The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement

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CHAPTER 6: THE PROBLEMATISATION OF INSIGHT AND CONTROL: THE CONSTRUCTION OF QUALITY IMPROVEMENT AS A RATIONALE OF GOVERNMENT

6.1 Introduction

This chapter examines the establishment of the co-financing program for Dutch development NGOs and the subsequent emergence of a rationale of quality improvement as the underlying ideal to which governmentally funded NGOs should aspire. It also unveils the initial (implicit) programmatic approaches and formal accountability technologies adopted in order to achieve this ideal. The chapter is divided into four sections. The first section describes how international developments and lobbying activities by Dutch missionary organisations resulted in the establishment of governmental co-financing of private development organisations based on the assessment and approval of NGO project proposals in the mid-1960s. The second section reveals how and why insight into and control of co-financing NGOs was constructed as a problem needing resolution. The third section illustrates how quality improvement, underpinned by broad, underspecified notions of efficiency and effectiveness, emerged in the late 1960s as an underlying ideal to which NGOs should be directed in order to address the perceived problems of insight and control. This section also unveils the programmatic aims and associated accountability technologies initially adopted in order to accomplish the quality improvement ideal within the governmental funding scheme. The fourth section describes how changed perceptions of development cooperation resulted in the establishment of more explicit programmatic aims and enhanced accountability technologies in the early to mid-1970s.

6.2 Emergence of the co-financing program

Dutch governmental funding of private non-profit development organisations was initiated in 1965 when the Ministry of Foreign Affairs made five million guilders (about 2.27 million Euros) available for the ‘co-financing’ of development projects executed by Dutch NGOs.

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26 The co-financing program is the Dutch government’s development NGO funding scheme. The terms co-financing scheme and co-financing program are used interchangeably throughout this and following chapters.

27 Governmentally funded NGOs are the NGOs that were financed under the co-financing program. These NGOs are referred to as co-financing NGOs throughout this and succeeding chapters.
(Ministerie van Buitenlandse Zaken, 1964b). Rather than fully funding NGO projects, the Dutch government decided to co-finance NGO development projects, which required NGOs to combine governmental funding with other sources of funding. NGOs had to finance at least 25 per cent of project expenditures from non-governmental sources, such as donations, membership fees or multilateral grants from institutions such as the United Nations or the World Bank.

6.2.1 Background to the commencement of the co-financing program

The decision to start co-financing private development projects was influenced by international developments and lobbying activities in the Netherlands. The then Federal Republic of Germany (West-Germany), some Scandinavian countries and Switzerland had started financing private development NGOs in the early 1960s based on the presumption that some development activities could be better executed by private organisations (Smits, 2004). In addition to these international developments, Dutch missionary organisations started lobbying for similar forms of governmental support for their development activities. These organisations were supported by Protestant and Catholic belief-based political parties\(^{28}\). These private development activities mainly involved belief-based missionary projects executed by two organisations: ‘Mission’ (an organisation executing development activities on behalf of the Catholic Church) and ‘Sending’ (an organisation executing development activities on behalf of the Protestant Church) (Smits, 2004).

Negotiations between the Catholic and Protestant missionary organisations (‘Mission’ and ‘Sending’) aimed at aligning their views on the desired nature of development cooperation resulted in a joint letter being sent to the Dutch government in 1963 requesting financial support for private development activities. In addition to requesting funding, the letter proposed several funding criteria for applying organisations. For example, it was suggested that: public resources should not be used for belief-based activities; projects would have to be supported by the local and national government of the developing country; and projects should take into consideration the views of local NGOs (Smits, 2004).

\(^{28}\) The Catholic political party ‘Katholieke Volkspartij’ (KVP) published a report in 1962 advocating for government support for private organisations addressing needs in developing countries. In addition to this report, the party criticised a government report on aid delivery, indicating the lack of attention to private development organisations’ efforts (Smits, 2004).
Although the lobby for the co-financing of private development initiatives was supported by most political parties, some resistance was evident. Various politicians emphasised that due to the belief-based nature of the missionary organisations, these organisations should cooperate and work towards acquiring subsidies for ‘pure development work’ such as setting up schools and hospitals (Smits, 2004, p. 151), rather than for missionary activities. A civil service committee, consisting of politicians from various political parties, was created in order to provide an independent recommendation to the government. This committee recommended that if the government decided to subsidise development activities of private organisations, this should be limited to a contribution to the costs of executing specific projects (Smits, 2004).

Dutch politicians held varying views on the suggested co-financing of development NGOs. Ministers from non belief-based political parties, such as the ‘Partij van de Arbeid’ (PvdA), suggested that development work would be hard to separate from the work of faith, while ministers from belief-based parties, such as the KVP, argued that this issue was already resolved by the proposed criteria outlined above. Based on these different perceptions, the then Prime Minister (Marijnen) concluded that the issue required more consideration and instructed the State Secretary (for Foreign Affairs) to draft a discussion paper. This was completed in 1964. It argued that since funding of private (non-development) organisations working on activities that were in the public interest, such as special education and the mental care of soldiers in The Netherlands, had been accepted for years, the funding of private development activities should now also be considered. The Dutch State Secretary contended that development activities would not be confused with missionary activities since both ‘Mission’ and ‘Sending’ had already indicated that ‘preaching’ activities should not be supported by the proposed funding. On October 23, 1964, the Dutch House of Representatives came to an agreement on the issue and increased the development aid budget by 5 million Guilders (2,27 million Euro) in order to experiment with providing financial support to private development organisations. The development budget fell under the responsibility of the Dutch Ministry of Foreign Affairs. While prior to 1965 the Minister of Foreign Affairs was responsible for all forms of Dutch governmental development cooperation, due to the increased attention afforded to development cooperation, a specific Minister for Development Cooperation was assigned in 1965. The Minister of Development
Cooperation did not however have a distinct portfolio; he or she was part of the Ministry of Foreign Affairs\textsuperscript{29, 30}.

