

Can NGOs Make a Difference?

The Challenge of Development Alternatives

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Samuel Hickey and Diana C. Mitlin**

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Learning from Latin America: Recent Trends in European NGO Policymaking

Kees Biekart

It is often assumed that Latin America has been a crucial region for innovation in social struggles and policies as well as a pilot area for new forms of aid delivery (Pearce, 1997; Fowler, 2000). There is indeed a long tradition of Northern NGO involvement in Latin America with an impressive record of promoting new approaches to rights, participation, gender, the informal sector, and civil society strengthening, just to name a few areas (Carroll, 1992; Biekart, 1999; Howell and Pearce, 2001; Bebbington, 2005). However, key changes have taken place in Latin America which have gradually affected aid policies and priorities of the international donor community. The impact of globalization, the crisis of the neoliberal orthodoxy (such as the peso crisis in Argentina), and the popular response to privatization and rising inequality have triggered an entirely new agenda. Migration and remittances, decentralization and local resource generation, rising criminal violence by youth gangs, just to name a few trends, have each changed the previous context in which democracy, human rights and inequality were the key issues. In this changing context, many in Latin America believe that European private aid agencies are gradually withdrawing from the region. After almost three decades of constantly growing aid disbursements to Latin American partner organizations, a general diversion of aid from Latin America to poorer regions such as Africa is seen as an inevitable trend. In particular, partner organizations in the relatively more prosperous countries such as Brazil, Peru, Colombia and El Salvador fear that they will be affected by these reductions of foreign aid.

This chapter analyses these changing policies and agendas of the twenty most important European private aid agencies and networks active in Latin America over the past decade (see Table 4.1). The analysis

is based on a 'mapping exercise, initiated by ALOP, a Latin American network of NGOs. This network feared a gradual withdrawal of this more committed non-governmental aid. This, it argued, could undermine many important capacity-building and civil society strengthening initiatives currently undertaken in the region' (Ballón and Valderrama, 2004). Moreover, the Latin American NGOs felt that important lessons beneficial for other regions in the world could be learned from Latin America. The study was also intended to contribute to the search for a new type of partnership between European and Latin American NGOs. The chapter will assess trends in priority countries and regions, followed by an analysis of changing policy priorities, funding allocations by European NGOs, trends in selecting partner organizations, and perspectives for co-ordination and joint lobbying work. The chapter also reviews some of the central issues that have been discussed in the dialogue between European donor agencies and their Latin American partners, and the lessons that can be learned from their interventions.

Trends and Perspectives in Priority Countries

European NGOs have supported partner organizations in virtually all (independent) countries of Latin America and the Caribbean over the past decade, with the exception of a few (more prosperous) island states in the Caribbean. The actual number of countries where partner organizations have been supported has remained pretty much constant at around twenty (eight in Central America and twelve in South America). However, it is also clear that several policy shifts have occurred in the country priorities of the European private aid agencies.

First, twelve countries stand out as preferred countries by European private aid agencies: four in Central America (El Salvador, Guatemala, Nicaragua and Honduras), six in South America (Peru, Bolivia, Colombia, Brazil, Chile and Ecuador) and two in the Caribbean (Haiti and Cuba). Other countries, such as Paraguay and Mexico, were supported only by 44 per cent of the selected agencies. This suggests that European NGOs have been rather constant in their preferred priority countries, and that this priority choice has been relatively small. The vast majority had already reduced their programme countries in the early 1990s, generally due to efficiency pressures, and leading to an even more explicit concentration, with five of the priority countries still supported by at least 80 per cent of the European agencies involved in the survey. Peru clearly leads the list, followed by Guatemala, Bolivia, Nicaragua, El Salvador and Honduras. Colombia, Haiti and Brazil are still supported by more than two-thirds of

Table 4.1 European NGOs involved in the mapping exercise, by size of combined Latin America programme (2004)

Agency	Country	Overseas budget (€m)	LA budget (€m)	LA budget as % of total	No. of LA country progs	No. of LA partner orgs
Misereor	Germany	151.6	43.5	28.6	22	944
Oxfam GB	UK	142.3*	23.0*	16.2	20	—
NOVIB	Netherlands	123.3	22.0	17.8	11	200*
ICCO	Netherlands	130.0	21.0	16.2	11	180
HIVOS	Netherlands	66.0	18.5	28.0	11	269
CORDAID	Netherlands	150.0	17.4	11.6	11	300
EED	Germany	105.6	15.8	15.0	17	145
SNV	Netherlands	59.3	12.8	21.6	5	285
Bread/World	Germany	46.2	12.0	26.0	21	190
Intermon	Spain	25.0	11.6	46.4	12	209
Diakonia	Sweden	28.1	10.0*	35.7	9	129*
Trocaire	Ireland	37.2*	9.0	24.2	12	188*
Christian Aid	UK	118.4*	7.8*	6.6	11	132
IBIS	Denmark	20.6	7.3	35.4	5	70
CCFD	France	30.0	3.0	10.0	14	100
Oxfam B	Belgium	10.3*	2.9*	28.1	10	25
Danchurchaid	Denmark	38.0	2.7*	7.1	3	40
II.II.II	Belgium	4.1	1.1	25.6	5	16

