

Dear Reader

This edition of the CCTS Review is devoted to our recent seminar on 'Funding for Conflict Transformation: Money, Power and Accountability'. It contains the papers on which the seminar was based: the first by Juliet Prager of the Joseph Rowntree Charitable Trust, giving a funder's perspective; the second, starting on page 6, by Bridget Walker of Responding to Conflict, giving the perspective of a grant seeker. These are followed by a report of the seminar itself, starting on page 13. We hope you enjoy it.

Funding Conflict Transformation: Money, Power and Accountability

The Funder's Perspective

a discussion paper by Juliet Prager, Deputy Trust Secretary, the Joseph Rowntree Charitable Trust

As most readers know too well, funding for conflict transformation is limited, fragmented and difficult to define. Consequently, there can't be a general funder's perspective, and as somebody working within a relatively unusual independent grant-making trust, I'm aware of the limitations of trying to reflect on the whole field of funding.

It would be interesting to consider academic research into grant-making in the UK: but there is almost none. The handful of researchers who have looked at independent grant-making trusts acknowledge that data is limited and there is, historically, a lack of transparency¹. I don't know of any research which looks at grant-making more broadly, including for example government and community funders.

What is funding?

Money can come from many sources – from governments, local authorities, private and public businesses, charities and grant-making trusts, via political parties, trades unions and faith groups to individual donations and community events. I have the sense that people needing to raise money generally turn to the methods they know best, and rarely consider what can and should be funded from what source.

If fundraisers did have the time and energy to reflect on where they should get their money, they'd need to be open-minded about the answers to several questions. How much money is needed? By when, and for how long? Which potential funders share the concerns? What restrictions might they impose? What are the likely benefits on both sides?

In this paper I will argue that fundraising can and possibly should be as much about building community as raising money. Auctions of promises or carols-and-mince-pie evenings help to build a sense of belonging and commitment between members and supporters of the PTA or the Nicaragua Solidarity

¹ Vincent, J and Pharoah, C (2000) *Patterns of Independent Grant-Making in the UK: a survey of grants made by independent trusts and foundations* Kent: Charities Aid Foundation

Group. I suggest that this sense of community can also exist in other funding relationships; and that, as in any relationship, there are powers and responsibilities on both sides, which are closely interconnected.

It's worth referring to the issue of where the money comes from, and some of the dilemmas that creates. The funding world can be exciting, creative and empowering; but it can also be uncomfortable. We all know that UK Lottery money comes largely from the poor. Government funds come from taxpayers, who have little control over national budgets. Some people turn to the JRCT for funds on the grounds that a Quaker Trust with an ethical investment policy is a 'cleaner' source of money than others; but JRCT still invests in the stock market, and grants are available only because of an economic system which some people would despise. No funding relationship is straightforward.

Power and funding

What power do funders have? Most obviously, they have something that other people want – money – but the real power lies in what and how they choose to fund. Some of those choices may have been determined by others (for example by a trust deed or a government policy). Other choices are more tactical. Some are made on the basis of extensive research and consideration, while others are subconscious.

To be a funder you have to give money away – which can't be done unless there's something or someone to give it to. While funding can empower people working for change, so those people can empower the funders, giving them at least a *raison d'être*.

In fact, funders often have more than money to share with the people being funded. They may have an overview of the situation. They may have experience, expertise and even specific skills that can be shared with the recipient. They may have some flexibility and the ability to respond quickly to changes. They may have useful contacts, often built up over years of involvement in an area of work.

Personally, I believe that money can be used most effectively when it is used by people with the passion, commitment and capacity to do something. But this view – that the grant relationship should be based on 'power with' rather than 'power over' – is not, and perhaps should not be, shared by all funders. A government department may have to implement a policy, whether or not there are people 'out there' who are keen to make it happen.

For some funders, a sense that nobody is doing the work that needs to be done may lead to becoming 'proactive' or even 'operating' bodies. When funders are proactive, they see a need and then ask people to address it. Some funders combine that approach with a pure grant-making role. The Compagnia di San Paolo, based in Turin, with an education programme and a concern for social justice, gives grants to NGOs; but it has also initiated funding to a state school with a relatively large percentage of refugee pupils. The aim is to make the school desirable, so that other parents are keen to send their children there.

In some cases, funders decide the task can best be done by themselves – for example, the German-based Bertlesmann Foundation spends nearly all its programme funds on employing researchers and campaigners: its mission is *'to perceive problems within society, to help solve them by developing exemplary models with experts from practical and theoretical fields, and to put these models into effect in society'*. It's worth noting that while some independent grant-making seems to be moving in this direction, some governments have been moving in the other direction.

There can be problems with these approaches. When organisations without a rooted perspective develop new work, there is a danger of competing with or even undermining others. But if the aim is to be effective and to promote change in a certain direction, this may not be the primary concern.

I argue that there may be two drivers for funders deciding whether to focus only on grant-making or whether to develop proactive work, or to be an operating body. One is that they have a clear value

base and clear vision: they understand what they want to achieve and how they want to achieve it. The other is that in effect the funder doesn't know what they are doing. It may not be possible from the outside to assess which of these dynamics is in place; but if it is, then fundraisers need to understand it, and to understand the reasons.