### 6.2.2 Transferring responsibility for the selection and approval of project proposals to NGOs

Initially, the co-financing program was open to proposals from any private development organisation based in The Netherlands or in a developing country (Ministerie van Buitenlandse Zaken, 1964a). In order to assess project proposals, a special body, the Bureau Medefinanciering Particuliere Projecten (Office for co-financing private projects), was created within the Dutch Ministry of Foreign Affairs. Two key criteria were outlined. Projects were required to, firstly, fit within the development plan of the country of execution and secondly, to have approval of the central government of that country (Ministerie van Buitenlandse Zaken, 1964a). In the period from 1965 to 1968, 195 project proposals were approved by the Ministry of Foreign Affairs. The majority of proposals came from Catholic organisations, i.e. around 60 – 70 per cent (with the majority of them being organised in the development organisation Centraal Missie Commissariaat or Central Mission Commissariat (CMC) – later renamed Cordaid).

By the end of 1967, the increasing amount of project proposals submitted to the office for co-financing private projects meant that the approval process became burdensome for the Ministry (Tweede Kamer, 1967; Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). A member of the Catholic political party KVP, pointed to the difficulties for the Ministry in processing the increasing amount of proposals, which had led to a situation where it could take up to eight months to process proposals. According to him, this was caused by either the ‘insufficient capacity of the responsible department [within the Ministry of Foreign Affairs]’ or insufficient support from Dutch embassies in developing countries. Acknowledging these problems, the Minister was ‘[…] willing to find out whether the procedure [could] be speeded up’ (Tweede Kamer, 1967, p. 46). He, however, did point out

\textsuperscript{29} Between 2002 and 2003 and from 2010 onwards there was no Minister of Development Cooperation, but only a State Secretary responsible for development cooperation within the Ministry of Foreign Affairs. However to maintain clarity throughout the chapters, the State Secretary will be referred to as Minister of Development Cooperation. A full list of Ministers of Development Cooperation and Secretaries of State is provided in Appendix 7.

\textsuperscript{30} Throughout this chapter and succeeding chapters, ‘the Minister’ refers to the Minister of Development cooperation, while ‘the Ministry’ refers to the Ministry of Foreign Affairs.
that some aspects of the assessment and approval process required time and attention, since ‘there were governmental funds involved and the government was thus obliged to examine in detail whether specific projects conformed with the norms of co-financing’ (Tweede Kamer, 1967, p. 46).

The problem of insufficient capacity within the office for co-financing private projects became quite serious when the number of projects that met co-financing criteria exceeded available funding in 1967. In order to relieve the pressure and prevent faith-based organisations pressurising Catholic and Protestant political parties to lobby for the approval of their projects within the House of Representatives, the government decided to allocate the budget equally amongst ‘Cordaid’ (a Catholic belief based organisation) and ‘ICCO’ (a Protestant belief based organisation) (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, 2009). From late 1967 onwards, the co-financing program was restricted to Cordaid and ICCO. The responsibility to assess and select project proposals thus shifted from the Ministry of Foreign Affairs to Cordaid and ICCO. All Catholic organisations applying for project funding were now dependent on Cordaid, while all Protestant organisations had to address their proposals to ICCO. These two organisations were, however, still required to send selected and approved project proposals to the Minister of Development Cooperation for formal approval. This approval was, however, in reality a formality, given the lack of capacity within the Ministry to assess proposals and the fact that only a handful of projects were ever rejected (Tweede Kamer, 1967).

While private Catholic and Protestant organisations were now receiving governmental support in order to execute development projects, non-faith based organisations received little attention. This issue was addressed in 1968, when the chairman of ICCO suggested including the NGO Oxfam Novib32 in the co-financing program in order to provide funding to non-faith based NGOs. Hence, from 1968 onwards, the co-financing program consisted of Cordaid, ICCO and Oxfam Novib with the available budget being allocated as follows: Cordaid 40%,

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31 The organisation currently known as Cordaid was initially named CMC and later Cebemo. The developments that led to changes in the name of the organisation are, however, considered outside of the scope of this study. Therefore, throughout this and succeeding chapters the current name of the organisation, i.e. Cordaid, will be used in order to maintain consistency and clarity in the narrative.
32 The Dutch NGO Novib joined Oxfam International, an international federation of development NGOs, in 1994. Since 1994 it therefore uses the name Oxfam Novib, which will be used throughout this and following chapters.
ICCO 40%, and Oxfam Novib 20%. This allocation and the selected organisations were assumed to represent the composition of the Dutch society at this time.