Note: Total overseas budget of agency: all project expenses, generally excluding agency overheads. Some agencies also include their 'global programmes' and/or their advocacy activities in the North. * figures for 2003 or 2003/04.

Source: data collected from each individual private aid agency (not included here are data from the networks Eurostep and CIDSE as these are donor networks, rather than individual donors).

the agencies, while Ecuador and Cuba still are preferred by slightly more than half of the agencies.

A second visible trend is that the concentration of priority countries was generally combined with a reduction of agencies per country. This holds in particular for South America, where a number of countries are clearly on the 'phasing out list'. Clear examples are Chile, in which half of the European agencies still maintaining programmes in 1995 had left by 2004. The same (if less dramatically) is true for Uruguay, Argentina, Venezuela,

Costa Rica, Panama, Jamaica and the Dominican Republic. Due to their higher GDP per capita these countries no longer fit the criteria of many European government co-financing schemes. That said, neither Mexico nor Brazil experienced this rapid decrease. This is due to the high levels of inequality in these countries, with substantial numbers of inhabitants living in 'poor' and 'extreme poor' conditions, justifying a continuation of European NGO interventions. This is confirmed by the focus on the poorest regions in these countries, such as Chiapas in Mexico and the north-eastern region of Brazil, and on some key social movements (such as the landless movement MST in Brazil).

The only country that seems to escape the trend of concentration and reduced agency presence, and where agency activity has substantially increased over the past decade, is Cuba. The improved diplomatic relationships between the European Union and the Castro government have provided favourable conditions for European NGO support to Cuban partner organizations, particularly in the area of human rights promotion. To a lesser extent, Honduras also seems to have become a 'more favoured country' for European NGOs, reflected in the recent establishment of several regional offices of European agencies in Tegucigalpa during the reconstruction operations to deal with the devastation caused by Hurricane Mitch in 1998.

We asked the agencies which country budget had been the highest in the period 1995–2004. Agency budgets are, of course, not an entirely accurate indicator of prioritization, as the larger countries with more inhabitants (Brazil and Peru) tend to lead these tables. Still, the past five years suggest some new priorities. For example, Peru apparently is losing its priority status which we had identified in previous paragraphs, whereas three countries have risen in priority lists of the European NGOs: Bolivia, Colombia and Haiti. Chile, Uruguay and Argentina have clearly lost their preferred position – a result of their return to democratic governments after the end of military rule and of lower (average) poverty levels.

In Central America, Guatemala has become more central in agency priorities, whereas El Salvador is being gradually phased out by many agencies that used to have large programmes in this country's post-war period (such as Diakonia, IBIS and HIVOS). The two poorest countries in Central America (Nicaragua and Honduras) have maintained their priority position, albeit often with lower funding allocations. The 'return' of Mexico to the higher ranks of funding priorities is also remarkable, which can be explained by increased support to partner organizations in Chiapas but also by active support to advocacy efforts of Mexican networks against the new American Free Trade Agreement.

To summarize, the most important geographical trend over the past decade has been that European NGOs have reduced the total number of

countries in which they support programmes. A concentration has evolved towards a group of around a dozen countries, of which Brazil still receives the largest amount of European NGO allocations. Old favourites (Peru, Nicaragua, El Salvador) have been replaced by new ones (such as Bolivia, Colombia and Guatemala). However, the feared 'withdrawal' from South America turns out to be valid only for the 'richer' countries such as Chile, Uruguay and Argentina.

Some predictions can be made about future preferences for priority countries in Latin America. The impression is that after concentrating geographical priorities over the past few years, it is not likely that major changes will occur in priority countries in the near future. Some European agencies, such as Trocaire, indicated that they will opt for a more regional approach in the coming years, linking up partners in countries such Peru and Bolivia or Nicaragua and Honduras that are working on PRSPs. This search for (regional) synergies is also voiced by other agencies, basically in order to increase the impact of individual interventions.