Responsible grant-making

It is my experience that independent funders, and some staff members in larger funding bodies, are extremely aware of the need to behave responsibly (you may not agree, and as I'll explore later, that sense of responsibility may be manifested in different ways). Many have been grant-seekers at some time, and appreciate the pressures.

In the UK there are guidelines for funders – published by the Association of Charitable Foundations² and agreed by the Home Office on behalf of central Government. Essentially, they are focused on independent grant-making bodies (but grant seekers might find it helpful to gauge the behaviour of other funders against these guidelines). They largely cover procedural matters. For example, access should be open to all, with funding opportunities publicised in directories, leaflets and the media; timetables and procedures should be published; payment procedures should be clear and appropriate; the use of funds should be monitored in an appropriate way; and it may be helpful to explain to unsuccessful applicants the reasons they have been turned down.

Most of these guidelines, in my view, are uncontroversial. (They are of course unenforceable guidelines, mostly written in conditional language.) But inevitably they are interpreted very differently by grant-making trusts, which are all different and which are usually fiercely independent by nature.

Funders generally want most of their money to be used for grants, which means that their approach must be proportionate. As one example, how widely should a funder publicise the availability of its grants? I argue that there should be no difficulty for any funder in agreeing for its details to be included in one of the grant-making directories (although some would disagree); but if you can only give away £5,000 a year, for work with the elderly in the Borough of Wandsworth, it's not helpful to anyone to advertise in the Yorkshire Post.

As another example, JRCT's experience is that applicants value the opportunity of meeting with some of the Trustees who will be making the final decision. But even within the UK this costs between £150 and £600, plus about six hours of volunteer time, for each application. That may be reasonable when the decision is whether to give away £150,000 – but less reasonable for £1,000. Understandably, smaller funders, particularly those with no staff, avoid that sort of approach. On the other hand, I have heard – anecdotally – that some government departments with enormous budgets lack the level of resources (in terms of staff and expertise) needed to facilitate responsible grant-making.

Sometimes funders have to make decisions which may not be popular with people in the field. At these times, of course it's important to act in a way that takes account of those who will be affected – both the immediate recipients and (if they are different people) the eventual beneficiaries. That may include consulting recipients, explaining changes clearly and giving good notice of changes to individual grants or to funding programmes.

However, even 'responsible' funders generally won't alter decisions once they've been taken. Generally, those decisions will have been taken for reasons that are sound, even if they're not reasons that the applicant would agree with. I acknowledge that, because power is involved, it isn't always easy for the funder or a rejected grant seeker to explain and to understand those reasons, particularly in the shorter term.

² www.acf.org.uk

A constructive relationship between a funder and potential grantees involves honest dialogue between people who are prepared to be open to hearing each other. However, this would require other attributes – sufficient capacity and a longer term commitment on both sides, along with an ability to step back from the immediate issues. Sometimes, funders have to make an investment in these areas, in order to facilitate a genuinely helpful relationship.

The difficult issues

The complexity of power relationships means that there are many difficult issues for funders and grantees. Here, I'm going to highlight a few: how funders are informed; honesty; openness and transparency; evaluation; and models of change.

I believe that funders should work hard to be as well-informed as possible about the context in which we're funding, and relevant issues. That's not always a straightforward task. It's relatively simple to keep abreast of developments through the broader media and through published newsletters: but much of the real news isn't reported there. A good funding relationship involves a lot of information being fed back from the group to the funder. It's harder – sometimes impossible – for funders to find out the inside information from groups they're not funding.

A relationship with responsibilities on both sides also needs trust and honesty from both. Funders who want to be accessible should be clear about what they fund and in what way. But how far should there be some flexibility, allowing for the possibility of funding new and creative initiatives?

It is important for both funders and fundraisers to try to understand what lies behind each other's language. However, there are dangers in trying too hard to fit into a funder's criteria. JRCT receives many applications for projects which have clearly been designed to try to fit into our criteria – even though that's not really what the applicant wants to do. They are almost all a waste of time, especially for the applicant (they generally take less than a minute for funders to assess and put on the 'refusal' pile). It's a much better use of time to explain honestly what you want to do. Creative funders may want to find a way of offering a grant. Non-creative funders won't bother either way.

Funders usually want their money to be effective. A good funder responds positively when a grantee is going through difficulties – for example, we might extend the grant period, pay funds up-front, add a small amount to the grant, provide mediation or technical advice, or just offer moral support – but we can't do that unless the grantee tells us what's really happening.

And what about openness and transparency? The appropriate level of transparency will depend on circumstances, and is more usefully seen as a continuum than a cut-off point. Publicly funded bodies have to be completely open, while the amount of money you choose to give to a beggar can remain private between the two of you.

JRCT has been concerned throughout its 100-year life to improve accountability in public life. We work hard to make our decision-making as open and accessible as possible, and to that end we publish lists of grants; but we retain the right to withhold some details. In the past that might have included not publishing grants made to people facing state oppression under the apartheid regime; or those doing particularly sensitive work in conflict areas.

I know that a major bone of contention between the people doing the work and the people funding them, is evaluation. Increasingly funders feel they have to evaluate, often to the disgruntlement of grant-holders. It's true to say that there is evidence that evaluation is increasingly seen as an important aspect of the process of grant-making³.