Although in the late 1960s the co-financing of private development NGOs became widely accepted amongst politicians as a valuable and permanent part of Dutch development policy, there were some concerns amongst politicians that the shift of responsibility for project assessment from the Ministry to Cordaid, ICCO and Oxfam Novib potentially ‘mov[ed] away from modern views on development cooperation’ (Smits, 2004, p. 161) and conflicted with the ‘concentration country policy’ of Dutch development cooperation (Smits, 2004). Despite these concerns, the budget for the co-financing program was increased from the initial 5 million guilders (approximately 2.27 million Euro) in 1965 to 19.5 million Guilders (approximately 8.85 million Euro) in 1968. The combination of increased funding, the more permanent nature of the funding program, and escalating international attention being afforded to the effectiveness and efficiency of development aid created a desire amongst politicians to evaluate the co-financing program and the performance of participating NGOs. The next section discusses how this desire to evaluate these NGOs emerged and made visible, for the first time, the complexity of holding co-financing NGOs to account for their use of governmental funding.

6.3 Problematising insight into and control of co-financing NGOs

At the end of the 1960s the increased responsibility afforded to Cordaid, ICCO and Oxfam Novib led to questions regarding the ability of the Ministry of Foreign Affairs to direct the behaviour and activities of the co-financing NGOs towards the broader political objectives of Dutch development cooperation. Prior to 1968, the Ministry of Foreign Affairs had more influence over NGOs participating in the co-financing program, since they decided on the selection and approval of project proposals. However, the delegation of project selection to the three co-financing NGOs (Cordaid, ICCO and Oxfam Novib) (see section 6.2.2 above) created a situation where the government became more dependent on ‘indirect mechanisms of rule’ in order to influence NGO behaviour. In Miller and Rose’s (1990; Rose and Miller, 1992) terms, the Dutch Ministry of Foreign Affairs became reliant on developing

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33 The concentration country policy implied that Dutch development activities were concentrated on a selected number of countries. Since private development organisations could themselves decide on the projects to be funded, and thus be active in non-concentration countries, this could be in conflict with this broader policy.
programmes and technologies in order to enable the governing of co-financing NGOs at a distance.

In analysing the development of programmes and technologies aimed at influencing the behaviour and activities of co-financing NGOs and holding them to account for their actions, this study mobilises the theoretical framing drawing on the concept of governmentality outlined in chapter 3 (see section 3.3) (Miller and Rose, 1990; Rose and Miller, 1992). Analysing governmentality starts with the rendering of problematisations (see section 3.3.2). In this case context, this involves examining how existing practices, aimed at directing co-financing NGOs, were made to appear problematic and in need of intervention. The following sub-sections unveil how insight into and control of NGO behaviour and activities was constructed as a problem in debates in the House of Representatives after the publication of an evaluation report on Dutch development cooperation activities.

6.3.1 Evaluating Dutch development cooperation

An evaluation of the effects of development aid initiated by the Dutch Ministry of Foreign Affairs was published in 1968. The evaluation sought to assess ‘whether aid demands as presented by developing countries [were] optimal for these countries’ and ‘whether The Netherlands [was] contributing optimally to this demand’ (Udink, 1969, p. 6). The committee that performed the evaluation indicated, however, that it was unable to answer these questions, due to: ‘the complexity of the development process’; ‘limited insights into whether one form of aid leads to more results for development than other forms’; and the ‘lack of a model or systematic reasoning that would allow evaluation according to an academically justified method’ (Udink, 1969, p. 6). This claimed inability to evaluate the effects of development aid was seen as an international problem, since other donor countries and international organisations had also failed to develop models for the assessment of development activities (Udink, 1969, p. 6). However, despite the perceived evaluation obstacles, the committee claimed it was able to broadly assess how the two co-financing criteria had been applied - i.e. first, that projects had to fit within the development plan of the developing country of execution and, second, that projects receive approval of the central government of that country for their execution (see section 6.2.2) - and provide some
comments, which provided more insight than previously existed into the functioning of the program:

Despite the fact that we currently do not have an evaluation method, the evaluation report did have an important contribution in reviewing and making transparent Dutch development policies. (Tweede Kamer, 1969a, p. 3250)

A specific chapter of the evaluation report focused on the evaluation of the two criteria above determining the selection of projects (Udink, 1969; Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968). These two criteria were important for the Ministry in order to enable some indirect control over the co-financing NGOs’ focus. The evaluation committee identified four areas of attention of central relevance to this study. First, they found that it was difficult for the Ministry to assess the significance to Dutch development cooperation policy of projects selected and submitted by co-financing NGOs. The Ministry was dependent on information provided by embassies, authorities in developing countries and visiting experts from the Ministry. This information was deemed insufficient for providing a clear assessment of the significance of projects and their alignment with broader Dutch development objectives.