Some countries with higher GDP per capita will continue to lose donor support. This will particularly affect El Salvador and Guatemala. El Salvador has already been phased out by several European governments, such as the Danish government, which perceives El Salvador as being 'too rich'. This will have consequences for Danish NGOs that depend on government funding, such as IBIS and Danchurchaid. The overall tendency, however, is that the agencies will not further reduce the countries where they are currently operating, but rather that efforts and funding will be more focused. If countries still have to be erased from priority lists, these are likely to be the more prosperous countries in South America and in the Caribbean. The process of concentrating geographical priorities by the European NGOs, however, is apparently over in Latin America.

Trends and Perspectives in Thematic Priorities

We requested the European agencies to list their thematic priorities over the past decade and asked them whether any explicit shifts had occurred in these priorities. We tried not to influence their answers by giving prefixed options, but rather opted to collect open answers. This resulted in an impressive list of themes and policy priorities, from which the frequency of the top five priorities was calculated. Seven main trends became visible in this ranking exercise.

First, *political participation*, and everything related to this theme, is the most frequently mentioned priority of European NGOs. Human rights promotion, especially in a more political sense of promoting political participation by

excluded groups, has been a key target of the European private aid agencies over the past decade. Some agencies stressed the area of civil society building (HIVOS, Bread for the World, Trocaire), whereas others focused more on increasing citizen's participation (Danchurchaid, ICCO, Misereor). Rather than emphasizing human rights abuses, or guaranteeing rights for refugees and displaced people, agencies have started to focus more on civil and political rights and on the development of active citizenship.

This emphasis on practising citizenship is closely related to the focus on local governance, which also has been prioritized by the European agencies. The aim here is to increase citizens' participation, stimulate collaboration between civil society groups and municipalities, and provide 'local spaces' for political participation in countries in which national governments are inaccessible for citizens. Democratization has generally shown better advances at this local level, which was targeted in particular by Diakonia, NOVIB, IBIS and SNV. Interest has grown in processes of decentralization and also in new forms of local governance, such as 'participatory budgeting'. In terms of excluded groups for which participation had to be enhanced, particular attention was given (by Intermon, IBIS, HIVOS and Oxfam Belgium) to organizations of indigenous people in the Andean countries and in Guatemala and Honduras.

A second explicit trend of the last decade is a strong emphasis on *socio-economic rights and economic development*. From the mid-1990s onwards the emphasis had been on 'productive projects', the provision of micro-credits and efforts to make partner organizations more financially self-sufficient. In the late 1990s new elements were added, such as attention to 'fair trade', new free trade agreements and negotiations related to the World Trade Organization (WTO), which was one of the Oxfam International priority advocacy topics in recent years.

More attention for socio-economic rights is also reflected in the Oxfam-wide focus on the 'Right to Sustainable Livelihoods', in which communities and excluded groups are supported to gain better access to markets and land, and where indigenous groups are encouraged in efforts to claim their historical rights. Attention to this second generation of human rights has increased since the early 1990s, and it is interesting to see how explicit these are in the agendas of many European agencies a decade later. This focus on socio-economic rights has two other angles in which relationships with the private sector and the market are emphasized. One is the area of micro-credit provision, which has expanded especially in South America (Brazil, Bolivia, Peru, Colombia), often as part of programmes to contribute to the self-sufficiency of partner organizations. It has become an area of major innovation since it incorporated participatory approaches, environmental concerns and gender criteria. 'Corporate social responsibility'

has so far received less attention, though trade unions and local NGOs have been working on this topic in Brazil, Peru, Chile and Colombia, and local organizations working on trade issues (including fair trade) have incorporated these efforts to promote socially responsible behaviour by market actors. By connecting it to network development and improving production and consumer chains (and, more generally, by linking this up with civil-society building) a new set of linkages between state, market and civil society has emerged.

A third general trend in agency priorities is that *rural development* and in particular *agricultural production* have become less prominent, though still important, especially in Central America. Several agencies indicated that they had reduced their support to traditional rural development projects and that they had shifted their attention from production to creating better market conditions for agricultural products. The 'sustainability' aspect has also lost its dynamic: after the environmental focus of the early 1990s, attention to explicit environmental criteria seems to have vanished. Only 22 per cent of the European agencies under review were still paying explicit attention to the environment or 'natural resource management' as part of their programme priorities.

The fourth visible trend in agency priorities over the past decade has been the continued interest in *conflict resolution, peace building and reconciliation*. In Peru and in Central America of the mid-1990s this was of course a key issue. After the peace processes in Nicaragua, El Salvador and Guatemala, attention to conflict resolution continued in countries such as Colombia and Mexico (Chiapas). Guatemala was still receiving considerable attention in the decade after the 1995 peace accords, also because of the high crime rates (especially affecting women) that are apparently linked to unresolved post-war problems. It was this wave of so-called 'new violence' in Latin America – visible in particular in large cities – that spurred many European agencies to support initiatives aimed at conflict prevention and resolution, reintegration of (former) youth gang members, arms control measures, and, in general, initiatives trying to tackle the destabilizing effects of violence and impunity.

