

## Plenary Session: Changing Development Context – Challenges and Opportunities

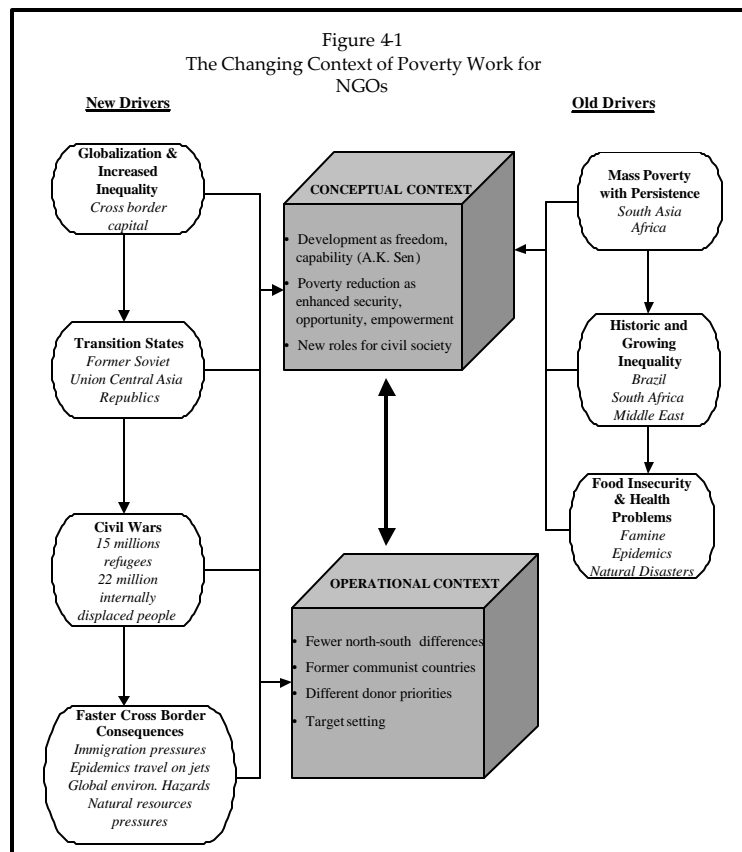
The first two panels, held on day one of the Conference, set the framework for subsequent discussions. The panels featured a combination of professionals and practitioners which offered unique perspectives on both the contextual challenges facing many PVOs/NGOs and on how some organizations have responded to these external pressures by strategically adapting their missions and values. It was hoped that participants could use these discussions to inform their own strategic planning processes. Interactive discussion followed the presentations.

### Coralie Bryant, Moderator/Presenter, Director, Political and Economic Development Program, School of International and Public Affairs, Columbia University

#### Background—The Recent Growth of Civil Society

Dr. Bryant observed that the last few decades have seen fast-paced geopolitical change, which has led to unprecedented growth in civil society. Reducing poverty, the heart of most NGO work, has become increasingly complicated (see Figure 4-1).

New drivers of poverty emerged as a result of wars; internally displaced people; larger numbers of refugees; health disasters; increased inequality with changes in trade and financial flows; and other factors. All of these changes had an impact on the work and services needed from NGOs: some had to quickly get staff, others had to build networks, and most had to move toward increased fundraising and to rethink and recast their missions and roles, all in a dynamic state of continual change. Meanwhile, none of the older drivers of poverty had lessened—persistent poverty still exists in some regions, and sharp, difficult-to-shift inequalities remain for minorities. Food insecurity and health problems have also not diminished.



#### Shrinking, Failed, and Collapsed States

**Shrinking States.** When governments shrink or reinvent their roles, they frequently turn to NGOs to provide services. Parliaments and congresses mandate that work be done through NGOs, thereby putting non-governmental organizations into a quasi-governmental role. NGOs generally want to offer assistance to governments, but they do not want to replace them. Many NGOs want to be independent, yet financial independence can be difficult to achieve when

government agencies need and use NGOs as contractors, and donors themselves are under pressure to work through NGOs as part of their own downsizing processes.

