

Advancing Good Governance Seminar

6 June 2013 – 2:45 – 4:00 PM

Money, Money, Money: The Empowerment and Disempowerment of the Client

This session sought to explore the manner in which good governance, through transparency and accountability, makes development more responsive to client needs, empowering clients by facilitating their, and their communities', participation in decision-making and inspiring ownership over the process, including over the money spent on their behalf. In particular, the panel examined how the behavior of donors (both public and private sector) and other development agents (social entrepreneurs) can have an impact on the empowerment (or disempowerment) of clients.

Key Points from the Session

- 1. Donors need to move towards flexible core funding rather than project-based aid.** Funding by donors may take one of three forms: (a) specific project-based funding, (b) project funding with some conditionality attached, or (c) flexible core funding. Of the three, it is arguable that transparent, yet flexible, core funding is the most empowering for the client because it allows intermediary development organizations to respond to local conditions and react imaginatively to what are often fluid problems. Fragmented and project-based aid linked to stringent conditionality is often highly disempowering for the client. Rigidity of conditions attached to funding and prescriptive impact measurement can inhibit empowerment.
- 2. Flexible core funding allows organizations to set long term goals and the freedom to experiment.** Organizations need to be able to experiment (and occasionally, fail) and create imaginative solutions and projects that are the most empowering for the client. These projects tend to deliver the most sustainable impact. For example, Governance and Accountability has worked with communities and local organizations to create a better understanding of the political economy in which they live. This helps those organizations understand more clearly how they can bring about greater change in their own lives by analyzing which political actors are likely to drive change and which political actors are likely to be resistant to it.
- 3. Funding assistance needs to be seen as part of a package of support which ought to include technical assistance, mentoring, network creation, etc.** For funding assistance to be effective and to empower the client, it needs to be coupled with other forms of technical support. Countries with organizations that are reliant on a single source of funding can be vulnerable to changing economic and political circumstances. Organizations need to build effective coalitions within civil society and with government which will allow delivery of long-term solutions.

Emerging Questions

1. How can a balance be achieved between donor funding in civil society and government, without creating donor dependency?
2. At the project design stage, how can the interests of donors and developmental organizations be harmonized?
3. While the need for flexible core funding is undeniable, how can the rigorousness of impact measurement be maintained?