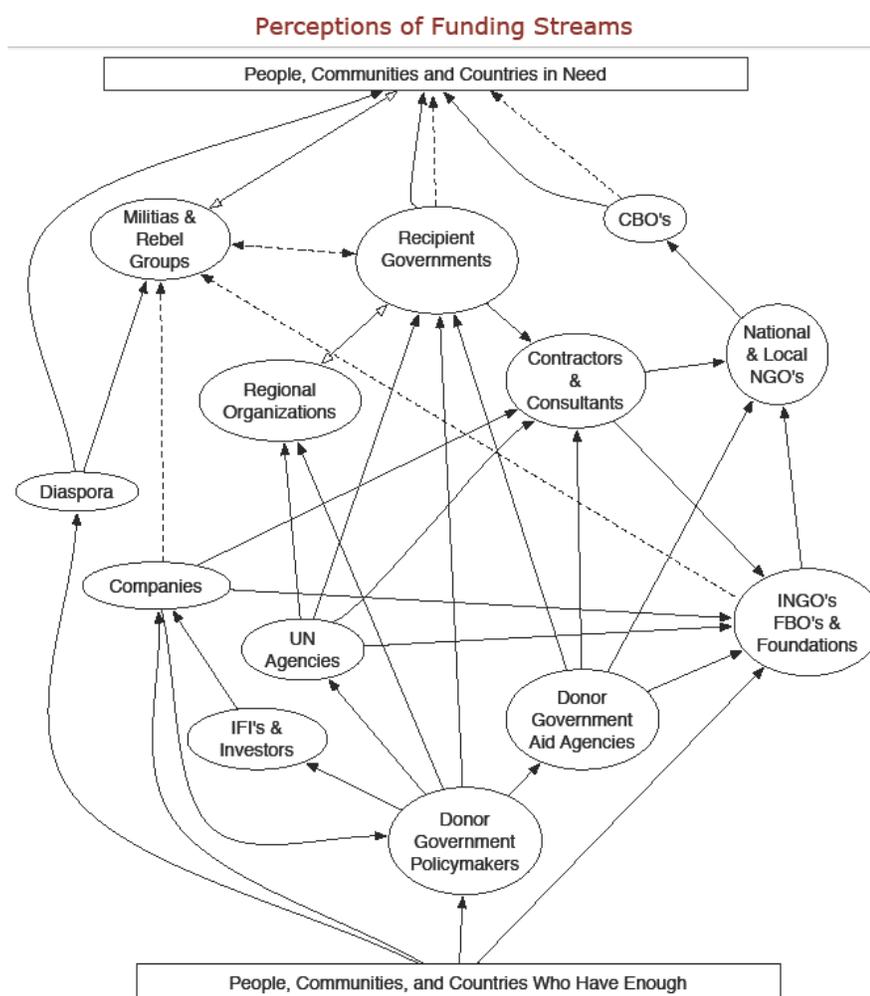
These *Issue Papers* present a number of the common and cross-cutting issues and themes which have been heard across these various contexts and are intended to stimulate discussion, feedback and reflection by practitioners and policy-makers. The Listening Project will incorporate the feedback and suggestions in the final publication, which will highlight the concerns and suggestions that people have for improving the effectiveness of international assistance efforts.

A collaborative learning process such as the Listening Project depends entirely on the involvement and significant contributions of the participating agencies, and the willingness of people to talk to the Listening Teams. The Listening Project truly appreciates all who have contributed their time, resources and effort to this initiative.