Fifth, *gender* and *gender mainstreaming* have been constant and important focal issues for most agencies. Explicitly mentioned is security for women, but also the access of women to decision-making spaces, markets and organizations, plus attention to reproductive rights and its consequences. Throughout the 1990s it was often argued by (generally male) representatives of Latin American partners that a 'focus on women' was fashionable and that this would very soon vanish. Our findings suggest the opposite trend: attention to gender issues has remained a priority for 39 per cent of all the agencies reviewed.

A sixth trend over the past decade has been attention to *humanitarian relief and disaster preparedness*. This topic gained prominence after the devastations following Hurricane Mitch in Central America in 1998, which struck Honduras, Nicaragua and El Salvador. European NGO support was aimed at preparing the population better for disasters such as earthquakes, flooding and mud waves. Special attention was given to environmental degradation in urban areas, as a result of which the number of victims had been rising. An indirect consequence of increased emergency assistance after Mitch was the renewed interest of many agencies in supporting activities in Honduras.

Finally, a seventh trend that has been valid also for other regions is that many agencies have adjusted their policies towards *output-related criteria*, in particular the 'rights-based approach' which was incorporated by the Oxfam agencies in 2000 and later by many others. The major difference with the earlier 'needs-based approach' is the particular attention paid to partner performance and the introduction of results-based management tools. With the gradual reduction of priority countries in Latin America, the search for new sources of finance is nowadays also included under the umbrella of 'partner development'.

Apart from these trends, it is also important to note that many priorities that were already identified in the mid-1990s have kept their importance throughout the past ten years. One of these ongoing priorities is primary health care (with special attention to people affected by HIV-AIDS), and of course education. These basic social services still account for a substantial amount of total European agency support, though less than in 1995. NOVIB, for example, decided in the mid-1990s not to stick any longer to the 'Copenhagen target' of channelling at least a quarter of its total overseas resources to basic social services. Instead, it decided, as part of the newly introduced rights-based approach, to put more pressure on national governments to comply with their duties to deliver these public services. Other agencies, such as Trocaire, made similar decisions to cut down drastically on health programmes and to refocus on civil society and community building, human rights and participation.

These shifts in thematic priorities suggest increasing attention to political processes, socio-economic and cultural rights, rural livelihoods and food security issues. Agencies indicated that these trends are likely to be central to European NGO policies over the next couple of years. However, in the interviews we also spotted some slight changes, which require closer analysis. The overall policy trend is away from the delivery of basic social services and towards national advocacy campaigns to commit the state to take responsibility for these social services. This is not to suggest that social service delivery is no longer important, but it seems that it becomes more integrated with macro-developments and with national policymaking. For

example, European agencies are going to assess their results more in terms of the Millennium Development Goals (MDGs), in particular because this is being promoted by the bilateral and multilateral agencies. But central to the MDGs is the idea, or at least the intention, to show more clearly the results of external interventions. This visibility of results continues to be a cross-cutting theme.

The range of new progressive governments in Latin America will likely facilitate the implementation of a more politicized social service programme aimed at poverty reduction and social justice. Key words used by the European agencies are 'synergies' between various actors, regions and countries, and 'joint advocacy initiatives' in order to get this agenda implemented. However, agencies approach this in different ways and do not emphasize the same issues. Misereor, for example, will focus more on health issues and on youth groups, whereas Trocaire foresees more attention to migration issues, violence and security, rural poverty reduction and trade issues. The Oxfam agencies indicated that they would probably pay more attention to human security in all its aspects. Diakonia and II.II.II also perceive that trade and debt issues will continue to be central in agency priorities over the coming years, whereas IBIS expects more attention to education as its core theme.

A more political approach with a central role for 'lobbying and advocacy' is therefore dominant, whilst at the same time agencies keep searching for their own 'niche' in order to become even better in what they are already doing well. The need for a clear profile has become accepted and is no longer seen as a source of competition or as an obstacle to joint action. To the contrary, it is likely that agencies will work more closely together over the coming years on issues such as migration, peace-building and trade issues. These are likely going to be some of the key topics for the next few years, in which the 'creation and promotion of more synergies' is a central slogan by which to maximize the use of scarce resources.

