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***Why Understanding Organisational Values and Relationships is
Important for Assessing Aid Effectiveness - An NGO Perspective***

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Introduction

Non-government organisations (NGOs) working in International Development have had a mixed relationship with evaluation and monitoring. On one hand the increasing importance and usefulness of these processes has been accepted across the sector. On the other hand the processes available for 'measuring' and 'assessment' have been seen to be increasingly inadequate to the task at hand. Further to this, the variation in approach between NGOs and the official aid donors has created an increasing gulf in understanding between the two and impeded the wider learning that should have been possible in this area.

This paper attempts to explore some of the emerging reflection on effectiveness, from both Australian and Cambodian experience. It looks at the problems with traditional models of assessment used more often by official aid donors in international development. Finally we try to suggest some new possibilities for moving forward.

Context

The issue of the effectiveness of aid is the current preoccupation of the international development sector. Both official donors (Paris declaration, 2002; World Bank 2005) and the non-government organisations (Oakley, 1999; Roche, 1999; Maddon, 2000) have been concerned with how to assess the quality and effectiveness of their interventions. However the different focus of the debates is important to understand. While the NGOs have been moving between a focus on identifying or proving their unique effectiveness as development actors and more recently defining the nature of effectiveness, the official aid sector has remained primarily focused on measurement of effectiveness. This difference in emphasis has led to considerable miscommunication and contrary perspectives between the two parts of the sector (Crooke, 1996; Kelly and Chapman, 2003). Part of the problem appears to lie with agreement on the tools and approaches required to make sense of the effectiveness of any aid intervention.

Aid effectiveness research with Australian NGOs

Australian NGOs, under the leadership of the Australian Council for International Development¹ (ACFID) have been concerned with the issue of defining and assessing NGO effectiveness for some years now. Beginning with a major investigation in 2002, ACFID has worked with the Australian agencies to develop a framework that captures the essential elements of effective development work, at least from the experience and perspective of the NGOs themselves (ACFOA, 2002).

The methodology for this research has been described in detail elsewhere (Kelly & Chapman, 2003). It started with a process of appreciative inquiry or a focus upon best practice examples. It then expanded to field based and other studies to verify and expand the original findings. The findings have proven themselves surprisingly reliable and valid over a range of organizations and development situations. Several Australian NGOs committed resources to the process and the Australian NGO community committed itself to the results of the research.

The key findings were captured in a document titled the Australian NGO Effectiveness Framework (ACFID 2003). The Framework listed agreed principles, program strategies and field based standards that the Australian NGOs agreed promoted the most effective practice across the sector. In addition to the development of this Framework, the research identified two important conclusions:

Australian NGO effectiveness is more than the result of implementation of designs and plans or other areas of program engagement. It is also a product of the organizational principles, policies and strategies of development

There are a number of practice standards that Australian NGOs agree should apply to field programs or other forms of engagement, in order to promote effective outcomes. However these standards alone are insufficient to describe and explain effectiveness in Australian NGO work, and must be understood in light of the aforementioned principles, policies and strategies (ACFOA, 2003)

¹ The Australian Council for International Development (ACFID) was formerly the Australian Council for Overseas Aid (ACFOA)

The results indicated that Australian NGOs are part of an established sector, with shared principles, features and standards and that they are working towards common outcomes. At the same time, each Australian NGO is an autonomous organization, operating from a particular philosophy and value base and with particular approaches and contributions to make to development. The critical finding of the research was that Australian NGO effectiveness can only be understood as a combination of such factors. These include what NGOs do, their field and program work and their advocacy and other influencing work. It also includes who they are, their values and principles and their approaches to engaging and working with people and other organizations. The research concluded that

The more synergistic all these features, the more effective the overall outcomes of the agency for poor people and communities (ACFOA, 2003).