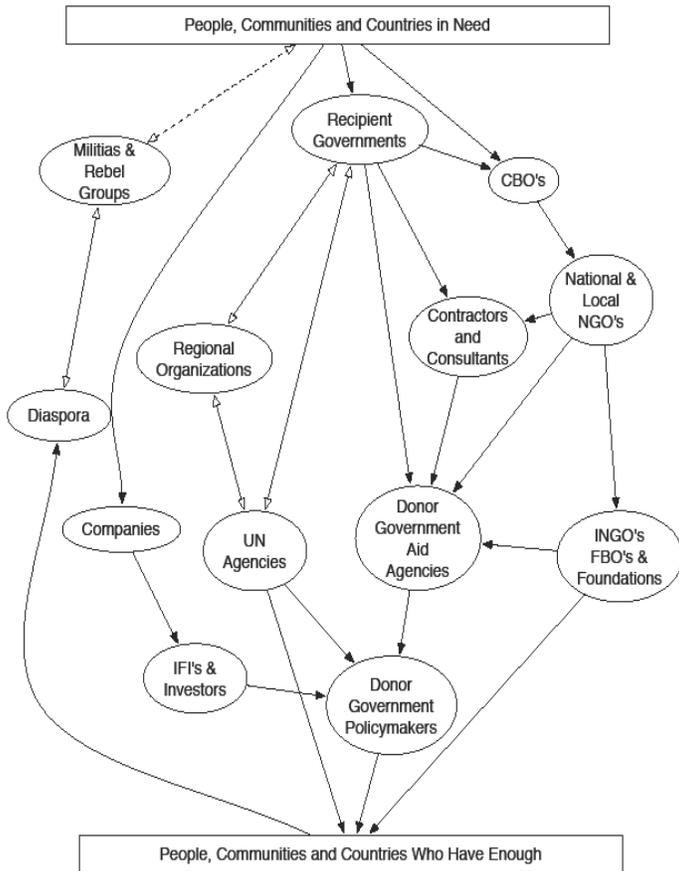
Structural and Functional Relationships in the Aid System

In nearly every place Listening Teams have visited, people talked about how many different actors are involved in the “aid industry” (for more on this, see “*The International Assistance as a Delivery System*” Issue Paper). The number and type of organizations and the complex (and often mysterious) relationships these actors have with each other can make it difficult for local people to navigate. There were many aspects of this crowded field which people talked about, including the various actors, the nature of their relationships, and competition and coordination.

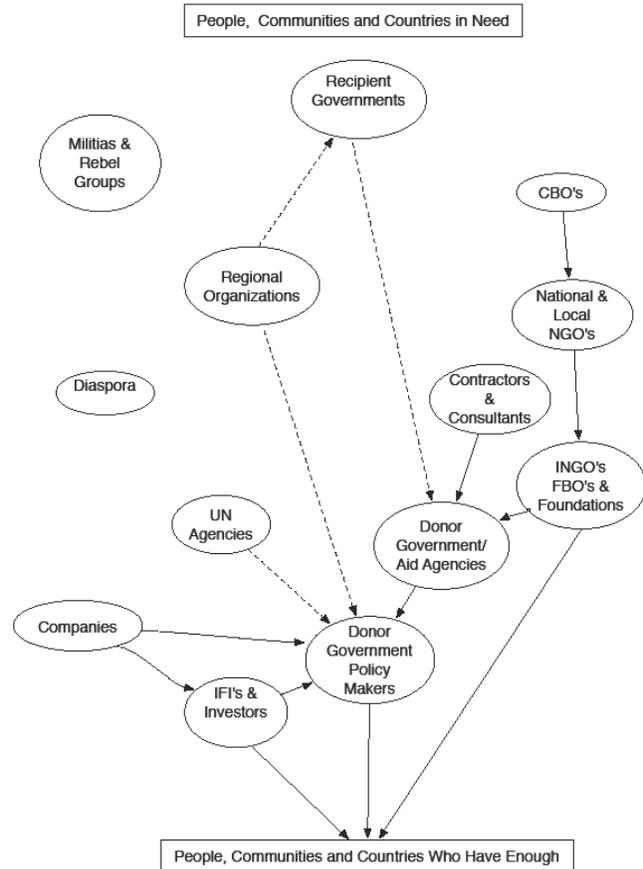
Throughout Listening conversations, many people discussed their perceptions of how the people, communities and countries in need receive funding from those who have enough, as well as some of the other actors who sometimes play a role or have influence on the flow of funds, as shown in the diagram below. The following two diagrams show peoples’ perceptions of communication and how information flows between these various actors, as well as who is accountable to whom in the aid system. The solid lines and arrows represent the flow from one actor to another, and where there are flows both ways, empty arrows are shown. The dotted lines show the flows that occur in some situations, and are often part of the environment in which international assistance efforts take place.