Patterns in Funding Allocations

One of the main concerns of the Latin American partner organizations is that funding levels from European NGOs have gone down in recent years, or will decline in the years to come. Even though we did expect a reduction of funds for Latin America in relative as well as absolute terms, the pattern turned out to be more complex. First, there *has* been a gradual reduction of the *relative budget allocations* to Latin America, especially after 2000. But since agency budgets also have grown substantially over the last few years, the funding volume for Latin America in absolute terms did not seem to

have decreased significantly. In fact, one can actually detect a slight increase between 1995 and 2000. Even if this can be largely explained by additional relief aid for the victims of hurricane Mitch, it is still an increase and not a gradual reduction of aid disbursements to Latin America, as many partner organizations feared.

Another remarkable tendency is that the vast majority of European agencies have actually experienced no budget cuts to Latin America over the past decade. Only two agencies (IBIS and II.II.II) were faced with nominal reductions of their total overseas budget, basically due to new priorities of their governments. In the case of IBIS this effectively led to a reduction of their Latin America budget, but for II.II.II this actually remained the same. For most of the other agencies where the Latin America budgets were reduced (one-third of the agencies interviewed), it was generally a slight reduction – in the cases of Danchurchaid and HIVOS – or a relative reduction barely affecting the total expenditures for Latin America (ICCO, Oxfam GB and Christian Aid). Danchurchaid, for example, never had a high budget for Latin America, and the reductions in the new century were relatively small. HIVOS had experienced a constant reduction of its Latin America budget – which had been as high as 65 per cent of the total overseas expenditures in 1987 – and a gradual reduction was therefore inevitable. In the meantime, HIVOS's overall budget went up quite sharply, which basically compensated the relative decrease in spending for Latin America.

Only three European agencies reduced their Latin America budgets more or less substantially over the past decade: Bread for the World, NOVIB and CORDAID. Bread for the World reduced its Latin America budget over the past three years by 25 per cent. The main reason was its decision to focus more on Africa, especially to deal with the enormous challenges faced by the HIV/AIDS crisis in that region. NOVIB had already started to reduce its budget for Latin America in late 1999, but this was initially compensated by overall income growth and additional credit funding. Within a three-year period the Latin America budget was reduced in absolute terms by 30 per cent. The justification was threefold: (i) Latin America had become 'too rich' and had received disproportionately more resources than Africa; (ii) NOVIB had become the second largest partner in a coalition (Oxfam International) that primarily focused on direct poverty reduction strategies with massive funding for service delivery (largely in Africa); and (iii) Latin America policies emphasized less costly lobbying and campaigning activities. However, with a Latin America budget of €22 million in 2004 NOVIB is still among the largest European non-governmental donors in Latin America.

Another Dutch donor agency, CORDAID, reduced its Latin America budget by a radical 50 per cent between 2000 and 2004, despite a growth of overall funds. While a quarter of CORDAID's total overseas funding went to

Latin America in 2000, four years later this had dropped to 11 per cent. This drastic move had to do with a refocusing of Dutch development aid in general towards Africa, due to poverty figures and ongoing crises. Some observers also commented that for many years CORDAID's Latin America budget had been rather high compared to its Africa budget, although other reasons also seem to have played a role. CORDAID grew out of a merger of several Catholic agencies, including the former Cebemo, whose Latin America department had always been an influential player – too influential, according to insiders, which might explain why it was decided internally to dismantle the large Latin America programme following a number of staff changes.

The survey indicates that it is simply not true that European NGOs on average have reduced their Latin America budgets over the past decade. This applies only to one-third of the agencies involved. In particular those agencies that used to have high disbursements for Latin America (higher than 25 per cent of total overseas expenditures) seem to have lowered this level in favour of poorer countries in other regions. After a previous period of growth in the late 1990s, it is likely that budgets will remain stable at this level, providing that no new emergencies occur. What is going to change over the next few years are the sources of income for European NGOs. In Germany, for example, a significant reduction of income from churches will affect the level of co-funding that church-based organizations can secure. Many agencies, among them Oxfam Belgium, HIVOS and Diakonia, will have to search for additional funding opportunities from other major donors, in particular from the European Union, but also from the embassies of other countries. This search for new funding is also stimulated by European governments, as in the Netherlands, where pressure is put on the co-financing agencies to find additional funding up to a quarter of their total income. In addition, voices in bilateral circles have become stronger that Latin America needs to be phased out as a target for development cooperation as it has become 'too rich'. However, others have argued that Latin America's problem is about 'inequality' rather than 'poverty', and that various related issues (migration, violence, etc.) stem from the complications caused by an unequal income distribution. This more politically oriented approach might help keep funding levels for Latin America unchanged in the short term.

Trends and Perspectives in Partner Selection and Partner Relationships

We also mapped trends and perspectives related to the choice of partner organizations and new types of relationships with these partners. It was expected that a concentration of funding would lead to a reduction in the

total number of partner organizations, whilst the funding allocation for each individual partner would increase slightly. This tendency was indeed confirmed in our survey, with 64 per cent of the European agencies having more partner organizations in 1995 than in 2004.