³ see for example Carson, E.D. (2000) 'On Foundations and Outcome Evaluation' *Nonprofit and Voluntary Sector Quarterly* vol. 29 no.3 September 2000 pp 479-481

I'm only aware of one set of researchers looking at how funders evaluate. The group found that there was some confusion in the way that evaluations were set up⁴. Perhaps more importantly, although funders may undertake formal evaluations, they are still likely to base decisions on non-formal processes⁵.

In my experience, independent foundations often make good decisions, but they tend to do so informally, based on long-term experience, rather than formally with a rational measurement of indicators based on a short-term evaluation⁶. Without exploring evaluation techniques in depth here, I would argue that it isn't good enough simply to dismiss formal evaluation techniques. However, we all – both the funders and the people doing the work – need to understand evaluation better, and to develop creative approaches that are both relevant and appropriate to the situation.

Another area that we might usefully explore is how far grant-making bodies consider, overtly, how change happens. Again, my own experience that this is not often done consciously⁷. In his book about the impact of US grant-making foundations on the peace movement, Tirman argues that foundations should do more to understand social change. He describes many donors' 'casualness of thinking' about social change, and suggests that '*high-performance philanthropy flows from a grounded theory of how social change occurs*'⁸.

Again, I don't suggest that grant-making foundations are necessarily doing this badly. But there is some evidence that the right-wing has a much more strategic approach to funding, supporting key individuals over long periods⁹. There are efforts to address this amongst progressive funders; but to some extent good grant-making practice – equal opportunities, open access, performance measurement, transparency – can mitigate against this. Unfortunately, so can short-term and politically-focused approaches.

At the same time, I would suggest that this is also a deficit within the broader peace movement. I have seen too many applications from groups and individuals who simply assume that there is one way – theirs – to save the world. What is your model of change? How do you implement it in the complex environment that you're working in? And, how do you explain your approach to funders?

This may bring us back to one of my first points, and help us to understand why some funders are more appropriate than others. Most funders have some value base, which it is worth understanding. Those values will influence not just the issues they fund, but also the sort of organisation they fund and the way that they work. The Community Fund, which raises income from the National Lottery, has to be seen to give out grants in a way which is fair. Consequently, it has strict criteria in relation to equal opportunities and clear guidelines about levels of deprivation, backed up by solid research; and will refuse applications which don't meet the criteria. That 'tick box' approach would be quite inappropriate for the Network for Social Change, which is not publicly accountable and which exists to take collaborative action to fund social change projects.

Another example is the German Marshall Fund of the United States (GMF) which seeks 'to deepen understanding, promote collaboration and stimulate exchange between Americans and Europeans'. At

⁴ Tassie, B, Murray, V, Cutt, J and Bragg, D (1996) 'Rationality and Politics: What Really Goes on When Funders Evaluate the Performance of Fundees?' *Nonprofit and Voluntary Sector Quarterly* vol. 25 no 3 pp 347-365

⁵ Tassie, B, Murray, V and Cutt, J (1998) 'Evaluating Social Service Agencies: Fuzzy Pictures of Organizational Effectiveness' *Voluntas* 9:1 pp 59-79

⁶ Prager, J (2001) 'How Can UK Foundations that Fund Work Seeking to Influence Policy Evaluate the Effectiveness of their Funding Programmes?' (unpublished)

⁷ *ibid*

⁸ Tirman, J (2000) *Making the Money Sing: Private Wealth and Public Power in the Search for Peace*, Maryland, Rowman and Littlefield

⁹ Shuman, Michael H (1998) *Why Do Progressive Foundations Give Too Little to Too Many?*
www.tni.org/archives/shuman/nation.htm

first glance, it might be an ideal source of funding for peace-related transatlantic dialogue. But GMF's website explains that it was set up as a memorial to the Marshall Plan, which saw the US as having a pivotal and leading role in 'the return of normal economic health to the world'. If GMF's values are the same as yours, or if you can express yours in a way that GMF will understand and find relevant, then I'd suggest that you have a better chance of getting a grant from it.

Back to the beginning

Money is a difficult issue that shapes all of our lives but which we rarely discuss. (According to one Quaker who researched attitudes to money, even people brought up within the same family may have different perceptions about whether they are wealthy or poor¹⁰.) How many of us talk openly about our income or our spending choices beyond our closest friends and family? How many self-employed people actually charge a reasonable amount for their work? And what's reasonable anyway?

It isn't easy to ask for money; and giving money away responsibly can be incredibly complex. I would encourage anyone involved in that process, in any role, to think carefully about what it looks like from the other side. When money, people's livelihoods, ideas and actions are at stake, it can be extremely difficult to be objective about this. Like any work for peace, the process involves listening, hearing, and being ready to change our views and our actions.

A Grant-Seeker's Perspective

a discussion paper by Bridget Walker, Responding to Conflict

Introduction

This paper presents a personal view drawn from my experience at Responding to Conflict (RTC) and with RTC's partners around the world, in seeking and accounting for funding for work on conflict transformation. I shall also draw on my experience in the field of international development, as I feel that there are commonalities in the current funding trends, and in some of the key questions which arise. These include issues of donor conditionality, the impact of policy change in funding support, the growing trend towards a managerial approach, the challenges of assessing the impact of conflict transformation work and questions of accountability to stakeholders. I shall conclude by looking at the support that is needed for work on conflict transformation and consider some models for funding partnerships.