Second, the committee observed that there was vagueness surrounding the criteria that projects must be approved by the receiving developing country, since it was not specified by the Ministry what was understood by ‘approval of the receiving country’. This led to a variety of interpretations of this requirement. While some organisations specifically asked the government of the receiving country for approval, others perceived implicit approval or approval by local authorities as being sufficient (Udink, 1969; Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968). Third, the committee found that the requirement that projects should fit within the development plan of the developing countries was also too vague. In practice, organisations assumed that a project fitted if the contrary was not proven. Fourth, the committee found that an insufficient amount of information on the execution of projects was being reported by NGOs. If NGOs reported on executed projects at all, this was often limited to an overview of the amounts spent (Werkgroep Evaluatie Nederlandse Ontwikkelingssamenwerking, 1968).

Overall, the evaluation committee concluded that the formal aspects of the co-financing projects were overly vague, which limited the ability of the Ministry of Foreign Affairs to
influence NGO behaviour and activities. These four areas of concern entered political debate through discussions in the Dutch House of Representatives, where they were further teased out by politicians in order to develop possible means of intervening to provide greater insight into and control over co-financing NGO activities.

6.3.2 Concerns about donor centrism

In discussing the outcomes of the evaluation exercise, members of the Dutch House of Representatives linked the vagueness surrounding the co-financing criteria and insufficient reporting above to an international threat of ‘donor centrism’. Donor centrism entails an approach to development cooperation that is built on donor countries’ views about what is beneficial for developing countries, with limited attention to the views of individuals or groups within the developing countries themselves. Some politicians argued that due to the lack of sufficient governmental oversight and control over the activities of NGOs, the Ministry was not able to ensure the needs of developing countries were being prioritised.

I am somewhat shocked by the comment in the report that the co-financing program is a program which is not primarily based on the needs of the government of the developing country. We support this co-financing program, but specifically because of this phrase we should be cautious in the assessment, because the danger of a subjective assessment is present. (Tweede Kamer, 1969a, p. 3225)

These concerns within the co-financing program were influenced by the increased international attention being afforded to the self-interested behaviour of donor countries (Tweede Kamer, 1969a, p. 3225). The main concern of members of the House of Representatives was the commercialisation of aid which resulted in donor-centrism. The phrase ‘commercialisation of aid’ was used to express concerns regarding development policies that prioritised the self-interest of donor countries by mixing trading interests with aid activities (Tweede Kamer, 1969a). The Minister of Development Cooperation argued that commercialisation of aid was not taking place, since supported countries had the choice whether to import goods from the Netherlands or not. Dissenting politicians, however, argued that the Minister should be held to account for the use of and conditions attached to provided aid, to prevent the mixture of aid with trade interests (Tweede Kamer, 1969a).
I understand that the Minister has responded quite emotionally to the charge of the commercialisation of aid. I believe that we, in recent years - I have claimed this several times this year - have ended up in a development which places donor centrism at the forefront. In the past, The Netherlands has repeatedly worked with more stringent standards of development aid than was common internationally. I feel that we are [now being] … pulled into the trend of donor centrism which is emerging internationally. (Tweede Kamer, 1969a, p. 3260-3261)

Despite the combination of concerns about the commercialisation of aid, donor centrism, and the inability to properly evaluate the co-financing program, the Minister of Development Cooperation increased the proportion of the total development cooperation budget allocated to co-financing NGOs in 1969. This decision was based on the view, largely unsupported by any clear evidence, that ‘the nature and motivation of private organisations often leads to a larger commitment to continuing and completing projects. They [private development organisations] are better able to realise the proper alignment of local aspirations than a government’ (Schulpen, 2001, p. 164). Although the co-financing program in general was widely supported by members of the government, different views emerged on whether to increase the budget. While some politicians agreed that the program should be expanded based on the perceived ‘added value’ of private development projects and the positive comments presented by the evaluation committee in 1968 (section 6.3.1), others argued that the due to the lack of evaluation capabilities, the co-financing scheme should be discussed more extensively before increasing funding.

The point is, whether the effect of this aid [co-financing aid] is large or less large [than other forms of aid]. That is the criterion to determine whether this form of financing is a good one. We assess this based on the effect in the relevant developing country itself. It is my view that the co-financing projects have been very useful and, as far as we can measure, have a good effect. […] I share the view presented by Mr Imkamp, that a substantial increase [of funding] would be appropriate. (Tweede Kamer, 1969a, p. 3245)

Despite the critiques, the budget was raised and the co-financing of development NGOs, which had started off as an experiment, became more widely accepted (amongst politicians) as a permanent part of Dutch development policy.

To summarise, the publication of the evaluation report in 1968 and subsequent discussions in the Dutch House of Representatives made visible that evaluating the activities of NGOs within the co-financing program was problematic. The co-financing policy itself was
questioned, since although the program was aimed at taking into consideration the needs of (the governments of) developing countries, it was difficult to determine whether this was operationalised in practice. This difficulty of assessing the performance of co-financing NGOs against the two criteria set out in the co-financing requirements is indicative of a problem of governing. The next section discusses how debates on addressing the problem of insight into and control of co-financing NGOs outlined in this section led to the emergence of a widely articulated rationale of quality improvement.

6.4 Working towards quality improvement as a rationale of government

Problems made visible are intrinsically linked to programmatic solutions aimed at resolving these problems (see section 3.3). The construction of these solutions can be analysed by considering the interactions between rationalities, programmes and technologies of government. This section first explores how quality improvement emerged as a broad ideal towards which the co-financing program and co-financing NGOs should be guided. It then analyses how this ideal of quality improvement was linked to: 1. programmes of government which sought to provide a framework for action describing how this ideal was to be achieved, and 2. to technologies of government aimed at linking rationalities and programmes with practice through the establishment of accountability technologies.