Perceptions of Communication and Information Flow



Perceptions of Accountability



Different Actors in the International Aid System

People often talk about the various actors and organizations in the international assistance system and their relationships to them and to one another. As shown in the diagrams above, the groupings of actors identified were: donor government policy-makers (parliaments, Congress, etc. who control budgets); donor government aid agencies (such as DFID, USAID, AusAID, etc.); international NGOs, faith-based organizations (FBOs), and foundations; international financial institutions (IFIs, such as the World Bank or IMF) and investors; companies; regional organizations (such as the European Union or the African Union); recipient governments (national, regional, local, and ministries/departments); United Nations agencies (including missions and peacekeeping troops); contractors and consultants (including sub-contractors and technical experts, both international and local); national and local NGOs; community-based organizations (CBOs) and self-help groups; and people in the diaspora. While militias and rebel groups are not formally part of the international assistance system, they do sometimes benefit and have influence on some decisions and the delivery of international assistance.

Donors

When referring to “donors,” people often do not differentiate between funding agencies abroad or in the capital cities of their countries. While they frequently referred to bilateral and multi-lateral donors, people also included IFIs, investors, companies, UN agencies, international NGOs, faith-based organizations (FBOs), foundations, charities, contractors, consultants, regional organizations, people in the diaspora, and others that often fund local organizations and initiatives.

People’s understanding of donors’ roles ranged from being a financier or “a bank” for programs and projects, a monitor and sometimes “a policeman” (to ensure quality and to prevent corruption), to being a “partner”, “a friend”, “a mentor” and “a colleague.” A common theme in the discussions about donor roles and responsibilities was the desire for more regular communication and relationship building between the funders and recipients of international assistance efforts. Importantly, across many conversations and contexts, people have a common desire that these relationships be based on respect, trust, caring and solidarity.

Many people were eager to have their voices heard by donors, as they perceived them to have power and control over most of the resources and to be the major decision-makers in the international assistance system. As a city official in Davao City (Mindanao), Philippines said, “[International assistance] should not be seen as just a colonizer or a “rich relative” coming in to give us a better life. But it is often seen this way... Long-term development takes time. Relationships are crucial. We tend to be personality driven here in the Philippines. If we like the person and we recognize the goodwill we are more willing to cooperate. Trust is a huge part of the success factor. The thing of pride is also there. We are the ones receiving assistance. A true partnership would mean having beneficiaries also give back in some form, to feel that they are not just receiving. This gives them dignity in the process.”

Implementers

People identified governments, international and national/local NGOs, faith-based organizations and institutions, UN agencies, contractors, technical experts, consultants, and sometimes CBOs as the providers and implementers of international assistance efforts. Many people were happy with the increased focus on supporting local organizations, acknowledging that a lot of local capacity has been built, but they also said that much remains to be done to decentralize power and decision making in the aid system. As a researcher in a Sri Lankan national organization explained, “Local NGOs help to address local needs, but their impact is not far reaching. They struggle with capacity. They are in a development frame as implementers, but they are not engaged in shaping the development agenda in this country. In the current context where most decisions are made in Colombo, there is not much role for local NGOs.”

In many places, people raised numerous concerns that what they often called the “intermediaries”, “middlemen” and “brokers” did not deliver on what they had promised to the communities (and to the donors). People in several places were particularly critical of the large number of “one man shows”, “briefcase NGOs”, and “wallet NGOs” that have been created as the funding for local organizations has increased over the past few years. Several people also

referred to the many “sticky hands” along this aid delivery chain, which reduce the amount of assistance that makes it to the people and communities it was intended to support (discussed further in *The International Assistance as a Delivery System* Issue Paper).

In Kosovo, a researcher observed that donors have essentially created a “*project society*” not a civil society, in which many local organizations have been created to get funding to deliver services and implement projects—which often creates jobs—but not to play the watchdog and advocacy role expected of civil society organizations. In so many other places over the past few years, thousands of local organizations have been created (and fallen apart) to fill the demand for local partners to implement international assistance projects. An academic in Kenya pointed out that there are more than 4,000 NGOs in Kenya, with new ones formed almost daily, and that “there is a high infant mortality rate of the NGOs,” which does not create an efficient aid delivery system or a strong civil society.