The funding relationship: some dilemmas

'There is some scepticism with the organisation, not least from the trustees, as to the ultimate benefits that derive from this type of work. This was reflected in a recent assessment of the proposal for capacity building support. A recommendation has been made to the trustees to reject the majority of this application and instead fund a comprehensive evaluation of the organisation's impact. The outcome of that evaluation will be important for future funding decisions.'

The above is an extract from a letter sent some months ago by a UK funding agency to a long standing NGO partner based in the UK. It concerned support for an international network with a mandate for peace building and conflict transformation. The questions raised illustrate a number of

¹⁰ Levin, J (2000) *Is Your Money Working for the World?* JRCT

dilemmas for many of us involved with conflict transformation, whether we are responsible for making grants or for seeking funding either for our own work or that of our international partners.

Conflict transformation is not an exact field of endeavour. It does not fit the 'boxes' of development and humanitarian assistance, which are the categories most familiar to government and the larger INGOs. It is complex, sensitive and long term. It involves intervening in social processes where there are many actors, in a rapidly changing and often highly charged environment over which we have limited control. The ultimate benefits are unlikely to be evident within the three year life of most funding grants. So trustees of funding bodies, unfamiliar with this work, and under pressure to demonstrate accountability for public money through showcasing clear and positive achievements, become sceptical when these seem not to be forthcoming. They request evidence of impact.

In the case quoted above this scepticism extends not just to the work but also to the organisation carrying it out. For the bodies working with conflict may themselves not fit the usual categories. Networks, in particular, lack the familiar structure of lines of management and communication and the costs may appear to outweigh the benefits. Yet in the field of social development, networks have been shown to be particularly suited to bringing about change, operating as they can at many levels and with a range of actors. (Williams 2003). The primary focus for networks is not on rapid visible results but rather on building relationships, encouraging engagement, making connections, fostering learning, exchanging knowledge and experience and changing policy and practice. This involves many small, less visible processes, taking place, at many levels, with different players and extending over a period of time. Networks can provide space for experimentation and innovation. In the field of conflict transformation this also means room for risk taking and for being prepared to make mistakes.

Finally, if the activities of conflict transformation are unclear, capacity building to carry them out may also seem nebulous. The funder needs evidence that learning has been translated into practical action and the benefits measured. This raises questions about impact assessment. We need to be able to track change, to see what is happening and to whom. We need to know if our work is making a difference, what difference that might be, with what effect or benefit and for whom. Who gains and who, perhaps, loses? Whose impact is it and who decides? There is no easy way of doing this and the challenges of assessing the impact of conflict transformation work will be discussed later in this paper.

For the body seeking support there is a different set of concerns, of which capacity to do the work in hand and the financial means to support it are ever present and pressing. The organisations and networks established to work on conflict transformation and peace building are generally relatively small, overextended and under-resourced. They are responsive, with a culture of activism; time for reflection and reporting may feel like a luxury in turbulent situations. Resources are diverted into working on funding applications and other activities may have to be put on hold if there is a hiatus in financial support. The conditionality of an evaluation may lead the organisation to feel under judgement, and therefore less open to acknowledging weakness and shortcomings for fear of the financial implications. The potential for mutual learning is endangered by what is perceived to be an imbalance of power on the one side and accountability on the other.

The politics of funding conflict transformation

When RTC was founded in 1991 conflict transformation was little known or understood and relatively hard to fund. Now in the post September 11th world conflict has become popular with institutional donors and substantial funding has become available. On closer examination it would appear that this is often targeted towards activities that can be seen as linked to an international security agenda. This presents a dilemma for small organisations seeking financial support for an agenda of social change through conflict transformation. The debate about whether it is possible to accept funds from institutional sources and maintain independence is not a new one. Many of the larger INGOs have policies which limit such funding to a percentage of total income. In the specific circumstances of humanitarian assistance in Afghanistan and Iraq, Oxfam International and Médecins sans Frontières (MSF) have decided that they will not accept funding from governments active in the conflict ie the

UK and the US. It may be easier for organisations with multi-million pound budgets to ride out the funding gap this could leave. For smaller NGOs and overextended networks, questions of funding are often also matters of survival. In the Middle East, funding support that previously had few strings attached, now comes with explicit political conditions. One institutional donor includes, in an annexe to the funding contract, a list of what it regards as terrorist organisations. It is a condition of grant that recipient organisations, project beneficiaries and their families should not have links with these organisations. In addition, all those bodies receiving funds must receive clearance by the donor, a process which involves taking details not only of staff members but also their families. Thus official aid is part of the armoury of intelligence gathering for the 'war against terror'. This view of the world cannot comprehend the concept of state terrorism, which is a concern to groups working for peace in many places. It also does not take account of the need to work with all actors, including the 'spoilers' at some stages and in some approaches to conflict transformation.

It is no surprise that government funding is made within the framework of a government's foreign policy goals. However, where governments lead the way others may follow, and there are indications that other major, non-governmental funders in the Middle East, (such as the Ford foundation) are setting similar conditions. There are serious implications for the NGO sector. One network, we know, which will not accept funding on these terms, may have to curtail its activities and make staff redundant.

In the UK the establishment of the Global Conflict Prevention Pool was designed to produce joined up thinking on conflict issues by the Department for International Development, the Foreign Office, and the Ministry of Defence. It would seem however that in the attempt to combine the perspectives of development, security and foreign policy the security agenda has predominated. The Pool has been under criticism for funding the purchase of military planes for the Government of Nepal¹ but the voices challenging a defence led approach, and offering alternative ways of understanding and addressing conflict seem muted.

