



How international NGOs could do less harm and more good

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The behaviour of international NGOs (INGOs) continues to impede aid effectiveness. The reasons for this are identified. Six prescriptions are offered which, if adopted by INGOs, would reduce the harm that they cause.

KEY WORDS: Aid; Civil society; Methods; South Asia; Sub-Saharan Africa

Introduction

Foreign NGOs in Malawi distort the labour market by paying their Malawian staff huge salaries, which attract well-qualified people away from government service and local civil-society organisations. Many foreign NGOs also bring confusion and duplication to development efforts by failing to co-ordinate their activities with the government and ignoring government policies. (Stephen Carr¹)

Stephen Carr recalls that in the 1960s the British NGO for which he worked in Kenya paid its staff less than government rates. Even now, many locally owned NGOs achieve excellent results while paying their staff a fraction of what international NGOs (INGOs) pay. With INGOs increasingly aware of the obligation to 'Do No Harm' (Anderson 1996), why is this distortion occurring in so many poor countries? Mozambique's experience reveals that the deluge of INGOs and their expatriate workers over the past decade has fragmented the local health system, undermined local control of health programmes, and contributed to growing local social inequality (Pfeiffer 2003).

The concerns about INGOs tend to be raised by Southern rather than Northern partners. In the opinion of Southern civil-society organisations (CSOs) – a view elicited in the Overseas Development Institute project 'Southern Voices for Change in the International Aid System' – INGOs are increasingly perceived as competing unfairly with local CSOs for resources, as well as undermining the growth and effectiveness of an independent and autonomous indigenous civil-society sector (Rocha Menocal and Rogerson 2006). INGOs were quick to pass judgement on donor performance after the Paris Declaration² in their NGO statement on aid effectiveness in 2005 (NGO Statement). But why have they been so slow to change their own behaviour?

A new high-pressure environment

In the past 20 years television has brought the suffering of some of the poorest people in the developing world into the living rooms of the West. Many new NGOs have been set up, some by individuals moved to action by the images on their screens. With access to the Internet and daily TV coverage of crisis countries, supporters of these NGOs expect instant visible results. But the people sent to set up programmes often have little training and minimal knowledge of the country where they are working. With only money and good intentions on their side, they must recruit highly qualified English-speaking nationals to run the programmes.

The impetus for the activities of these NGOs is not really the situation in Malawi or Mali (similar situations could be found in 50 other countries), but the demands of their donors. In order to stay in business, donors must be satisfied. If the activities to be undertaken are not consistent with local government policy, or they distort local markets, or remove key staff from development programmes, the response is often just a shrug: *'What can I do? The donors insist.'*

Many of the countries where these NGOs work have weak governments and no regulatory frameworks for the operation of NGOs. Even where regulations are in place, governments are unable to enforce them. And if they are tempted to try, they are often dissuaded by the embassy of the donor country.

Twenty years ago, the manager of an INGO programme in a poor country was more likely to have learned the language, to have expertise in the sector of activity, and to have time to train local staff. Demands for reporting were fewer, and visits of donors to the project less frequent.

The decline in bilateral support for governments of poor countries

While the number of INGOs has increased, Western governments have become less willing to channel aid funds to governments, mainly because of perceptions of poor governance and corruption. Donor governments are channelling funds instead through INGOs, particularly those based in the governments' own countries. For these funds to be used successfully, the INGOs need high-quality local staff to run their projects and to impress the visitors from home. In many poor countries, people who can do all those things can be found only in the top echelons of government or business.

It is easy to see where this leads. If the best government officials are lured away by NGOs, the quality of the civil service declines. Corruption increases. Confidence in the government declines further. Bright young people are less likely to join government service. A downward spiral is in operation.

Independence or co-ordination

Stephen Carr criticised foreign NGOs in Malawi not only for their recruitment practices, but also for their unwillingness to work with the national government. Many NGOs have sold themselves to donors on the claim that they are 'independent'. This is based on sloppy thinking.

