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## **The Role of NGOs in International Demo- cratic Development**

**Workshop Report**

**November 2005**

# The Role of NGOs in International Democratic Development

## Report on the IRPP Workshop on International Assistance to Good Governance

As part of the IRPP's International Democratic Development research program, a one-day workshop was organized to bring together a group of practitioners with significant experience in the field of international assistance to good governance to discuss their experiences and lessons learned. The following is a synthesis of the discussions that took place in Ottawa, on August 9, 2005, at the Canada School of Public Service.

### PROBLEMS IDENTIFIED

#### Funding issues

- Current funding criteria and fragmentation are conducive to short-term interventions. Often, it is impossible to achieve the goals that Canadian non-governmental organizations (NGOs) set out to achieve within limited time frames.
- NGOs doing work on the ground are presented with an important logistical question. Participants noted that, in the current NGO services market, the quicker an organization can prepare proposals, the more likely they are to win the most coveted projects. They said that delays in donor funding approval frequently offset efforts to be quick and efficient. These delays often lead to redefining specific projects and moving away from an organization's core area of expertise. The ultimate effect is a reduction of the competitiveness of Canadian organizations working on the ground.
- Although NGOs recognize that donor spending must always be justified (results-oriented evaluation methods), a way to alleviate the rigidity (precisions, time frames, etc.) attached to current funding structures must be found. Donors must be conscious of the fact that changes on the ground require flexibility.
- There are few incentives to encourage inter-organization collaboration. Current funding methods focus on doing projects through a system of requests for proposals (RFP). Once a project(s) is nearing its term, a new contract(s) needs to be secured. Even if another NGO is doing similar work in a particular area, the project incentive structure is such that few organizations will turn down a contract. As opposed to the majority of organizations that work through RFPs, organizations with core funding can be more selective.

#### Networking/collaboration

- There seems to be a lack of coordination both among NGOs and between NGOs and their partners. Organizations need to find ways to plan strategically with the various stakeholders before intervening. Often, lack of information and proper groundwork creates competition or overlap. Each organization conducts its own diagnostics, and there is little information sharing prior to launching a project. Paradoxically, it becomes easier to collaborate with donors rather than like-minded Canadian counterparts. It's clear that if NGOs would share information and knowledge, they would all be more

effective in what they do. A good example is the new collaboration between the Forum of Federations and the Parliamentary Centre in Sudan.

- The difficulty for donor agencies lies in the fact that coordination is often expensive and time-consuming. Organizations on the ground are better placed to perceive the potential for connections.
- Before speaking of coordination, NGOs need to be able to network (coordination assumes that something is already agreed upon). There is a need to begin building a community of practice. The limitations of the current competitive model of international assistance are now being exposed. The model has run its course and it is now time to think about what should replace it. This reflection exercise is not the sole responsibility of, and should not be shouldered by, the Canadian International Development Agency (CIDA).
- The idea of centres of excellence was discussed. What would constitute centres of excellence? Can they be significant in the field? Will they have a watering-down effect so that things are done on a larger scale in a mediocre fashion? It seems that NGOs are far from being able to answer these questions. However, it is clear that a community of practice is a prerequisite to centres of excellence.
- Although the question of funding for potential NGO associations is important, the difficulties in sustaining these types of associations are not simply related to funding issues. A key question is how to create and provide the driving force to mobilize and galvanize organizations to join and sustain these types of associations. Additionally, in trying to achieve this goal, it was emphasized that the many smaller and lesser-endowed organizations working in areas of governance must not be forgotten or excluded.
- Although NGOs should not shy away from discussing larger and more ambitious changes in the way the model of international assistance functions, an effort needs to be made to focus on how to do more collaborative work within the confines of the current system.

### **Knowledge issues**

- Narrow foci on areas of specialization may blur the bigger picture and ultimately lead to failure. There are larger questions here of how NGOs and their partners define knowledge. Is there a movement to transcend the current way of looking at things (specialization focused)? Government departments and organizations need to be provided with incentives to become more self-evaluating.
- How do organizations and their partners move from away their highly specific and concrete ground level experiences based on their most recent project toward the larger picture? Short-term lessons can only carry organizations so far. Can the many facets of various plans be converted to a broader strategy moving towards a common goal?

### **Environmental changes**

- The major difference between past efforts and what NGOs do from now on lies in the fact that the federal government has made governance central to the 2005 International Policy Statement (IPS).

The IPS indicates that governance is to become an area of excellence for Canada. However, there's a lack of specification as to what to do and how to get there.