New managerialism: new models of accountability

Just as the current international security agenda is influencing the funding environment, so too the domestic agenda of public sector reform has had an impact on the relationship between funding agencies and their programme partners. Throughout the public sector there is now a concern with demonstrating achievement, measuring performance, setting and meeting targets. Every level of activity has standards and certification. This trend affects the voluntary sector as well as government, international programmes as well as domestic agendas.

This links with the significant expansion of the NGO sector over the past thirty years, as it became a channel for more resources in the 'privatisation' of aid agenda. (Wallace, 2003). Many INGOs grew, in staff numbers,² in areas of outreach and themes of concern. Size and complexity affect the way an organisation can and does work. There was a need for internal organisational change to address issues of focus and procedure. In a process that has mirrored developments in the public sector, people from the business world were invited on to NGO trustee boards or joined NGOs as senior managers, bringing with them new skills and viewpoints. New procedures were introduced with the aim of making NGOs more efficient, effective and professional.

It can be argued that a management model designed for the commercial sector (and the military) is ill adapted to serve the needs of those engaged in social development in general and transformative work on conflict in particular, where processes are as important as products, and change happens at many levels and in many different ways. The managerial approach adopted by many agencies poses

¹ See *Guardian*, 23 January 2004 'Peace Fund used to buy military planes' by David Hencke

² The agency where I worked in the 1970s had a total staff of 120 at that time. They were all based in the UK. In 2004 there are 350 staff in the London HQ and many more in offices around the world

significant questions about power and accountability: who sets the agenda, who decides that an intervention is successful and on what criteria? How is accountability provided, not only vertically, to the funder but also horizontally to the wide range of stakeholders at their different levels? What space is there for experimentation and risk taking, when measurable impact has to be demonstrated within a three year period? How are unanticipated consequences regarded, and what is the approach to failure?

One curious feature of this trend to managerialism is that the funding bodies which espouse this approach, requiring detailed mechanisms for planning, monitoring, evaluation and reporting from their grant holders, are also often very reluctant to fund the management and administrative costs which this entails. Core costs have never been popular with funders, but it is a particularly ironic contradiction when management is regarded as essential but unfundable.

Another aspect of the managerial approach in the NGO sector has been an apparently endless cycle of organisational restructuring within the larger INGOs. This has an impact not only within the INGO concerned but also on relationships with programme partners. There is a rapid turnover of staff in the funding body, who are either redeployed in a different position in the new structure or move on to another organisation. This may be a further reason for the demand from the funding body for written documentation, with increasing emphasis on data collection and quantitative evidence, so that information is retained when people are transferred. Yet to the programme partner it often seems that knowledge of their work is patchy and the institutional memory of the donor fragmentary. In the three year life of a grant received from an institutional donor, RTC had 6 different grants officers. In another case there have been four different grants officers in as many years. This militates against building a meaningful relationship in which it might be possible to have an open discussion of some of the issues mentioned above.

Another factor is the workload faced by grants officers in many funding agencies. In one instance the agency has doubled its portfolio of grants while keeping the same staff establishment. This means that staff are frequently overextended, and simply do not have the time for meetings with their programme partners. The solution being proposed by some large funders is to reduce the number of grants to different organisations, to select key themes, and a few major spending partners and concentrate funding on them. This is intended to relieve pressure on the funder, to reduce what one donor has called 'too many transactions' to improve the quality of relationship and response and make space for organisational learning. It is not clear how the needs of the smaller organisations – and most conflict transformation practitioners fall into this category – will be addressed. For us too, there is a problem of proportionality. We must supply the same degree of detail, and thus spend the same amount of energy on a funding application for £15,000 or £150,000. Clearly the 'one size fits all' approach is not satisfactory. The solution suggested by one donor – to apply elsewhere – avoids the issue.

Terminology and mutual incomprehension

We have seen how difficult it can be to establish meaningful connections between the body making the grant and the recipient. There is also a dissonance in the language used. The vocabulary of management is different from the language of social change. It may appear to be neutral, objective, depoliticised, but it is a foreign tongue to many practitioners, articulating alien thought processes and masking uncomfortable and inequitable power relations. Many peace practitioners use story and anecdote to describe impacts. Their assessment is subjective and personal. Members of the ACTION³ network have described the benefits in terms of the sense of solidarity and support they have received in what are often lonely and potentially life-threatening circumstances. RTC is currently working with partners in a programme entitled 'Transforming the discourse of violence and despair'. This is not rhetoric, but a real need. A key point to emerge from a series of learning workshops held with

³ACTION for Conflict Transformation is a global network with a support centre in Johannesburg, South Africa and an Asia office in Phnom Penh, Cambodia

grassroots communities in Africa was that building peace requires commitment, and courage and a willingness to challenge government or other powerful interests. In a workshop on conflict impact assessment members of the ACTION network (ACTION 2002) spoke of the moral dilemma of telling it how it is, when there is pressure from funders to demonstrate rapid and positive results. It is hard to maintain commitment in the long term when there are no immediate results, and often unrealistic to expect immediate results. These unrealistic expectations can undermine the hope that sustains so many peace practitioners in the face of ongoing and intractable conflict.