'Independence' for NGOs working in humanitarian emergencies is intended to allow them to operate in all areas of a country where people are suffering, irrespective of which group or faction is running a particular area. The 'independence' of a development NGO is based on the need to distance itself from the political standpoints adopted by the government of the country in which it is registered. In some countries, such as the UK, 'independence' may be a condition for registration for charitable status.

From these specific foundations, many NGOs have developed a culture of independence that is unhelpful in their relations with the governments of the countries where they work.

Legitimate governments in developing countries need all the help they can get. A clear accountable relationship with the non-government sector is a huge benefit for any developing country. It is present in far too few. INGOs working in developing countries need to look for ways in which they can help national governments to integrate the voluntary sector into overall national plans for agriculture, health, or education, rather than seeking to 'do their own thing' out of a misplaced desire for 'independence'.

Accountable to whom?

A recent initiative by some major NGOs, including CARE, Oxfam GB, and Save the Children, is the Humanitarian Accountability Partnership (HAP) International. This laudable project is developing standards for INGOs that are intended to guide them in being accountable to the beneficiaries whom they serve. Although the draft 'Humanitarian Accountability and Quality Management Standard' of 27 July 2006 (Version 3) contains many valuable ideas, there is no reference to the accountability of the NGOs to the governments of the countries where they work, there is no guidance on setting appropriate salary scales, and there is no reference to the idea of supporting the development of sustainable local NGOs. Of course, this work is being undertaken in the context of NGO action in humanitarian emergencies, but that is exactly the period when patterns of NGO behaviour are set which will affect the country for years.

Consistent and predictable funding

Many Western NGOs raise a high proportion of their funds from donor governments. They then offer themselves as intermediaries between their national governments and local NGOs or civil-society groups. This can create a long and difficult chain of relationships which removes the ultimate donor from the consequences of its actions and reduces the incentive to guarantee consistent and predictable funding. Project ideas flow up from local NGO through INGO and donor embassy to aid office in donor capital, while funding decisions flow down. But these relationships are often characterised by unpredictability and misunderstanding.

A new government in the donor country may change the aid policy. For instance, Danish aid to Malawi was withdrawn in 2004 three months after a change of government in Denmark; there was no exit strategy, and village health initiatives were simply abandoned. Old projects are wound up, new ones negotiated. A new manager takes over and the NGO decides to focus on new priorities. Communication between the NGO's head office and its country office may be weak. Decisions taken by the country office manager may not be supported by the HQ.

Ministers in the Western aid ministry and managers in the western NGO HQs are so far removed from the daily activities of the local NGO that they are rarely forced to confront the consequences of their decisions. Even when they visit the country, they will visit the projects that their new policy will benefit, not those prematurely halted. This is a world in which decision makers are isolated from the consequences of their decisions in ways that apply in very few other walks of life.

The challenge

In our view, the major challenges facing INGOs in the poorest developing countries are to harmonise their programmes with the priorities established by the national government and the group of international donors; to provide full information about their programmes to the national government and help to strengthen the regulatory capacity of the government vis-à-vis NGOs; to ensure that their funding practices are predictable and reliable; to adopt recruitment, training, and salary-scale policies for national staff that do not have a negative impact on the

government or other organisations working in the country; to support the capacity-building and empowerment of national CSOs; and to design reporting systems that encourage full accountability but do not place an excessive burden on project-implementing partners.

NGOs are not operating in poor countries primarily to save lives, but to satisfy their donors. That is not a criticism, simply a statement of fact. So, if their behaviour is to be influenced, we need to start with the donors.

Six prescriptions for doing less harm and more good

Good donorship

If the aim is to satisfy donors, let's start by educating them. The best way of ensuring that NGOs do the right thing is by programming their donors to demand it!

Prescription: Educate donors about good NGO practice.