The more typical approach to measuring the performance of NGOs, and by extension other aid delivery mechanisms relies on the assumption that organisations are simply what they do. That is, that an aggregation of activity assessments is an appropriate proxy for the judgement of organisational performance. However this research suggested that effective outcomes require that the program and influencing work of an organisation is congruent with the identity of the organisation, the values it represents and its approach to development.

More recent research has updated and supported the original conclusions. There is now some considerable experimentation among many of the NGOs based in Australia, with a focus on bottom up accountability, appropriate organisational systems and even attempts to redefine and redevelop organisations to increase the coherence between stated values and the organisational systems and practices (Kelly, 2007).

More recent international studies also support many of the conclusions from the ACFID Framework. These include the emphasis upon long term and high quality relationships, mutual learning and adaptation and working together with others, as well as the increased interest in the way coherence with values affects the performance of an organisation (Interaction, 2006; Carlson et al, 2005; Hofmann et al, 2004; UNDP, 2003; Lehtinen, 2002; Smillie & Hailey, 2001; Moore et al, 2001; Acharya & Thomas, 1999).

The Cambodian experience

An identified weakness in the original research and one which emerges in other reviews of effectiveness (Kilby, 2006; Adong 2005) is the silence of the partner organisations within the recipient countries and also of the communities who are intended as the beneficiaries of the aid delivery. The research has tended to be conducted by donor NGOs about themselves. To date there are few studies which look at the perspective of either partners or communities about what constitutes effectiveness.

Following the research with Australian NGOs it was agreed that understanding effectiveness as experienced and defined by their operational partners was an important step in understanding effectiveness more broadly. The emerging evidence from PhD research with a range of international and local NGOs working in Cambodia indicates broad consistency with the findings of the research with Australian NGOs.

NGOs in Cambodia consistently refer to the importance of relationships with communities, and the investment of time in building them, as one of the most critical elements of their successes. They discussed a range of approaches and strategies used to achieve this that are consistent with the broadly utilised range of participatory community development approaches.

Their descriptions of these strategies indicated an appreciation of the significance and complexities of these relationships as well as an intuitive if not explicit understanding of the systemic link between their organisations, in particular its strategies and policies, and their capacity to invest in such relationships. For example, whether their NGO has a policy and strategy for staff recruitment and training that values the importance of personal attitudes and character of staff to develop relationships and build trust with stakeholders as much as their technical experience and education qualifications.

A difference with the research with Australian NGOs was the way they described their relationships with their 'partner' NGOs and other donors – some of which were located in country, others internationally. Almost consistently, NGOs in Cambodia generally referred to the NGOs funding their programs (in some cases a parent NGO) as donors to whom they were held accountable and to whose reporting requirements they needed to comply with. Although many did refer to support, encouragement and specific capacity building provided to them by their funding NGOs, rarely did they describe this

relationship with the mutuality that 'partnership' implies (Fowler, 2000), and as suggested by Australian NGOs.

In most cases, discussions about their funding NGOs (and other donors) revolved around the burden of reporting, with 'we have x number of different reporting formats to complete every 3 or 6 months' a common refrain. Discussions about monitoring and reporting led to a range of comments that indicated frustration and a sense of inadequacy about the lack of technical skills and funds to develop the sort of organisational systems that meet donors reporting requirements. When asked how they monitored, documented or reported on building community relationships, they indicated an ad-hoc approach including discussing issues at team meetings, writing case studies (usually for their own or donor NGO newsletters) or that they didn't report on it 'because there is no space in the donor's report format' which they said usually emphasised results rather than processes. Balfour (2003) provides an African perspective on this experience, and in her "open letter to a donor friend" Win (2004) says that 'the imposition of donor reporting procedures is critiqued as being based on donor, as opposed to local, needs. In this way, learning is defined by, and developed for, donors rather than for local usage'.