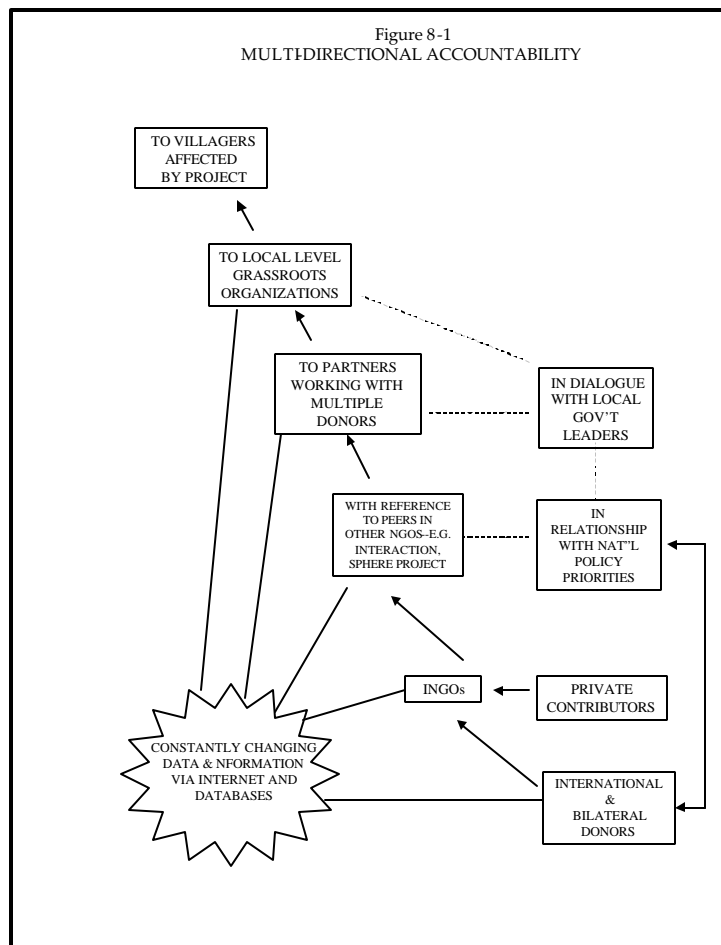
**Failed or failing states.** Ms. Bryant noted that the worst problems are found in failing or already collapsed states. NGOs are called upon to provide essential services in the short term, which often becomes the long term. In failed states, there is no rule of law, and the intersection between violence, criminality, and corruption presents a kind of “Bermuda Triangle” for NGOs trying to reach and assist those most in need. In failing states, basic rights and basic needs are not honored, nor is neutrality accorded to NGOs; as a result, it is hazardous even to deliver services.

***The Challenge of Achieving Accountability***

**Technology and global communication changes.** Global communication technology—and the ease of working and networking internationally—has grown exponentially in recent years. While this transformation has brought major benefits, especially for fundraising, it has also heightened competition among NGOs for audience and support. People can compare 20 NGOs within 30 minutes before submitting their contributions electronically. Further, abundant media coverage often leads to “herding,” where a currently popular concept, region, or disaster crowds out concern for longer term, deeply rooted problems that require concerted and consistent attention over years. For NGOs, this technological ease involves serious investments and staff committed to maintaining and updating websites. To withstand these challenges, NGOs need internal processes to help anchor, guide, and inform them.

**Accountability, organizational learning, and strategic planning.**

Close attention to the three core processes of accountability, organizational learning, and strategic planning is centrally important if NGOs are to be in charge of themselves. Accountability is a key and timely issue for every level of governance, Dr. Bryant observed, adding that achieving accountability is a difficult and never-ending task. The increase in multi-donor funded projects, along with the array of constituents to whom an NGO must be accountable (e.g., beneficiaries, clients, funders, boards, partners, and staff) adds to this complexity (see Figure 8-1). In many cases, different data are gathered and reported in different ways according to different timelines, a situation that calls for tighter regulations and processes. These are costs that drive up overhead.



### **Learning, not rigid control.**

Dr. Bryant stressed that it is important for PVOs and NGOs to become learning organizations, to embrace mistakes and learn from them, and, above all, to be flexible. A learning organization with internal and external flexibility is not centralized and does not “bully through” a particular agenda. Rather, it inspires shared perspectives, even consensus, about what is right and what is in line with core values. These organizations listen, learn, and communicate. Citing World Vision’s major programming effort to address the challenge of HIV/AIDS, she noted that the organization mobilized what has come to be called “social capital” through learning by listening and dialogue at several levels and with all parts of the decentralized World Vision family rather than apply the traditional approach of centralized command and control. Ultimately, organizations that know how to learn and have learning processes in place are intrinsically better able to be strategic and avert the pitfalls of globalization in an ever-changing world.

Dr. Bryant concluded by observing that PVOs/NGOs are undertaking much of the “most important work in a weary, war-torn, ill, poor, and disaster-prone world.”

### **Panel Presentations**

This first panel covered several of the major challenges presented in a fast-changing world. Peter Walker of the Feinstein Center at Tufts University remarked on the macro context and the need for NGOs to maintain independence in order to do good work; Christina Kappaz of the Millennia Consulting group discussed challenges for NGOs in Latin America; and Rajesh Tandon, president and founder of the Society for Participatory Research in Asia (PRIA), provided the Asian perspective. Panelists agreed that issues of accountability and of maintaining independence of thought and credibility are major challenges facing PVOs and NGOs.