Local NGOs acknowledge that they are often more associated with particular donors and are sometimes seen to be acting as donors’ proxies, rather than as independent members of civil society. The trends and priorities that their donors have get passed down through what they fund NGOs to do, which then impacts how they fund and work with CBOs, and finally—and not always directly—with communities. As one person said, “NGOs are not seen as catalysts for development” but rather as cogs in a chain. A researcher in Lebanon noted that “Some NGOs are doing humanitarian work as a business, like a ‘super-profit-one-man-show’. There is one local person who knows how to deal with donors, and s/he fixes the projects for the international community according to the donor priorities. These NGOs work on demand, depending on what the current donor agenda is. NGOs are like mushrooms, when the climate changes they shoot out from the ground.”

At the same time, a number of beneficiaries were more satisfied with the assistance they received from local NGOs than that from INGOs because the local organizations are enmeshed in the problems of the community and can better understand and serve people’s needs. Some said that when local NGOs have the same capacity, they should be preferred by donors over INGOs since they cost less and understand the context better.

In Bosnia and in some other places, people said that the development and support of local NGOs has had a positive impact, especially in increasing women’s participation. As a journalist in Ecuador said, “The support of NGOs has been very important in local organizational strengthening and in raising the societal profile of the subject of the rights of children and adolescents. Also, women have recovered their voice.”

Governments

Many people in different places discussed the relationships between donors, implementers, and their governments, and there were differing perspectives on the roles that the recipient governments should play. Some people believe that the national and local governments should exert more control, set strategies and coordinate assistance efforts. Others wanted donors and implementers to work around governments that were not effectively providing services or which were seen to be favoring some groups over others (often for political reasons).

In places where people were concerned about corruption or where they were not happy with their government, they tended to want agencies to work directly with communities. However, some people noted that if their governments do not function very well or have limited capacity, then working around them can delegitimize them further and that this will not support building their capacity to be able to provide services or to be accountable to their people in the future.

In nearly every place, people were concerned that the relationships that donors and implementers have with recipient governments can affect many of the decisions that outside organizations make—about where they work, how they work, and whom they support. For instance, in some conflict affected areas, people were concerned when recipient governments limit where agencies can work, noting that often the people who most need protection and support do not get it. A staff member of a local women’s group in Sri Lanka suggested that “NGOs should be assisted by the government, but should be independent in taking decisions. And the government should help, but not dictate.”

In many places, people were not happy when aid decisions seemed to be influenced more by political considerations than the real needs in communities, or when international agencies were seen to be supporting bad policies that reinforced divisions or benefited certain groups. For instance, a Palestinian director of an international NGO in north Lebanon said, “If we don’t look at the political influence on aid we are looking at the situation with one eye only. To increase their influence, political parties try to take control of aid distributions. People have been gravitating towards political leaders whether [these leaders are] good or bad.” A member of the Lebanese Parliament and an academic concurred, adding, “The opposition is disadvantaged by the Lebanese government’s aid allocation. If you leave resource allocation up to the Lebanese government, everything is politicized, everything is politically driven, and everything is communal.”

Some people noted that NGOs are more efficient than the government and that they tend to have a more “human” focus, and that they should take a lead role in providing assistance, especially in emergency contexts. At the same time, others said that their governments need to play a role in the coordination of efforts and that they should be involved so that they can take over when aid agencies finish projects or leave, and to help implementers better understand the context in which they work. As a local staff member of an INGO in Sri Lanka noted, “If you work with the local government you build more capacity and ensure sustainability. We’ve learned our lessons from mistakes we made. In the past, we focused almost entirely on village-based or community-based organizations, trained local village committees to write proposals and apply for funding. After we phased out, these committees fell apart because they didn’t have a proper network with the local government. We learned from this and we now always work to ensure a proper network is in place after we leave.”

Several government officials in Ethiopia said “NGOs do good work” and that they discuss programs in an NGO-Government forum. However, they also mentioned that most of these discussions focused on the plans that the NGOs had already made rather than on the problems and how best to address them. Some local officials said that often they are just told by their superiors to support projects to be implemented in their districts or villages, and that plans are

determined at the national level with little local input. They also complain that they have few resources to monitor and evaluate projects on the ground, much less to continue or maintain them once the implementers leave.