Part of the reduction of the total number of partners can be explained by decreasing budgets. But strategies also changed: agencies such as HIVOS that had invested considerable funding in a large group of smaller partners concluded that it was too expensive to maintain this network. To put it bluntly, as one interviewee did, 'agencies are punished by their *back donors* for supporting small partner organizations'. The system encourages a trend towards supporting larger programmes with even larger organizations, as these minimize the overhead per donor euro spent. Overall, the tendency is for longer term and 'strategic' partners (as emphasized by Christian Aid, CORDAID, and Trocaire), rather than for shorter term project-oriented partnerships.

Apart from the numbers, it was also important to assess whether the *type* of partner organization also had changed over the past ten years. One of the contradictory trends is that support to membership organizations and community-based organizations was gradually replaced in favour of (often specialized) NGOs, giving less priority to 'those NGOs that are (or have been) capable of everything' (as NOVIB puts it). This trend was clearly visible with Intermon, Diakonia, IBIS and HIVOS. Conversely, agencies such as Trocaire, II.II.II and CCFD went in a different direction by providing more direct support to grassroots organizations. Another (and probably related) contradictory trend is that some agencies decided to move their focus from a rural orientation to more urban-based partner organizations (CORDAID, Diakonia, Oxfam Belgium), often with what Diakonia calls a more 'political advocacy-oriented focus'. Other agencies seem to direct their attention more to rural areas, either to work more directly with smaller organizations (Trocaire) or to target indigenous groups and their networks better (IBIS).

Most of the larger ecumenical NGOs traditionally supported by the Protestant agencies have been gradually phased out. The main reason for terminating these long-term partnerships was that these NGOs had become huge multipurpose agencies which simply did not deliver well enough according to the new performance criteria. The ecumenical edge that had been important for so many years in determining partner relationships thus had been replaced by output quality criteria.

The survey suggests that the European NGOs tend to have given more support to partner organizations working directly with (local) governments. Oxfam GB indicated that the time was over when non-governmental was synonymous with anti-governmental. Political lobbying and advocacy work

has become more central to agency preferences, and some argue therefore that a renewed politicization of European NGO aid is becoming visible. However, when reference is made to the 1980s, the political angle is of course very different from the period in which liberation movements and their support organizations were supported. Political work nowadays aims at maximizing the political impact of campaigns and the results of development projects, and involving membership organizations more directly in national and global campaigns. This increased attention on political work is also reflected by a general concern to reinforce micro-macro linkages and to encourage synergy between partner organizations in similar regions. Lobbying is no longer an activity of specialized NGOs: European agencies want Southern NGOs to be effectively accountable to their constituencies. Moreover, they have to demonstrate that these multiple micro-macro linkages are actually beneficial to organizations working at the grassroots level.

New Priorities and Issues for the Near Future

Lobbying and advocacy campaigns with Latin American partners have increased substantially. This trend will even become stronger and is part of what some consider a 're-politicization' of their programme. Several agencies decided – also due to governmental incentives – to dedicate up to a quarter of their total overseas budget to advocacy activities in the North. In the case of ICCO this also implies collaboration with a number of strategic partners in the Netherlands and Europe to increase synergies, and to keep Latin American issues on the agenda. European agencies will focus their campaigns on pressing national developments (Colombia, Bolivia, Guatemala), on PRSPs, trade (in particular with the EU), migration issues (especially in Central America), external debt, and socio-economic rights. It is also expected that more joint lobbying campaigns with partner organizations will be initiated and that European platforms such as CIFCA and PICA (of the Protestant agencies) and the ecumenical Process of Articulation and Dialogue (PAD) in Brazil will play a more prominent role in these campaigns.

Oxfam GB expects campaigning to grow further, although it depends on the extent to which institutionally it is possible to develop a global campaigning force. This is likely not to happen in the UK (or in Europe), but rather in the Latin American countries themselves, where organizations have become more strategic and autonomous in their campaigning agenda. This is important, according to Oxfam GB, because national campaign work can better address cultural specificities and languages, as local activists better understand their own political culture, public opinion and local

media. Agencies such as Oxfam Belgium are therefore aiming to strengthen local campaigning capacities.

European agency representatives predicted that the trend towards more programmatic and process approaches, and away from traditional project approaches, will sustain itself in the years to come. Trocaire expects to provide more multi-annual funding, rather than year-by-year allocations. Many agencies also foresee that the number of partner organizations will be reduced further, but that the quality of these relations will be increased. ICCO, for example, expects that more South-South cooperation between partners (generally on advocacy) also implies higher qualification criteria for these partners. HIVOS indicates that it will invest in more knowledge-sharing with and between partner organizations.