Ironically, when the relationship with a donor NGO was discussed in more encouraging terms, it was usually in reference to positive experiences with institutional support, capacity building or localisation, described in terms that were consistent with the Australian research in terms of mutual learning, flexibility, and working together as key strategies for effectiveness. For example, one NGO talked very positively about a donor NGO responding to a particular problem by sending a staff member to 'sit with us to really understand the problem' before making any decisions. They determined a response to the problem together, with the donor NGO sharing strategies and ideas from other programs, and amending management and reporting requirements accordingly.

In general, the NGOs in Cambodia talked most positively about their donor NGOs when they said they felt they were trusted and empowered to make decisions themselves, that there was flexibility and mutual support in managing their programs, and when problems were addressed with openness and support, particularly in relation to reporting.

A revealing finding is how readily current development terminology and key words are used - partnerships, empowerment, rights-based approach, gender equity, ownership,

participation, accountability, transparency, sustainability. Chambers and Pettit (2004) suggest that the use of this language implies more explicit attention is being paid to relationships and imbalances of power but that it is not always applied in ways that acknowledge or address power. Does the spontaneous use of this jargon question suggest recognition of the dynamics of power and relationships embedded in NGO practices as Chambers and Pettit propose, or as Hilhorst (2003) suggests, is it indicative of the process of adopting generally accepted NGO approaches and practices in the belief that this will lead to effective development?

The official aid perspective

Viewed as a complex system, international aid can be understood as governed by the dynamics of power and relationships within and among key actors (Chambers and Pettit, 2004). While the NGO research in Australia and Cambodia points to several aspects of this complexity and the processes driving it which need to be included in the discussion about effective aid, the official aid sector has been slow to incorporate these perspectives into their focus upon measurement and accountability.

In particular the official aid sector tends to remain captured by measurement approaches which reduce this complexity to a linear cause and effect relationship between aspects of the development situation and the performance of activities, rather than being able to adapt their assessment systems to understand and analyse the more complex whole.

There has been no shortage of criticism of this approach to effectiveness assessment (Eyben, 2005; Brehm, 2004; Wallace and Chapman, 2003). Regularly attention is given to the need for official aid donors and multilateral organisations to examine their field based achievement alongside the synergy and calibre of internal systems and the values and approaches underlying their work (Scott, 2004; Stewart, 2003; DFID 2003). In particular some of the examination that has been made of effective public service reform and effective improvement in governance points to critical features of the donor partner relationship which, in part, are about the values and program strategies of the donor agency (DFID, 2003; Schacter, 2001).

The approach of linear measurement, based on results based management approaches tend to work against these requirements. These models and frameworks are usually drawn from the reality of the measurer and not the measured and rather than providing a

picture of the whole, such assessment tends to divide the sum into myriad parts which have minimal value on their own (Taylor and Soal, 2003). These assessments tend to ignore the critical areas of partnership and process in development (Kaplan, 2002); the less tangible elements of the development intervention that are simply too hard to capture in results focused assessment systems.

The logical framework approach to planning and measurement is a good example of this (Taylor and Soal 2003). Log-frame analysis more generally inhibits process and participation and is often experienced as rigid and constraining. When the actual and sensible activities being undertaken differ from those in the frame, reporting can become a nightmare and the eventual external 'purpose-to-outcome' evaluation can be perceived as a looming threat rather than an opportunity to learn and do better (Chambers and Pettit 2004). In the words of a development practitioner,

For international development NGOs we increasingly struggle at three levels: we implement programs around the world, across very different cultures and through increasingly bureaucratic systems. This creates a danger that impact is defined in isolation from communities we work with and in a way that we feel we can measure and prove. The other side of who defines impact is who claims it. There is a real danger that agencies focusing their energies on proving their impact leads to the problem of error of attribution, where agencies claim impact or achievement that they are either only a part of, or worse, that has come about independently of their involvement. (Isbister 2007).

The result of this focus on simplistic measurement of change is more than just inadequate answers. It leads to continued emphasis upon aid approaches and interventions which remain out of touch with the reality of the situation they hope to change (Easterly, 2006). As Eyben suggests its both fools the citizens of the donor countries that something has been achieved as well as continuing the development of solutions that are inadequate to the task.