These management tools and frameworks do not readily accommodate the dynamism of transformative change. An example: a project changed considerably in the course of its development, these changes were discussed with the funder, and recorded in the written reports. The framework of purpose and objectives was amended. When the time came for external evaluation, however, the evaluator felt that the evaluation exercise must use the original rather than the amended framework. Not surprisingly the project did not come out well.

Failure – dangers and opportunities

There is strong pressure not to fail. Admitting failure is an expensive business as the Coalition for Peace in Africa (COPA) has learned to its cost. Serious problems five years ago led to the closure of the secretariat, a wounded membership and the sowing of doubt in the minds of donors. A clean up operation was instituted in 2000, the organisation was relaunched with checks and balances in place, and now has a vibrant programme running well regarded conflict transformation courses and programmes. But within the donor community reference continues to be made to the mistakes of the past, these cast a long shadow and there is a sense that the organisation is on permanent probation. Yet in the field of conflict transformation, as indeed in every human endeavour, mistakes are inevitable. For funders and practitioners alike there needs to be a means of acknowledging these and, if necessary, in the words of COPA, ‘cleaning up’. When failure is acknowledged and treated as an opportunity for learning, it can be transformed, as in the case of COPA, into growth and success. For this to happen, however, relationships need to be based on mutual respect and trust.

However, if failure is dangerous, success does not necessarily guarantee continued support. Funding decisions are made in the context of donor policies and these are subject to change. A conflict network which emerged well from an external evaluation, nevertheless did not subsequently receive support and then made the decision to close down. A combination of factors led to this decision, but these included external changes in the political context and funding environment, which were linked with internal capacity and resources to raise the required funds (Spearing 2004).

Doing good is not enough –the challenge of impact assessment

‘And if you cannot measure results, if you cannot show what you’ve done, other partners will be found. Why is that? Doing good is not enough. We have to show what kind of good we’re doing, in which sectors, in which communities, and whether the good has bad consequences, or bad side effects, that no one anticipated’ USAID, 2003 quoted in ODI (HPG Report 17, June 2004)

Earlier in this paper I mentioned the emphasis that is now given to impact assessment and the challenges that this presents to conflict practitioners. There are several issues to consider. At the ACTION workshop participants discussed a number of issues and dilemmas. Attribution is a challenge in many social processes where there are multiple actors and external influences. The less tangible aspects of these processes, like attitudinal change, are key to the eventual outcomes but hard to measure. There will be unanticipated results and their impact, whether positive or negative, needs to be acknowledged. Impact assessment should not be regarded as an external event but rather as an ongoing, dynamic and non-linear process involving all stakeholders. These are all issues which have been of concern to development practitioners, and much of the literature and work on impact assessment has come from the development field. There is a need to develop appropriate ways of

addressing impact assessment in situations of conflict. There are insights from the field of humanitarian assistance. In a recent research report (ODI 2004) the Humanitarian Policy Group (HPG) suggests that while the concept of positive change is integral to definitions of impact in the development field, in humanitarian aid the aim is often to avert negative change. This is difficult to assess directly. Conflict transformation looks at both the positive peace impact and the negative violence impact. Tools specifically designed for evaluation of conflict work include those developed by the Nairobi Peace Initiative (NPI) and the work of Kenneth Bush in Canada (Bush 2003) on peace and conflict impact indicators. The Collaborative for Development Action, Inc (CDA) programme of Reflecting on Peace Practice, (www.cdainc.com) drawing on a wide range of case studies, concluded that it is not possible to have generic indicators for peace work as these need to be context and time specific. However generic criteria for effectiveness can be developed which show the connection between activities, often conducted on a small scale, in a given area, and progress on peace writ large. These criteria can be applied across a broad range of types of effort and context.

Reviewing the impact of our work is necessary for present learning and future action. Gathering and presenting the findings in a way that meets the needs of funders is time-consuming and labour intensive. There are moral dilemmas. As we have seen above, there is a temptation to tell only of success, to bend the truth since the funding environment appears to punish failure. In the face of changes in funding policies, there is a temptation to package the programme in a way that will attract funders. It is also a growth industry. The advertisement sections of the Wednesday Guardian and the news bulletins from BOND list many fundraising and reporting positions.

Dilemmas of accountability

Accountability covers a range of relationships. Many INGOs both make grants and seek funding, and face dilemmas around their accountability to sources of support, whether from institutional donors or the general public. RTC has sometimes had a dual role, seeking funds and making them available to partners. I would like to describe one particular experience which has been an important source of learning.

Following an international consultation with former alumni of its courses RTC decided five years ago to seek funds for a three year capacity building project and invited 30 participants from around the world to take part. It became evident at the first gathering of this group that participants wanted something more durable than a three year project. The ground work was laid for the establishment of a global network of conflict transformation practitioners. The original purpose of the programme had not changed but the proposed activities and anticipated outcomes had, and RTC was in the position of trying to meet the needs of both the grant making body and the developing network. At the second gathering of the group RTC felt it was important to provide information about our funding base, and the sources from which we derived our income, in order to address doubts and suspicions which had arisen, and to demonstrate constraints we faced in our accountability for the project grant. Among other things, we explained that a proportion of the project budget was committed to meet some of RTC's management and administration costs. This was deeply shocking to many participants, who saw this as RTC taking money rightly belonging to the network they were beginning to establish. There was a struggle over ownership and a lot of pain and mistrust.