- Today, many recipient countries do not mind having more than one organization on the ground doing similar work. This way, they can pick and choose what they feel is best from each. This raises questions of how each NGO adds value. What comparative advantage do Canadian NGOs have? Since newcomers to the field (India, China, etc.) are offering services for a fraction of Canadian NGO prices, how do Canadian organizations avoid losing ground? How do Canadian NGOs convince potential clients that they are more expensive because they have proven track records and offer higher quality services?
- There are three main realities today that could cause the marginalization of Canadian NGOs doing governance work. First, large international financial institutions are now omnipresent in the governance area. Second, Canada seems to be poorly represented at international working forums where many strategic decisions are taken. If Canadian organizations are trying to assert their expertise in governance, why are they not being heard? And finally, pool funding and consortia (for example, EU groups) create capacity and resource problems (competitiveness) for Canadian NGOs. Can Canadian organizations actually envisage being able to compete against such consortia?
- Today's emphasis is on building sustainable capacity. This implies that NGOs will become increasingly global. Organizations have an interest in adapting to an environment in which Canadian foreign policy seems to be headed down two tracks. The first is democratic diplomacy; that is, building geopolitical and commercial links with emerging powers (eg., Russia, China, India) and contributing to improved governance where value added can be brought (e.g., not much value can be added to the realm of development in China). The second is democratic peacebuilding; that is, maintaining stability and security in order to counteract the proliferation of terrorism. In both instances, recognizing where Canadian organizations can contribute is highly important. Canadian NGOs should be realistic and not have delusions about our degrees of influence.

## PROPOSALS

The representatives of various organizations around the table made the following proposals. Some were discussed briefly while others were examined more extensively. The list does not necessarily represent a consensus.

### Collaboration/networking

- *Country tables:* Foreign Affairs Canada (FAC) has a government table, created mainly because of the ongoing disagreements between Canada and Brazil over Embraer, that once a year brings together various Canadian organizations and stakeholders to share their experiences and information on Brazil. The forum is not highly structured and has no coordination implications, but it helps to bring actors up to speed with changes on the ground. This model could be reproduced for other countries.
- *Future roundtables:* All parties found the IRPP workshop useful. It was suggested that the parties present meet again on three more occasions to: a) produce a policy paper on the basis of the

comments provided at the roundtable, b) prepare a promotional piece outlining the services offered by each organizations around the table, and c) specifically discuss contracting issues.

- *Annual conference:* A suggestion that was well received was to have an annual conference to bring together a broad range of Canadian organizations working in this area.
- *Canadian NGO forum:* In the hopes of establishing a community of practice, it was suggested that an effort be made to establish some type of permanent forum of Canadian organizations working in the area of governance and that CIDA funding would probably be required to begin such a forum. Participants emphasized that this forum should not be only accessible to well-endowed organizations.
- *Centres of excellence:* It was suggested that when/if the time comes for the development of centres of excellence, one option could be a government-held competition to determine the composition of these centres. The centres could be consortia (this would encourage collaborative structures).
- *Democracy institute:* Since the idea of a democracy institute has lost currency, NGOs should explore the idea of the democracy council that the IPS refers to (p. 28, Overview). This council would be a consultative body set up as a venue for sustained discussion about policy. The fact that it would be housed within FAC would mean that the council would be about more than just aid. It would be a larger venue for dialogue on foreign policy. NGOs would be, among other individuals and organizations, a part of this council. FAC is currently at the beginning of a consultation process to establish the council. It was suggested that the Canada Corps could facilitate this community-building process and help define and develop the concept of centres of excellence.

## Funding

- *Terms and flexibility:* Donor-agency project-funding must be extended to cover longer terms. Donor agencies must also learn to be more flexible in order to adapt to changing circumstances on the ground.

## Information/knowledge exchange

- *Crosscutting governance:* Since governance encompasses a large range of elements, the first step in beginning to alleviate the problem of compartmentalization across various projects is to incorporate analyses of the potential impacts of a project on governance issues (the same way that all projects are now required to provide an analysis of the gender implications of the specific work to be carried out by the project).
- *Country strategies:* To be able to translate various highly specific and concrete ground level experiences into a larger strategy, well established sectoral strategies have to be brought together in a coherent fashion.
- *Information sharing:* Given that all organizations around the table are engaged in the accumulation of knowledge, it was suggested that this cumulative knowledge be shared with CIDA in order for it to be able to meet its mandates more efficiently.

- *Brokering*: Given the changing environment in which activities are conducted, a comparative advantage that Canadian NGOs should exploit is the ability to become brokers and conveners. Canadian NGOs working in the governance area have the knowledge and skills to do this.
- *Learning centres*: Another comparative advantage Canadian NGOs should exploit is our potential for becoming learning centres. In order for this to occur, Canadian organizations must know more about countries in which NGOs do not operate.
- *Competitiveness*: All participants agreed that Canadian organizations need to be marketed more effectively in order to remain competitive. However, there were two views on how to best achieve this end. Some participants suggested that Canadian organizations might need a new Canadian entity that would work to market their services. Others suggested making a concerted effort to educate CIDA, FAC, and the Canadian School of Public Service about their activities in order to better equip these governmental organizations to market them more effectively.