In conclusion, I suggest that R[esults] B[ased] M[anagement] may have paradoxical effects. First, it can distort or weaken recipients' accountability to their own citizens or intended end-users because of its underlying assumption that all problems are bounded. Second, it may constrain transformative learning, the kind of learning required for managing non-bounded problems. (Eyben 2005)

Implications for NGOs

The implications for NGOs are numerous. In particular, they need to continue the processes of investigating their own effectiveness, while attempting to influence and enlarge the approach of the official donors. There are three areas where attention might be focused.

Relationships

The research in Cambodia suggests strongly that the process and role of relationships is a critical area of development effectiveness. If NGOs were to focus more on the quality and nature of their relationships with their partners and with the communities, it is suggested they would have a very good indication of the overall effectiveness of their interventions (Bond, 2006) At the least, such a focus would provide the basis for more effective shared learning and accountability between groups (Balfour 2003) and would help to keep the focus on the complex reality of people's lives as opposed to reducing that reality to simplified project interventions (Eyben, 2005).

Values

In the majority of NGOs, values and beliefs are rarely talked about explicitly or clearly stated and NGO values are not automatically translated into practitioners' actions (O'Leary, 2006).

The values that guide agencies work are one of the greatest assets we as NGOs have. They arise from the experience and tested wisdom of communities and our predecessors over time. However, values are not worth a great deal if they are not put into practice.” (Isbister, 2007).

If coherence with values is important to effectiveness then a starting point might also be for NGOs to be more explicit about their values and about their utilisation of those values in their decision making and approaches to aid delivery. Aid evaluation could be directed towards the way NGOs operationalise their values in their practice and in relationship with others.

Organisations make a difference not only through formal interventions related to objectives, but through the relationships and influence they have on others, the values they represent and spread, and how the worth of their intervention is

judged by others The scope of evaluations might include such matters [our emphasis]. (Eyben 2005)

Further, the field evidence suggests that the content of NGO values and who is privileged by them makes a difference. If NGOs focus their attention primarily on accountability to donors and supporters then this can distort pro-poor values and lead to far less effective outcomes (Kilby, 2006). So a further measure of the effectiveness of NGOs and indeed other aid delivery mechanisms might be examination of both stated and unstated values in an organisation and how these determine the attention of the organisation.

Organisational coherence

Alongside the values issue is the one of organisational coherence. That is the coherence between what NGOs say and what they do.

If NGO effectiveness is related to organisational synergy and coherence then one way of assessing their effectiveness might be to examine their stated values and then how those values are leading to the development of new organisational forms, new approaches to development practice and new ways of relating to partners and communities. Current inquiry suggests that this type of organisational assessment and change is not easy for NGOs (Sorgenfrei & Wrigley, 2005). Indeed as NGOs are increasingly being 'contracted' by donor governments, and thereby forced into conventional approaches to aid delivery, there is some danger that the room they have to experiment with more effective forms of aid is being limited (Wallace, 2005; Chambers, 2005). Over the longer term it may be that assessment of organisations in terms of their coherence and ability to develop the required organisational processes to maintain that coherence will prove more useful in judging effective aid than inquiry about the various development projects supported by an agency.

Conclusion

The issue of aid effectiveness is part of the international development preoccupation and is unlikely to go away in the near future. NGOs are conspicuous by their absence in the Paris Declaration on Aid Effectiveness – the framework for official donors and the OECD is currently embarking on a process to address this absence. Our research suggests that in the meantime NGOs in part have proactively embarked on their own research and

risen to some of the challenges in this discussion. However, they have been overshadowed by official aid donors and their more simplistic focus on measurement at the expense of understanding and learning. NGOs need to both provide a more coherent lead in this area as well as further developing their own approaches and systems of assessment.

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