6.4.1 Constructing the rationale of quality improvement

In his response to the outcomes of the 1968 evaluation report (Udink, 1969), the Minister of Development Cooperation introduced the notion of quality improvement into the discourse on development aid as an ideal to which Dutch development cooperation should be directed in order to address the perceived problems of insufficient insight into and control of NGOs. He argued that discussions on the results and consequences of development cooperation were becoming more objective due to ‘more scientific and quantitative approach[es]’ emerging which would gradually move discussions towards the quality of aid (Udink, 1969, p. 172, p. 2, emphasis added). Discussions on the quality of aid should, he claimed, focus on the ‘purpose and effect of provided [development] aid’ (Udink, 1969, p. 2). Focusing on the purpose of development cooperation at this time meant ensuring that projects
‘contribute[d] to the socio-economic development of the developing country in which the projects [were] executed’ (Eerste Kamer, 1972). Improving quality required ‘continuous reconsideration of development goals, evaluation of provided aid and adjusting development programmes’ (Udink, 1969, p. 2). Within subsequent political discourse this emerging rationale of quality improvement was unpacked by further, albeit often implicitly, linking it to notions of effectiveness and efficiency.

I would have preferred an evaluation on the level of efficiency and the meaning [of development aid] for the developing countries since I am currently missing the perception of the receiving country. [This] is an important perception, but [is] currently not considered [in the evaluation]. (Tweede Kamer, 1969a, p. 3237)

[The evaluation report] does not provide an objective measure to assess and compare different forms of development cooperation and to develop a conclusion on the effectiveness of development cooperation. […] I believe that [evaluations] should focus on the extent to which one’s activities achieve their goal … Studies on the efficiency and effectiveness, and also the meaning of [development cooperation] for the aid receiving country [are needed]. (Tweede Kamer, 1969a, p. 3246)

The Minister’s perception of the way forward in debates on the co-financing program, was supported by most members of the House of Representatives. It was emphasised that co-financing projects should be continuously assessed to improve their quality:

Now that the amounts available for development cooperation will increase, it becomes increasingly important to assess the quality of development aid. Therefore, my group considers the evaluation report and extensive discussion of the report in this House of great importance. (Tweede Kamer, 1969b, p. 1869, emphasis added)

The increased attention to the quality aspect of aid is in itself already a positive result of the published evaluation report. (Tweede Kamer, 1969a, p. 3222, emphasis added)

Although perceptions of whether this ideal of quality improvement could actually be operationalised in practice differed amongst politicians, quality improvement became the common expression adopted in discussions of the problems of insight and control. It gradually became the rationale driving discussions on the co-financing program as a commonly shared objective to which co-financing NGOs should be directed. Quality improvement was embedded in a wide range of statements by various individuals and groups,
such as Members of the House of Representatives and the Minister of Development Cooperation. It became commonly accepted amongst politicians as a way of articulating or ‘making thinkable’ an ideal towards which the behaviour and activities of co-financing NGOs should be directed. This was partly influenced by the fact that no political or belief-based perspective was embedded in the rationale. While the notions of efficiency and effectiveness were often mobilised to underpin this ideal, the meaning of quality improvement remained vague as the specific meaning of effectiveness and efficiency was also not addressed.

Discussions in the House of Representatives and statements by the Ministry further illustrate how directing NGOs towards quality improvement was assumed to be desirable in thinking about the development of programmatic aims and technologies to address the problem of insight into and the control of co-financing NGOs.

As a last point I have mentioned the quality of aid, which should not be neglected in evaluating co-financing NGOs. (Tweede Kamer, 1967, p. 10)

Exchanging points of view regarding methods of evaluation is important […], however the main issue for the House of Representatives is how it is going to be used in developing policies [for development cooperation]? This discussion is even more important, since for once it is not about the quantity, but about the quality of Dutch development cooperation, an area that has often remained unattended in discussions on [development cooperation]. (Tweede Kamer, 1969a, p. 3222)

This construction of a rationale of quality improvement was based on the assumption that through better insight into ‘quality’, the government would be better able to control the behaviour of NGOs. Additionally, it was assumed that the Ministry of Foreign Affairs possessed knowledge on the needs of developing countries regarding how development projects could contribute to developing countries and how project effectiveness could be assessed. These implicit assumptions, however, received criticism from some politicians who were sceptical about the extent to which this ideal of ‘observable quality improvement’ could actually be realised (Tweede Kamer, 1969a, p. 3246). These politicians argued that the 1968 evaluation report showed that it was difficult to measure the effectiveness of aid, and, hence, the ideal of being able to compare projects in order to determine which would lead to the best quality development cooperation, was an illusion (Tweede Kamer, 1969a, p. 3246).
If I understand it correctly, difficulties have mainly arisen around the exaggerated expectations of the government that Dutch development efforts can offer an observable contribution. This seems to be an illusion, at least in most cases, and certainly in terms of technical assistance. For me it seems absolutely impossible to measure the effectiveness [of technical assistance], especially if you want to be able to compare to assess what leads to the best results. (Tweede Kamer, 1969a, p. 3246)

Although the rationale of quality improvement received criticism, it provided a terminology or language for facilitating discussions of the problem of insight into and control of co-financing NGOs’ behaviour and activities and it assisted in thinking about the development of possible means of intervening to hold NGOs to account. The next sub-section unpacks this quality improvement rationale in the context of the three key characteristics of rationalities of government (see section 3.3.3).