People in Kenya noted that a lot of recent international assistance had not gone through the government and that it often did not connect to the government's strategy and plans. As one district government official (who had the District-level Poverty Reduction Strategy Paper [PRSP] on his desk as we listened) said, "if someone comes here and wants to do something, we don't say no because we don't want to say no to donors." He said that a lot of money and resources are put into the PRSP and government planning processes, but that these plans are not followed by donors and implementers who usually seem to have their own agendas and priorities (for more on this, see the *Cascading Effects of International Agendas and Priorities* Issue Paper).

Some people, including many government officials, also talked about how the international focus on funding non-governmental organizations and strengthening local civil society can undermine progress or support of governance institutions. One local official in Ethiopia asked, "why are you giving your money to local NGOs and not us?" noting that when the international agencies are gone, local NGOs and people in the community will come to the government to support them. A provincial official in Sri Lanka added, "A problem does occur when projects are implemented and then handed over to the government, as in the case of a water supply system, the government had no idea what to do with it because the implementing agency did not include the government in planning or seeking permission."

The flow of funding through increased budget support to recipient governments is not often understood by people at the community level. As a provincial official in the Philippines said, "Community members are not familiar with the distinction of international aid and government efforts. And they aren't familiar with the difference between national money vs. provincial/local money. So, sometimes they wonder why the national road nearby gets fixed, but the local road doesn't get fixed. They wonder 'why isn't the President helping us, why isn't the governor helping us?' The Barangay leaders try to explain to the local people why things happen the way they do, and why national funds can't (legally) be spent for local projects and vice versa, and that the province often doesn't have enough funds."

The Nature of the Relationships

Many leaders of local organizations noted that the relationships between donors and implementing agencies were often paternalistic, and that they desired a real partnership based on trust and common interests, with more power sharing and mutual accountability. An international donor official in Lebanon agreed, saying "There is a story to be told on donors and local NGOs. They are like two ships in the dark. Unless they put their lights on, they're not going to know that they are both sailing the same sea."

Local organizations noted that they are sometimes stuck in the middle (between their donors and communities) and have to represent others' interests in the chain of delivery. People in communities complained that without trust and good relationships with their local partners,

donors might send or fund things which are not needed and that this can waste a lot of money, because the implementers will always do what they need to in order to “satisfy the father.”

Some local organizations are concerned that international NGOs often “take over” local initiatives and have a lot more control and power than local organizations in the aid system. As a female leader of a CBO in a refugee camp on the Thai-Burma border said, “We feel like NGOs come and order us to do things this way or that—because they have a lot of power...we don’t see a lot of working together in a meaningful way...We want real partnership; for this we must always have open dialogue and mutual respect. The CBOs should not look like service providers or staff for NGOs. CBOs should have more role and voice for social change.”

In conversations with staff of local NGOs that implement projects with outside funding, they expressed a strong desire to work with donors and other implementers that are not “top down.” Many local organizations described the current relationships with their donors as more focused on service delivery, and often limited to submitting a proposal, receiving a check, and sending periodic written reports—and that they wanted much more. As a leader of a local organization in Sri Lanka said, “When we are ready to present a new project, we can write the proposal really well and present our ideas creatively and receive funding. But during implementation we are not always sure what we are doing, and INGO monitoring processes are weak. We need support, advice and collaboration with our donors. We don’t want them to be just donors, we want colleagues and we want to share ideas and exchange best practices.”

The director of a church development agency in Kenya agreed, saying “Partnership is important, and ‘how’ is critical. Donors and partners don’t know each other completely. Because of the needs, partners relate to donors emotionally, not rationally. They have inferior feelings, and then the work has problems and is not realistic. They need new knowledge and understanding of each other. In the ways the partners have to work, they may lose trust with communities. Their role is to empower people. No one can develop another, you have to bring something yourself.”