#### **Peter Walker, Director, Feinstein International Famine Center, Friedman School of Nutrition Science and Policy, Tufts University**

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Dr. Walker began his presentation by noting that most NGOs represent a radical, value-driven, “change-the-world” alternative. He then identified four threats to NGOs as those related to: (1) independence of action and thought, (2) veracity, (3) going global, and (4) death by group-think.

**Independence of action and thought.** Independence of *action* pertains to how NGOs are funded and the source of that funding. The extent to which NGOs can work independently of their financial source relates to how well they can ensure a vibrant, dispersed funding base and thereby create financial independence.

Independence of *thought* relates to how the rest of the world sees the pervasiveness of the “McDonald, Disneyland” culture of the West and how NGOs demonstrate their independence from it.

**Veracity.** NGOs need to prove their legitimacy by earning the authority to talk “as the people” and not just “with the people” or “about the people.” NGOs need to build their practice on authority—to speak from evidence rather than from a “soap-box” mentality.

#### **NGOs must ask themselves:**

- Are we preserving ability to act and think independently?
- Practice authority?
- Blossom or ossify?
- Challenge the pack?

—Peter Walker, Feinstein International Famine Center

**Going global.** Many NGOs are beginning to form large global networks (e.g., CARE, Oxfam, SCF, World Vision) that are the size of corporations, raising the question of whether they can be effectively managed. The main challenge is how to build global institutions that are locally driven, or how to most effectively link resources with community groups on the ground. NGOs must consider how to create federations that allow the developing country to have as great a voice as the West.

**Death by group-think.** When the spotlight is on a favored issue, it can lead to neglect of other concerns and of needed impartiality for where funding is directed.

### **Christina Kappaz, Millennia Consulting**

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Currently more than 500,000 NGOs are working in Latin America and the Caribbean. While money to NGOs in Latin America has soared, the amount actually available for capacity building remains limited. Further, inequality in this region is among the highest in the world. Ms. Kappaz offered an overarching context for the NGO evolution in Latin America and the Caribbean today: (1) a shift to democratic regimes; (2) globalization of policy arena; (3) weaknesses of governance structures at the state level; and (4) issues of violence and criminality.

**Democratization.** NGOs provide a vehicle for representing marginalized groups in the political process but face the challenge of maintaining a critical voice while also participating within the system. The NGO movement in Latin America has strong roots in political opposition to authoritarian regimes. However, as regimes have shifted, NGOs have had to redefine themselves in this new political landscape.

**Global policy arena.** Even if communities are removed from the global debate, they are still affected by global issues and policy decisions (e.g., international trade regimes, regional free trade agreements). However, contradictions can arise when NGOs seek to support macro policies in addition to local communities. A rise in “transnational advocacy networks” has provided links to global advocacy efforts that enhance impact potential at the local level. In Latin America and the Caribbean, the indigenous movement has gained ground by working with transnational allies.

**Problems of governance.** Much corruption exists in Latin America, though many encouraging events have occurred as a result of leaders being taken to task through a democratic process. NGOs have a role—from monitoring elections to monitoring use of funds—and that role remains difficult. Decentralization has opened the door for NGOs to mobilize and facilitate the voices of local communities. Still, a tradition of authoritarianism and a culture of passivity remain obstacles. The ability of NGOs to effect change depends on the level of authority and resources of local government, and the responsiveness of local authorities to participatory approaches.

**Culture of violence, criminality.** Drugs and illicit trade raise security issues and concerns for NGOs, including the problem of maintaining an independent identity in a culture of violence. In this culture, NGOs become caught in the middle and are questioned about their underlying motives and allegiances. This raises complex issues of identity for NGOs, especially when wedged between conflicting interests. Inequalities and poverty continue to foster civil unrest and fights over scarce resources, further exacerbating difficulties faced by NGOs working for peace and for economic and social justice within this context.

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**Rajesh Tandon, President, Society for Participatory Research in Asia**

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Rajesh Tandon has worked extensively in India and South Asia with community-based organizations addressing issues of access and resources. He identified the following obstacles in this region.

**Conflicts, wars, and violence.** Conflicts, wars, and violence are destroying communities, causing forced migrations and internal displacements. This has resulted in a massive loss of social capital and in the diversion of resources and power to arms and the military.

**Economic growth, private enterprise, and market development.** Rapid economic growth in this region has raised aspirations and living standards dramatically. New opportunities for employment and income now extend beyond urban, industrial areas to reach those in the countryside. In India, the West and South are zones of growth and prosperity, and not the East or the North; in China, the seaboard is the prosperous region, while the mountains and the West remain in poverty. The consequent gulf between the haves and have-nots is intensifying in these countries, increasing domestic disparities and entrenched deprivations.