6.4.1.1 Characteristics of the rationale of quality improvement

Rationalities of government possess three key characteristics, i.e. they have a moral form, epistemological character and are articulated in a distinctive idiom (see section 3.3.3). Quality improvement possessed a moral form in that it articulated a broader ideal to which co-financing NGOs should be directed and what was considered to be a proper distribution of tasks between the Ministry of Foreign Affairs and co-financing NGOs. The Ministry is assumed to be responsible for developing the means through which NGOs can be directed towards quality improvement, while the co-financing NGOs are assumed to adjust their behaviour and activities according to this ideal in order to work towards quality improvement at an operational level.

The acceptance of quality improvement as a widely held norm in political debates on the problems of insight into and control of co-financing NGOs illustrates the articulation of the rationale in a distinctive idiom. Finally, the epistemological character of rationalities, which implies that they are articulated in relation to a conception of the nature of the governed objects, such as NGOs, and embody an account of the object over whom government is exercised (section 3.3.3), is illustrated by the funding relationship between the Ministry of Foreign Affairs and co-financing NGOs. First, quality improvement is articulated in relation to the nature of co-financing NGOs, since it is their behaviour and activities which are being
directed towards quality improvement. Additionally, due to the funding relationship between the Ministry and co-financing NGOs, the Ministry embodies an account over the behaviour and activities of co-financing NGOs for provided funding.

6.4.2 Programme of government aimed at realising quality improvement

Broad rationalities are made more specific in programmes of government. These programmes provide the machinery that allows an abstract rationality to be implemented. They seek to provide frameworks for action which are more concrete and seek to address more specific problems underpinning the overarching rationale. However, vagueness surrounding the specific goals of development cooperation in the Netherlands in the late 1960s, combined with the absence of models for the evaluation of development cooperation efforts, made it difficult for politicians and the Minister of Development Cooperation to translate the rationale of quality improvement into frameworks for directing NGO behaviour and activities.

In the Netherlands we are currently still struggling with formulating a generally accepted objective for our development cooperation policy. (Tweede Kamer, 1969a, p. 6)

There are currently no criteria, no objectives, no models and no requirements in order to enable a substantive […] evaluation, such as an impact evaluation, efficiency evaluation or effectiveness evaluation. (Tweede Kamer, 1969a, p. 45)

There is a lot of vagueness surrounding the criteria and objectives of development aid and the importance of the perceptions of developing countries. (Tweede Kamer, 1969a, p. 36)

Due to the difficulty of translating quality improvement into more specific ways of directing NGO behaviour and activities, there were no explicit programmatic aims put forward by politicians in proposals (for example, proposals to adjust current policies), reports (such as the evaluation report published in 1968) or counterproposals (for example, reports produced by politicians in response to adjusted policies suggested by the Minister of Development Cooperation). Rather than developing new programmes, the rationale of quality improvement was linked to the existing approach to governing NGOs focused on taking into consideration the views of developing countries in executing projects, a view already introduced at the start
of the co-financing program (see section 6.2.2). This view entailed an implicit programmatic aim focused on the alignment of projects with perceptions of developing countries in order to achieve social and economic development and was largely assumed to direct NGO activities towards quality improvement. This implicit aim was, however, teased out somewhat by making the co-financing criteria more specific in 1972. The new criteria were as follows:

1. There has to be a concrete development project in a less developed country, which should aim at social and economic development in that country through the transfer of knowledge and experience.
2. The project has to be executed by a Dutch non-commercial private organisation, or by an independent non-commercial private organisation from the less developed country itself.
3. The project must receive approval from the central government of the country where it will be executed.
4. The project must fit within the development plans of the country where it will be executed.
5. The organisation, responsible for the project, must show in the proposal that it;
   a. At least provides 25 per cent of the capital expenditures (land, buildings, equipment) itself
   b. Will cover all operating costs

(Eerste Kamer, 1972, p. 4-5)

A number of these criteria set out the framework for action embedded in the programmatic aim of aligning projects with perceptions of developing countries in order to achieve social and economic development. The first criterion aimed at directing the behaviour and activities of co-financing NGOs towards projects with a focus on social and economic development, to be executed in a specific manner, i.e. by transferring knowledge and experience. The third and fourth criteria demonstrate the programmatic focus on taking into consideration the views of developing countries. The second and fifth criteria provided guidance at a more general level, relating to statutory requirements, such as the country of origin, and the maximum percentage of governmental funding provided per project. These criteria made the implicit programmatic aim more specific and made co-financing NGOs subject to certain determinants, rules and norms that the Ministry of Foreign Affairs could act upon, thereby illustrating a characteristic of programmes of government that ‘the real can be programmed’ (see section 3.3.4). The development of this programme of government was based on the implicit assumption that the Ministry of Foreign Affairs and politicians had knowledge of how co-financing NGOs could be directed towards quality improvement, another key characteristic of programmes of government (see section 3.3.4).
Programmes of government are dependent on more specific mechanisms, i.e. technologies, in order to operationalise the governance of individuals and groups, such as NGOs, in practice (see section 3.3.5). At this early stage in the co-financing of NGOs, the development of such (accountability) technologies proved difficult due to the evident lack of available mechanisms for evaluating the work of development NGOs as well as the absence of explicit programmatic aims.