Several burning global issues may impact on Latin America in the coming years, and thus on partner organizations. *Security* is the obvious one, and the growing European (official) donor trend to shift money away from development to pay for their interventions in Iraq, Afghanistan and several African countries (such as Sudan) are indirectly related to the withdrawal of donors from Latin America. The role and influence of the United States government in this development, in particular related to donor withdrawal from Central America, is critical.

Aid effectiveness continues to be another big issue; the performance of both official aid and NGO funding in Latin America has been questioned, also given the growing levels of socio-economic inequality. This development has contributed to 'donor fatigue' and requires appropriate attention from European NGOs. After all, donors are dropping countries that are considered to be 'ineffective', and this will impact on NGO funding from co-financing sources. Many European official donors now only focus on just a few countries in Latin America and some want to ensure their co-financing via NGOs is also concentrated in these countries. On the other hand, this might also offer new opportunities for European NGOs if they are going to compensate for reductions in bilateral funding.

New social and political actors are emerging in the region. The reduced influence of some key civil society actors from the past (notably the trade-union movement and peasants' associations) is an illustration of important shifts that have taken place in Latin American societies. It implies that the European agencies will need to find new ways of working to promote the defence of rights of vulnerable groups. In Central America there is a feeling that civil society groups are losing their edge due to many internal divisions and difficulties in influencing public policies. There is little new thinking and capacity to articulate a vision of what 'sustainable human development' means in the new century. On the other hand, the important role of social movements in bringing about progressive political change in many South

American countries is promising (see Biekart, 2005). It also highlights an increased linkage of grassroots movements to transnational networks, which was previously not very developed.

Governance issues have become critical. There is a widespread public dissatisfaction with political processes, parties and politicians. Fewer people seem to believe in the benefits of democracy and the current political system. Given the history of authoritarianism in the region this is a motive for serious concern. In addition, the World Bank and the IMF continue to exert huge leverage over development policies and development actors (especially on Latin American governments and bilateral donors), even though they are not known for promoting serious empowerment of excluded groups. Related to that, *transparency and (anti-)corruption* have become important themes in Latin America; corruption is growing and is not only limited to the state and the private sector. The process of liberalization and privatization of state industries and services has generated immense corruption with politicians benefiting, and the culture of impunity has corroded values in society regarding corruption. Local NGOs are certainly not immune from these trends.

Lessons Learned

Over the past few decades European NGOs have built up an impressive record of experiences and interventions aiming at poverty reduction and social change. What has been learned from all these experiences and interventions, and which keys lessons have been incorporated into new European NGO policies?

It turns out that one of the most frequently mentioned lessons is the importance of establishing *strategic alliances*. More specifically, agencies seem to agree that initiatives towards setting up networks (locally, nationally or globally) as key instruments to facilitate lobbying and campaigning at all levels have triggered a breakthrough over the past decade. These more systematic and collaborative lobbying efforts illustrate what some agencies call 'strategic alliances', which in several cases have demonstrated a capacity to achieve tangible results and influence global agendas. Examples are the debt campaign, the WTO summit in Cancún (where a coalition of Southern countries, led by Brazil, took a position against the powerful Northern members of the WTO), the PRSP processes and the World Social Forum (WSF). These more global interactions also benefited from the influence and thus the legitimacy of the European agencies in their home countries. A key element in this lobbying work is that coalitions of social movements and NGOs no longer strictly maintain 'anti-governmental' positions, but

that these strategic alliances are being formed together with Northern and/or Southern governments, international financial institutions (such as the World Bank) or UN agencies such as UNDP. The Oxfam agencies in particular stress that they have learned to cooperate with global institutions over the past decade and that they managed to play a stimulating role in the 'globalization for social justice movement' that has become so dynamic since the WTO summit in Seattle in 1999.

A second major lesson comes from the faith-based European agencies, from both Catholic and Protestant backgrounds. They seem to have learned that *Church-related organizations are not by definition the best implementers of development-oriented programmes*. The Churches are still considered important actors in, for example, contributing to peace and reconciliation, but no longer as key development agents. This has also had consequences for the European agencies themselves. The Swedish Protestant agency Diakonia explained that it had watched the downward development of the ecumenical development movement (especially in Central America) with some regret, but it had learned that a more autonomous position from the Swedish churches was in fact a better option. Trocaire, the Irish Catholic agency, maintains however that the Church continues to be an important instrument for community organizing and civil-society building, especially in those areas where it is the only institutional structure.