Some people suspected that donors do not trust the people in communities, and so they provide assistance “for” not “with” them, which decreases the locals’ sense of ownership and the sustainability of the agencies’ efforts. When asked why they thought this was so, several people in communities said that they do not think donors want to get their hands dirty, and that they instead choose to work through agents or proxies. Unfortunately, many people say that donors often trust the wrong people and organizations (including recipient governments), and that the funds can then be lost, misused, or wasted. In countless conversations, people said that donors should build trust with a credible local organization or government body that can manage and maintain the projects over the long-term.

Competition and Coordination

Issues of competition and coordination among donors, implementers and governments were also brought up in many places. In tsunami-affected areas of Thailand, people noted that some aid agencies carved out “territories” and that this often limited the types and quantities of assistance available to recipients. One person shared the following example, “When one NGO starts their project and another NGO also comes to the village, then due to competition, the NGO who came

first will withdraw their assistance and go somewhere else. So at the end, it is the people who will get affected.” A person in an IDP camp there also said, “When one organization takes responsibility to assist one camp, then they don’t allow other organizations to enter the camp. That’s why we haven’t received most assistance. This is NGOs’ roguish behavior.”

In some places, people shared concerns that a culture of competition can form and that tensions can also increase when different communities—and people within them—are vying for assistance. A leader of a federation of indigenous communities in Ecuador suggested, “They can come as many as want to, just so there is some coordination, instead of each going his own way. If not, they can divide the communities.” A Buddhist monk in Thailand noted, “NGOs are fighting for the same beneficiaries and the most affected people, because it is better for their reports and for their donors. They don’t talk to each other. Don’t bring your conflicts and tensions here.”

In many places, people were dissatisfied with the duplication of efforts by different aid agencies often caused by competition, and suggested that there needed to be much better coordination. As a government official in Ecuador said, “The NGOs should coordinate and devise a single plan of action. Coordination at the international level must be in the local area. And it must carry out the objectives from here! Another point: agreements must be signed stipulating who does what... And coordination is needed between local projects and agencies, within both the provincial and national context.”

Echoing the need for more local representation and respect in coordination forums, a former government minister in Kosovo complained that “Money was spent on coordination between internationals, but no Kosovars were there!” A civil society leader in Sri Lanka had similar concerns saying, “NGOs are inherently bureaucratic. Top leaders make decisions at the higher level without asking locals. Pre-tsunami, local NGOs were very active in the communities. Some INGOs helped mobilize local people. But some consultants and expatriate staff didn’t understand local capacity and treated locals like their servants. The language and cultural gap was wide. NGOs talk with one another in fancy hotels away from the affected people – ‘white skin mentality.’ If they lived with the community they will have a better understanding of their needs.”

Listening Team members in several places noted that implementers’ relationships and communications with each other, with their donors, with recipient governments, and with communities are influenced by the competition between organizations. Many people in communities and some aid agency staff suggested that INGOs should present ideas and proposals to the donors with one voice and as a team with the local NGOs and the community. One listening team member in Thailand explained how the INGO he works for was able to communicate community priorities to their donors and that they were able to change the donors funding decisions, shifting programs to a new area. According to him, “Some of these problems are our organizational, implementation problems – not the donor agency. We need to play the middle role better working with local communities and the donor.”

At the same time, the way funds flow through the aid system can perpetuate the competition and stifle coordination and innovation. As a Lebanese NGO director said, “There is not enough

funding for local NGOs, so the international NGOs play the local NGOs against each other – to outbid each other.” A Palestinian NGO director in a refugee camp in Lebanon explained, “I have no freedom to present my own ideas. This is because of the donors who put the local NGOs in competition. Everyone has to get money for the same projects. Some present the same projects to many donors. But the ideas are always the same. It’s what they want and have money for.”

Others discussed increased opportunities for corruption as an impact of the lack of coordination and competition between aid agencies. As a local staff member of an international organization in Sri Lanka acknowledged, “The practices of competition rather than coordination in aid delivery need to be addressed. For example, in some districts there are few government technical officers and everyone relies on them for project approval. However, the time is often limited, so agencies compete by offering higher and higher consultancy fees in order to obtain their services in a timely manner. Although there are MoU’s involved so it is legal, it still represents a message that bribery and unregulated competition is acceptable behavior in social service delivery. This is not good for the country and can undermine efforts targeting governance.”