6.4.3 Lack of available technologies of government

The 1968 evaluation report and subsequent political debates (see section 6.3.1 above) illustrated that there was a lack of available technologies to assist in operationalising the rationale of quality improvement and the implicit programmatic aim outlined above. Two highly limited accountability technologies were, however, implemented in an attempt to address the problem of limited insight and control. These were *annual reporting on executed projects* and the *assessment of project proposals*.

Annual reporting on projects was developed on an ad hoc basis rather than resulting from an explicit attempt to operationalise the programmatic aim of *aligning projects with perceptions of developing countries in order to achieve social and economic development*. It resulted from a request by a politician during discussions on the lack of insight into co-financing NGO activities. The Minister of Development Cooperation agreed to provide an annual overview of executed co-financing projects from 1970 onwards. This annual overview contained information on executed projects and projects under development, such as the country of execution; place of execution; name of the project; short description of the project; responsible co-financing organisations (ICCO, Cordaid or Oxfam Novib); total expenditure on the project; name of the organisations or institution executing the project; and date of signing the project approval (Ministerie van Buitenlandse Zaken, 1971). The *assessment of project proposals*, according to the five criteria outlined in section 6.4.2, did not operate on a consistent basis since the Ministry was unable to provide information on how assessments were taking place. The ad hoc and minimalistic nature of these technologies was confirmed by political debates wherein politicians consistently complained, as before, that there were no formal mechanisms in place for assessing and directing NGO behaviour and activities.
Hence, during the 1960s and early 1970s the co-financing program was characterised by the absence of substantive accountability technologies, which can be (partly) explained by the perceived absence of available technologies. However, the amount of trust placed in the expertise of NGOs in executing development projects was also a factor. This trust was partly evident in the increased amount of autonomy being granted to the three co-financing NGOs. Moreover, the co-financing program was widely perceived as an ‘efficient’, ‘good and attractive part’ of Dutch development cooperation policy (Tweede Kamer, 1969b, p. 6).

Hence, in order to direct NGO behaviour towards the ideal of quality improvement, the Ministry of Foreign Affairs from the 1960s to the early 1970 mainly relied on the (informal) project appraisal process, annual reporting and regular meetings and dialogue around the content and operational approach of the co-financing program with co-financing NGOs.

6.5 Making programmatic aims more explicit and developing accountability technologies

Programmes of government are seen to be eternally optimistic in that they are always confronted with proposed alternatives which promise to work towards improving the achievement of ideals (see section 3.3.4). This was evident in the governance of NGOs in the co-financing scheme, when discussions between the government and NGOs in the mid-1970s indicated that in-depth insight into and control of co-financing NGOs remained problematic. This led to the development of alternative approaches to directing NGOs towards quality improvement.

A changed perspective on development cooperation, which shifted from an assumed direct link between aid and economic growth which prevailed prior to the 1970s towards a broader view of international development cooperation, influenced the structure of the co-financing program and attention towards issues of NGO accountability increased significantly (Tweede Kamer, 1995). While the ideal of quality improvement remained central in the discourse, the vague programmatic approach adopted in order to work towards this ideal was found wanting. More specific programmatic aims were seen as necessary in order to improve the quality of co-financing NGOs’ work:
A reorientation [of the co-financing program] was deemed necessary in order to increase the effectiveness of private [development] efforts […] and to take into consideration [changed] needs of co-financing organisations. (Tweede Kamer, 1976, p. 50)

A reorientation of procedures, consultation structures and financial aspects, such as more clearly described costs of projects, was deemed necessary to improve the ability of NGOs to ensure good quality development cooperation. As part of this reorientation, the Humanist Institute for Development Cooperation (Hivos)\(^{34}\) was added as a fourth co-financing NGO in 1978 in order to provide funding to ‘humanistic’ based development activities. In addition to adjusted broader political views, NGOs participating in the co-financing program themselves suggested more specific programmatic aims (Tweede Kamer, 1976) during two conferences that took place in 1974 and 1977 in Zandvoort and The Hague respectively.

### 6.5.1 Introducing explicit programmatic aims

During the conference in Zandvoort adjusted funding criteria for the co-financing program were formulated. These effectively introduced two distinct programmatic aims: *formulating clear and realistic projects* and *clearly defining the costs, scope and timeframe of projects*. The first aim required co-financing NGOs to formulate projects which were feasible within a prescribed timeframe and with the resources made available. The second aim required them to clearly define the costs, scope and timeframe of projects. Depending on the nature of the project an ending date for Dutch involvement needed to be defined together with an explanation of how the government in the receiving country or particular organisations would continue activities after NGO interventions. The earlier (implicit) programmatic aim, focused on considering the views of developing countries (see section 6.4.2), was made more specific by requiring NGOs to ensure that projects undertaken were either executed under local (NGO) control or were going to eventually fall under local control (Tweede Kamer, 1976).