Working together

The most effective way to develop a good working relationship with the national government of a poor country is to form an Association of NGOs and delegate to it the responsibility for negotiating an effective framework for partnership between the government, United Nations agencies, and the NGO sector. NGO co-ordinating bodies can set up committees and working groups for sectors of activity and key issues. Such an association could help the government to draft regulations, and could second staff to the government department responsible for regulating the NGO sector.

Prescription: Form an Association of NGOs.

Being predictable

Constant changes of direction, however well intentioned, not only disrupt important activities but generate a climate of unpredictability that stifles initiative and commitment. So how can NGOs best insulate themselves from the changing policies of donor governments, or even of their own headquarters? This is the most difficult of all the questions. Both the authors of this article are in their 60s. We have seen it all, but we are still shocked when an INGO manager calls to say that the donor back home has decided to stop funding the project six months early. No explanation. No apology. That's life. Find the 'promised' money somewhere else. We should not be shocked, because it happens all the time. Very few NGOs have the courage to protest against this kind of decision. They should. One way of making such protests easier is to ensure that the board of the NGO includes people who have good access to the donor government. Another is to prioritise consistency and reliability, even above rapid response, and seek to negotiate long-term funding without back-out clauses.

Prescription: Prioritise consistency and reliability.

Paying national staff

The debate about salaries needs to take place at national level between the government, the UN, and the Association of NGOs. Ideally, NGO salary scales should be agreed within the Association, and if possible with the government. However, there are two major impediments to this approach.

First, governments of poor countries are often unwilling to introduce reforms that would reduce the number of civil servants. Large numbers of under-paid, under-qualified, and

under-employed civil servants perpetuate cronyism and corruption, and make it inevitable that UN and NGO salary scales will be inconsistent with government rates.

Second, the mechanism by which the United Nations sets salary scales of national staff is so rigid that it has usually proved impossible to negotiate salary scales in a specific country between the UN agencies, embassies, and NGOs that could have an acceptable and realistic relationship to the salary scales used by the government.

These are major problems in many countries and they need to be addressed by the IMF, World Bank, and UNDP with much more energy and flexibility than in the past. It is hard to exaggerate the negative impact that this problem can have on a country's recovery or development programme.

For INGOs, often the best they can do is to apply scales set by their association and recognise their obligation to provide continuous training, particularly in management, to their national staff. Not one health-sector INGO in Malawi has paid the fees for its staff to take a Master's degree course in Public Health since the inception of the course in 2003.

Prescription: Adopt the salary scales set by the NGO Association.

Building national capacity

Most INGOs claim to want to work themselves out of a job. So why do so many fail in this endeavour, while a few organisations are consistently successful in doing so? Even in the poorest countries, church organisations are run by nationals. They receive visits and financial support from well-wishers in richer countries, but they run their own affairs. The same is true of Red Cross and Red Crescent Societies. In many poor countries, the churches and the Red Cross or Red Crescent are the most effective and reputable CSOs. Why are there so few national CSOs working in agriculture, education, and health that can boast the same success? The simple answer is: because INGOs don't give them a chance. If the present situation is to be turned around, INGOs working in the field of development need to radically re-think their approach to national capacity building.

Prescription: Set up a commission to recommend ways of 'empowering local civil-society organisations'.

Donor visits and reports

Cheap air travel has led to an explosion of 'aid tourism'. Donors visit projects, whereas previously they would have read reports. Such visits place a considerable burden on everybody associated with a project. These dangers can be minimised by careful planning and rationing of such visits. Visitors should be educated about the burden that they are imposing and the cost of requiring complex and frequent reports.

Prescription: Ration and educate the visitors.

Conclusion

The Afghan example in Box B demonstrates that national NGOs can grow and flourish if they receive reliable funding, appropriate training, and good advice, and if their finances are subject to regular audit. Conversely, the Malawian example (Box A) shows the dangers inherent in the intermediary relationship and its vulnerability to unpredictable, inflexible, and inappropriate support from major donors. INGOs can do much less harm and much more good, if they train their donors to expect nothing less.