Some of the difficulties can be attributed to funding policies. In the first place, few funders will contribute to core costs, so it becomes normal practice to write in a percentage in a project application. It was salutary for RTC to realise that this did not feel normal to those with little experience of how the donor community works. Secondly, RTC had received a very much smaller amount than that requested in the application. The management costs were needed to keep RTC going, but were a much larger proportion of the overall total than would have been the case had the full amount been approved. In this instance it was not lack of funds which were responsible for the shortfall. Indeed, ironically, the funder subsequently informed us that our grant requests were too small for them to handle in future. Experience suggests that it has become almost a matter of policy for funders not to

give the total amount requested. This leads to the temptation to inflate a funding application, so honesty is lost at the very start.

There are several lessons to be learned from this experience. There needs to be room for dynamic growth and change. RTC struggled to work with a changing agenda, supporting the development of the network, while trying to have a dialogue with a funder which did not have the capacity to be responsive and flexible. Reflecting on the experience RTC realised that grant holding for partners affects and can compromise a precious relationship. Our mandate is to undertake training and capacity building, support and accompaniment, and this sits uneasily with the role of administering or, from our partners' perspective, policing the funding of their work. The strategic decision was made not to undertake further grant holding for partner networks when current commitments came to an end. This was not to abandon the pursuit of funding support which needs to be channelled through UK based charities. RTC held discussions with another UK based NGO, which has skills in organisational development and is able to offer a package of support, including grant holding, provision of development workers and places on its leadership training courses. RTC support continues through capacity building courses and accompaniment. This tripartite model may be a useful model to consider in examining the support that is needed for conflict transformation organisations in the global south.

Models of support

There has been a lot of critique in this paper about the dominant experience of funding relationships, and this trend gives cause for concern. But there are other models which continue to offer an alternative. The grant making trusts tend to have a different approach. Some, like the Quaker trusts, have a specific mandate to address peace and conflict and have an institutional understanding that has been built over many years. They offer both flexibility and continuity. They also offer the opportunity of building a relationship, not only over time but through face to face encounters with trustees. When such a relationship has been established, the basis on which decisions are made is very different. The organisation has built a track record which is known and understood by the funder. There is space for experimentation and risk taking. This positive feature of sticking with key individuals and known organisations can, however, be problematic for those outside these funding networks and seeking to find an entry point. Some of the grant making trusts can seem impenetrable, and some will not accept unsolicited applications. A further problem has arisen recently with the weakness of the stock market, which has also meant that there is less money available from these sources. Nevertheless, the grant making trusts remain a lifeline for many organisations in the conflict transformation field.

A new model of support is that of the Global Green Grants fund, which draws on volunteer advisers round the world linked in a network of regional and global advisory boards. Peacedirect is exploring new models of relationship and support through north south link groups and the building of a supporter base in the UK.

All these offer alternative models for funding and accountability which are more transparent and reciprocal.

Conclusion

Conflict transformation needs support that is based on shared values and commitment, a long term view, readiness to be flexible, to be open to change, to innovation, to risk. Those involved in the funding relationship need to be transparent, open to examination, accountable. There needs to be a relationship of mutual respect, to build trust and understanding. This seems to run counter to current trends. Many funding relationships are becoming increasingly asymmetrical. The current approaches of the mainstream funders, designed to produce evidence of achievement, have been found to constrain rather than to enable. There is a real danger here. Some of the most effective conflict transformation work has been unseen and unsung. It is increasingly difficult to obtain support for such work. There is frustration and a fear that in the future it may diminish entirely.

References

- ACTION for Conflict Transformation (2002) Unpublished paper on Impact Assessment
- ACTION (2003): *Transforming Conflict: Reflections of Practitioners Worldwide*, Phnom Penh 2003
- Bush, Kenneth (2003) 'Hands-on PCIA, Federation of Canadian Municipalities' – quoted in unpublished evaluation report of COPA, Williams and Thomas (2004)
- Spearing, Michelle (2004) *Legacy and Learning Report*, CODEP 2004, available from peacedirect (see www.peacedirect.org)
- Collaborative for Development Action, Inc. (CDA): www.cdainc.com
- Department for International Development (DfID): (2003) 'The Global Conflict Prevention Pool: A joint UK Government approach to reducing conflict'
- Global Greengrants Fund: www.greengrants.org
- ODI (2004): 'Measuring the Impact of Humanitarian Aid', Humanitarian Policy Group Report No 17, June 2004
- Peace Direct: www.peacedirect.org
- Van Deventer, Fulco (2003) 'Understanding Networks'
- Wallace, Tina 'Development Management and the aid chain: the case of NGOs' in Oxfam Development in Practice reader *Development and Management: Experiences in Value based conflict* ed. Deborah Eade, Tom Hewitt and Hazel Johnson, January 2000
- Wallace, T and Chapman, J (2003) 'Some realities behind the rhetoric of downward accountability', Working Paper presented at the 5th INTRAC Evaluation Conference
- Williams, Sue (August 2003) 'Thoughts on Networks in Conflict Prevention'

Funding for Conflict Transformation: Money, Power and Accountability

Seminar report

Report of a seminar held on Friday 8th October 2004 at The Meeting Place, Drummond Street, London NW1

This seminar, organised by the Committee for Conflict Transformation Support (CCTS), was attended by 21 people and facilitated by Alan Pleydell and Michael Randle. The seminar began with brief presentations from two speakers: Juliet Prager from the Joseph Rowntree Charitable Trust (JRCT) and Bridget Walker from Responding to Conflict (RTC). [Papers by the two speakers had been circulated in advance, and are reproduced above.]