These suggested programmatic changes were adopted by the Dutch Ministry and represented a further effort to direct co-financing NGOs’ behaviour by specifying certain priorities in

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\(^{34}\) Hivos is a development NGO which claims to strive for a world where all citizens have equal access to resources and opportunities for development. As with the other co-financing NGOs, Hivos worked together with counterparts (partners) on the ground in developing countries in order to work towards this goal.
projects to be funded. However, in order to realise these aims, the Ministry needed to develop relevant accountability technologies given their relative absence to date.

6.5.2 Introducing enhanced accountability technologies

As part of the programmatic changes suggested during the Zandvoort conference in 1974, the Ministry of Foreign Affairs and the co-financing NGOs agreed upon the introduction of two accountability technologies in addition to annual reporting on executed projects and the assessment of project proposals. These were project evaluations and programme evaluations (Tweede Kamer, 1978).

*Project evaluations* sought to evaluate the quality of projects and were the shared responsibility of co-financing NGOs and their counterparts[^35] - the organisations who implement projects on behalf of NGOs in developing country contexts. While co-financing NGOs and their counterparts cooperated in setting up the evaluation study, the evaluation study itself was executed by external examiners (individuals familiar with evaluation methods) recruited in the specific developing country or region. The main function of project evaluations was, according to the co-financing NGOs, organisational learning rather than accountability towards the Ministry for provided funding. The Minister acknowledged the importance of learning from project evaluations, but emphasised that he was to be involved in developing and discussing the outcomes of the evaluations in order to gain a better insight into co-financing NGO activities. Despite this, in practice, project evaluations often had a forward looking nature, helping co-financing NGOs to improve the quality of their future activities, rather than providing the Minister with a clear evaluation of achieved results.

*Programme evaluations* were introduced as an accountability technology aimed at examining the co-financing program as an ‘instrument of development cooperation’ (Tweede Kamer, 1978, p. 27), providing more in-depth insight into the functioning of the co-financing program as a whole, that would support the Ministry in making adjustments to the program. The focus of these evaluations was on co-financing NGOs’ ‘programmes’, which are combinations of projects (executed by counterparts) with a similar focus, such as being

[^35]: It is important to note that, while projects are funded by co-financing NGOs, the counterparts of co-financing organisations are responsible for the execution of projects at an operational level in developing countries.
executed in the same country, region or sector. For example, programme evaluations focused on ‘the Oxfam Novib programme in Bangladesh’ or on ‘the ICCO programme regarding care for the disabled in Latin America’. Programme evaluations thus involved an assessment of combinations of projects rather than individual projects. The first programme evaluation, effectively operating as ‘pilot’ study, was initiated in 1978. Based on positive experiences with this initial evaluation, programme evaluations became a central accountability technology in the co-financing scheme from 1980 onwards.

**6.6 Chapter summary**

This chapter focused on the emergence of the co-financing program in 1965 and the subsequent construction of a rationale of quality improvement. An evaluation report published in 1968 and subsequent discussions in the House of Representatives indicated that the information on co-financing NGO projects provided to the Ministry was insufficient for providing a clear insight into the significance of projects and their alignment with broader Dutch development policies, and for allowing the Ministry to influence (control) the behavior and activities of co-financing NGOs. In order to address these constructed problems, the Minister and members of the House of Representatives adopted *quality improvement* as a rationale of government, which became the commonly shared objective to which co-financing NGOs should be directed. Due to the absence of models for the evaluation of development cooperation efforts in combination with vagueness surrounding the goals of development cooperation, the rationale of quality improvement was initially linked to an implicit programmatic aim focused on the *alignment of projects with perceptions of developing countries in order to achieve social and economic development*. The absence of models for the evaluation of development cooperation efforts highlighted a lack of available accountability technologies that would facilitate the operationalisation of the rationale of quality improvement and the related (implicit) programmatic aim. The Ministry did, however, mobilise two limited accountability technologies, i.e. *annual reporting on executed projects* and the *assessment of project proposals*, in an attempt to intervene with the constructed problem of insight into and control of co-financing NGOs’ behavior and activities.

A changed perspective on development cooperation that emerged in the early 1970s resulted in the development of more specific programmatic aims in order work towards the, still
central, rationale of quality improvement. *Formulating clear and realistic projects* and *defining the costs, scope and timeframe of projects* were introduced as two explicit programmatic aims. Two enhanced accountability technologies, *i.e.* *project evaluations* and *programme evaluations*, were also mobilised in addition to the existing technologies of annual reporting on executed projects and the project proposal assessments.

From the late 1970s into the early 1980s, politicians started to express concerns about too much concentration of development cooperation within the Dutch government. In order to address this concern, the Minister of Foreign Affairs, in consultation with the co-financing NGOs, proposed an alternative programmatic approach in order to work towards quality improvement. This shift in indicative of what Miller and Rose (1990; Rose and Miller, 1992) see as the eternally optimistic nature of programmes, which suggests that they are always confronted with proposed alternatives which promise to work towards improving the achievement of rationalities. This is explored in the following chapter focusing on shifts in programmatic aims in the 1980s and 1990s.