Box A: An INGO in Malawi

This project delivers home-based care to patients dying of AIDS, while undertaking training and research. It is managed by a local Malawian institution and was funded by the INGO, using a grant from a major donor government (USAID award 690-A-00-05-00177-00). The project failed to deliver the expected results for five reasons.

1. The INGO was unable to respond to local needs, identified by the local institution. Despite support from the NGO's local director, initial funding took more than 12 months to arrive. The final contract differed from the proposal submitted by the local institution and was offered with a 'take-it-or-leave-it' attitude. No negotiations were allowed.
2. The small project received frequent and costly visits from donor-government officials and staff from the INGO's headquarters and field office. Visitors arrived in large 4×4 vehicles and took up the time of the nursing staff who would otherwise be attending patients. A disproportionate amount of management time was spent in responding to the enquiries of the INGO at the expense of time spent managing the project.
3. Local institutions were weakened through poaching of top staff at a time of a human-resource crisis due to the AIDS epidemic and brain drain. The INGO's clinical officer earned three times what he would have done had he remained in the health service.
4. The project was accountable only to the donor, not to the community. Recently the City Assembly agreed to build an extension to the health centre, at a cost of \$8000. Although the project had an agreed budget line of \$8000 for rent, which could have been used for this purpose, the INGO staff were not willing to authorise the change, in case the donor government objected. The NGO gave more importance to the bureaucratic rules of their donor than to responding to the needs of the community.
5. The project was expected to last 36 months. The contract offered was for 20 months. After 10 months, the local institution was told that funding would stop after 14 months. There was no explanation. The patients, volunteers, and staff might suffer, but there was no protection against an arbitrary decision to stop the project early. The morphine supply for palliative care dried up.

Box B: De-mining by NGOs in Afghanistan

In 1989, when Soviet troops withdrew from Afghanistan, the United Nations considered how to tackle the millions of landmines littering villages to which Afghan refugees wanted to return. There was no question of giving money to the Afghan government or to the Mujahideen parties. There were very few INGOs or companies with appropriate skills or experience. It was decided to promote the establishment of specialised Afghan NGOs.

Initially five NGOs were established; one specialised in surveys, a second in mine awareness, two in mine clearance, and one in using mine-detection dogs. The Directors of these NGOs were identified in consultation with prominent Afghans and were chosen for their management skills and personal integrity. Each Director was given support to select key staff, identify premises, establish administrative and financial procedures, purchase equipment, and get the NGO on its feet.

The head of the UN's mine-action programme and the five Directors formed a team to

manage the programme. The NGOs used a common salary scale and financial procedures. Their accounts were audited annually. They were each accountable to a Board of senior Afghan personalities and submitted programme and financial reports to the UN, which provided almost all their funding. When an NGO needed expertise not available in Afghanistan, it employed consultants from the international market. But the NGOs were wholly owned and managed by Afghans. They were national institutions in a country where most such institutions were in ruins.

The NGOs now employ more than 6000 people and manage budgets amounting to millions of US dollars. Of the five Directors originally appointed to run the NGOs, three are still at the head of their organisations, 15 years later.

By the time similar programmes were established in Cambodia, Mozambique, and Angola, a number of INGOs were specialising in mine action. So donors and the UN channelled their funds for mine action in those countries primarily through the INGOs. And those INGOs continue to operate mine-action projects in the same countries. The example of the Afghan NGOs has not been repeated. Where the Afghans have genuine national capacity, the other countries continue to rely on foreign organisations, with their headquarters in European countries.

Notes

1. Personal communication. Stephen Carr has lived in Malawi since 1989, when he retired as the World Bank's principal agriculturalist in sub-Saharan Africa.
2. The Paris Declaration, endorsed on 2 March 2005, was signed by more than 100 ministers, heads of agencies, and other senior officials, committing their countries and organisations to increase efforts to harmonise, align, and manage aid for results with a set of monitorable actions and indicators.

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