A third lesson mentioned by several agencies is that *longer-term support to partner organizations has eventually paid off*. Latin America shows many examples where prolonged support to partners has contributed to a lobbying and advocacy capacity that, compared to other regions of the world, is superior in terms of quality and impact. Christian Aid, for example, points at the flexible role of European agencies and their position as a *partner* in these processes, giving advice and some resources, rather than determining the processes from the outside. It does recognize the problems of how this can be combined with increased demands for accountability, and thus with more formal relationships (see Jordan and Van Tuijl, 2006). Other agencies also pointed to this tension, but all agree that relationships with Latin American partners are often more mature than anywhere else. Those partnerships with a higher degree of 'trust' and 'confidence' are generally favoured by the agencies, as they generate more benefits in terms of policy formulation, allow more transparency, more mutual learning and are therefore often part of arrangements with 'institutional support'. Dutch, German and Nordic agencies emphasized the importance of these 'strategic partnerships' that also proved to be crucial for the North-South lobbying campaigns mentioned earlier.

A fourth lesson commonly drawn by the European agencies is that the emergency aid following Hurricane Mitch in 1998 has re-emphasized the

need to improve *agency coordination*. Many lessons were drawn from the post-Mitch relief operation, which was probably the biggest ever in the region, but central was the lesson that working closely together as agencies in such a crisis situation helps to prevent many of the post-disaster problems that can accompany external aid. Several key partner organizations in the Central American region had been overstretched and overfunded due to Mitch, which in some cases had contributed to their demise.

Conclusion

Many Latin American organizations that received support from European donor NGOs now fear that these agencies will gradually withdraw from the region, re-channelling funds to Africa and other (poorer) regions of the world. This chapter has suggested that most of these fears are not based on evidence. The data show, instead, a concentration of NGO funding in a smaller set of countries, involving fewer partner organizations. European agencies have paid increased attention to rights-based approaches, with more integrated joint lobbying and advocacy components. This has generated a more political agenda on topics such as migration, conflict resolution, peace-building and trade issues (Fernández, 2006). These are likely to be key topics in the coming years, in which the 'creation and promotion of more synergies' is the central slogan in order to maximize the use of more scarcely available resources.

Regarding the medium and longer term, however, our interviews with donor staff do suggest that many of the traditionally strong Latin American partner organizations will inevitably experience a gradual reduction of European NGO funding allocations. Assuming that this trend continues over the coming years, the question arises as to how these partners will survive as key organizations in promoting alternative development approaches. Do the reorientation, concentration and overall reduction of European NGO funding indirectly imply the end of alternative development agendas in Latin America? This crucial question can be addressed by exploring three possible scenarios. The first is that the more flexible funding resources from European NGOs will be (partly) replaced by funds from bilateral and multilateral organizations, or even from the corporate sector. New and tighter conditions will be attached to this type of financing, which are likely going to force Latin American NGOs to commit themselves to the broader directions of the mainstream development agenda. This is in fact already happening, if one considers how many Latin American organizations are implementing in a rather uncritical way World Bank discourses or UN millennium agendas.

In a second scenario, alternative approaches are undermined in a different way: due to reduced funding from abroad, the autonomous and politically consistent partner organizations involved in strategic alliances and pursuing a political agenda oriented at empowering civil society groups will find themselves without any financial allies or alternative sources of income. This will be either because official funding has withdrawn from the country, or because the organization is unable or unwilling to pursue this new type of income. Temporarily such a former European NGO partner organization will derive some of its income from market-based consultancy contracts or state-related service delivery operations. However, this will compromise its manoeuvring space considerably: committed staff will voluntarily leave the organization, its credibility will be damaged, strategic allies will turn away, and the demise of the organization will be merely a matter of time. This is a scenario that has come about in slightly different ways for many partner organizations in several of the former priority countries such as Chile, Costa Rica and El Salvador.

A scenario in which the organization does not disappear, nor is compromised by new donor agendas – and in which alternative development agendas are maintained – will therefore have to take into account a number of key lessons learned over the past decade. One such lesson is that sustained capacity-building can contribute to a strong and transparent organization which is horizontally well-connected (strategic alliances) and downwardly accountable to its clients and constituents when this is explicitly aimed for. Another lesson is that an organization is able to diversify its income base, acquiring sufficient resource mobilization power to pursue its political agenda without having to make major compromises. The Latin American experience shows that a prolonged period of committed external support does not by definition lead to a loss of autonomy and increased external dependency. In fact, the current political swing in the region towards progressive policymaking on poverty reduction and empowerment is likely offering favourable conditions for many former partner organizations of European agencies to reduce these external vulnerabilities further. However, given that each of these three scenarios is an equally realistic possibility, they have to be monitored closely in order to judge which scenario is to set the tone in the coming years.

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