**Local governments “gaining teeth.”** In almost all Asian countries, local governance is “gaining teeth.” This means that partisan politics and democratic functioning are becoming local as well. Support from civil society is crucial, because if left to its own devices, local governments will mirror the larger national governance structure. At the same time, there is growing pressure on local NGOs to be accountable to local governments.

**National governments grudgingly acknowledge NGOs.** As national governments in Asian countries begin to acknowledge NGOs, collaboration with government programs is increasing, especially in service delivery areas. NGO expertise and capacity are being valued, particularly when they provide economic benefits. But the more entrenched NGOs become in service delivery, the more they risk losing their autonomy. Further, as competition with government officials continues to increase, NGOs face a greater risk of experiencing “backlash” from those who would set them up to fail.

**Increasing competition for issues, constituencies, and resources.** Competition between domestic and northern NGOs is intensifying, with international aid programs crowding out southern NGOs. This is exacerbated by the private sector, which is also claiming development terrain, with NGOs increasingly pressured to demonstrate “extraordinary results” in order to compete.

**Globalizing media and IT connectivity.** Good and bad consequences can result from people having immediate access to information worldwide and using the Internet as an organizing and mobilizing tool. Although outreach to domestic constituency of support has become easier and more feasible, the Internet has also enabled temporary and virtual NGOs to multiply without legitimate roots.

## Questions to Panel

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Chiku Malunga from Malawi asked Dr. Tandon to respond to the practice of international NGOs coming into Africa and building capacity with the assumption that once it is built, it can be sustained locally.

Dr. Tandon responded that the issue of the contentious relationship between southern, indigenous NGOs and northern NGOs is nothing new. What has changed is the attempt to build local capacity and then to be able to support it. What has changed is the pressure to link local resources to a national program. Further, said Dr. Tandon, while the formidable size of contracts is what brings in the northern NGOs, their failure to leave behind a sustainable base when they withdraw creates a serious gap. Colleagues in the North must figure out whether they are delivering dollars or delivering capacity—local capacity to local institutions. The foci are different, and the challenge is to figure out how to do these complementarily so that needs are met.

A participant asked panelists' opinions on the legitimate role of large federations or any northern NGO vis-à-vis local NGOs, given the increasing competition between northern NGOs and others for resources. Another participant noted that in Uganda, a large NGO is trying to focus on the people, but the people are skeptical that their interests are not represented, because the NGO does not understand what they need. He asked about mechanisms that can be used to ensure that local people have a say in what is going on.

Ms. Kappaz responded that many excellent tools are available for NGOs to elicit community-level participatory input in a dynamic and meaningful way—so they can speak *as* the people and not *for* the people—but NGOs are not taking advantage of them. Ms Kappaz challenged the northern NGO community to really think seriously about what its role should be. An advocacy role is important at the global level. That is where the future role of larger NGOs should be, along with public education on development issues in their own countries. Dr. Tandon added that domestic civil society in the countries where NGOs work needs to be engaged through dialogue and partnership in issues of globalization and development in tandem with international NGOs.

A questioner from Africa asked panelists how local NGOs can form future partnerships with the North when local governments are leaving them out and marginalizing them—how can NGOs and local governments both be strengthened?

Ms. Kappaz responded that it is a challenge for local organizations to mobilize the civil society voice to speak to their governments. This is where international groups can come in and support efforts to build up local civil society, without which there is no democratization. Dr. Tandon stressed the importance of efforts that focus on building bridges with community-based organizations so that NGOs can have a legitimate voice.

A questioner cited two trends in development: the trend to corruption and the trend to decentralization. He said attention to corruption remains focused largely at the national level, whereas no attention has been paid to the increased decentralization at the local level, especially the lack of tools for local accountability. He asked panelists' opinion on how to match decentralization efforts with anti-corruption efforts at the local level.

Ms. Kappaz responded that few people are willing to support the risk-taking work needed to attack each corrupt contract and follow it at the local level. She agreed that the donor community should focus more intently on how to support citizen watchdog efforts at the local level. Public education is an important need, as is a mechanism for providing input into the contracting process (for grants and donor contracts).

In closing, panelists urged participants to use the conference as an opportunity to share ideas and fill in knowledge gaps by offering glimpses of what it really looks like on the ground.

## **Summary**

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The panel identified various challenges presented to NGOs, raising several important questions:

- In a changing world, how can NGOs preserve their independence and freedom to advocate?
- How can NGOs be both accountable and maintain their priorities?
- How can NGOs become learning organizations that can be flexible and respond to changing geopolitical priorities?
- How can we be more effective in working collectively and communicating with one another?
- How can we stay aware of the evolving role of northern NGOs and thus of their evolving relationships with southern NGOs?