A funder's perspective

In her presentation, Juliet Prager spent some time encouraging funding applicants to 'know your funder'. Funders are all different, so it is important to know what approach a particular funder prefers, and to behave accordingly, if you want to maximise your chances of success. Some funders respond well to polished presentations, which they expect to be tailored to dovetail with their interests; others (and JRCT is

one such) prefer a more straightforward explanation of the applicant's objectives.

To illustrate this point, Juliet described a funding application to JRCT that, initially, didn't go down too well – a slick video presentation from a smartly-suited young American with an expensive laptop computer. During the meeting, Juliet remembered having heard about the work of his organisation in Africa: how, with very limited money, they had arranged a successful sports tournament for children in a poor and conflict-ridden community. When the chairs that had been hired for the audience were stolen

overnight, the organisation faced a huge (and unpayable) bill to replace them. It transpired that the people who were supposed to be guarding the chairs had sold them piecemeal to households in the local area. The organisers went door to door, explaining what had happened, and managed to recover all the chairs at no financial cost. The young man was initially embarrassed to be reminded of this incident, but it impressed JRCT much more than the slick presentation had done.

Funders also differ in how they routinely get to know applicants. For some, formal relationship-building events (wining and dining) are the norm, while others prefer to get to know applicants in less formal ways. In either case it is important to know how the funding organisation makes its decisions, and where key responsibilities lie. In JRCT, for example, the trustees are the sole decision-makers; in other organisations, workers' recommendations hold more sway.

Clearly, applicants need to know what types of work interest a particular funder, and what their funding criteria are, or they are likely to waste time and effort making unsuitable applications. JRCT attempts to be as open as possible about their criteria, and to publicise who they are funding (though in some sensitive cases such openness may not be appropriate). It is also important to understand, and have some compatibility with, the funder's value base. For example, although JRCT funds non-Quakers, it is unlikely to fund a strongly right-wing organisation, or one that discriminates against minority groups.

Juliet stressed the importance, once an application for funding has been granted, for regular contact and information exchange with the funding organisation. They need to be well informed about progress, problems or changes in the work they are funding. It can be hard for a grantee to talk about problems, for fear of being judged and found lacking. However, Juliet argued that funders are more likely to stay engaged if they are kept in the picture, and can generally make allowances when problems arise in order to increase the likelihood that their spending is effective.

Funders are also dependent on their grantees to keep them up-to-date with developments in the broader social and political context in which they are working. Juliet explained that funders find it harder, often impossible, to find out what is going on from organisations they *don't* fund - and misunderstandings can easily occur. She recalled

a conversation in which she had expressed a casual interest in the use of IT in Scotland as a tool for tackling poverty and economic justice. Two weeks later she received a funding application for IT in Scotland!

Although social change can take place rapidly, it more often happens slowly, so that a significant change takes a long time. This needs to be recognised by funders and applicants alike: applications should not attempt to promise more than they can deliver in the short-term, and funders need to be willing to commit suitable long-term funding for strategic change projects.

Although the relationship between funders and applicants is not an equal one, in Juliet's view there is a mutual dependency. Honesty and openness on both sides, and the willingness to be flexible, can help to make the relationship successful.

A grant-seeker's perspective

Bridget Walker began by reminding the audience that conflict transformation is not well understood outside the expert group – and suggested that, as a group, we are not very good at explaining ourselves to outsiders. She recalled a supporter saying to her: 'You [conflict transformation practitioners] have the reputation for being fluffy – but I know that you are rigorous'. In her view rigour and 'fluffiness' [a softer, more empathetic approach] are not opposites – and both are valuable.

Funders who are used to supporting fixed-term projects often find both the long-term nature of conflict transformation and the complexity of the relationships typically involved in such work hard to deal with. RTC, for example, runs courses and undertakes consultancy as well as being involved in conflict transformation work, both alone and in relationships with many external groups and projects internationally. It sometimes finds itself in the role of both grantee and funder where it is taking a lead role in raising money for collaborative projects.

Bridget looked briefly at the factors that influence how funders allocate grants, pointing out that donor policies tend to change over time, influenced by the local political and economic climate. World events focus attention on different countries and cause funders' priorities to change. And new initiatives such as the millennium

development goals also require cases to be re-presented to fit the new agenda. The 'war against terror' has prompted governments in particular to release a lot of new money for peace-building initiatives, although its use is often constrained by conditions that fail to recognise how conflict transformation is done - for example by proscribing any work with rebel groups, especially if they have ever borne arms.

Another major change affecting funding is what Bridget calls the 'new managerialism' – an increasing focus on measurement, strategic planning, logical framework analysis and information gathering. Bridget expressed the fear that, rather than being seen as the useful tools that they undoubtedly are, these mechanisms are increasingly governing funding, leaving no room for flexibility or responsiveness to changing circumstances. 'Management' words such as aim, objective, indicator, output and impact are pushing aside the more subjective but nevertheless essential vocabulary of social change – words like hope, despair, courage, suspicion, trust and struggle. In the words of Edward Said, this displacement tends '... to divide, deploy, schematise, tabulate, index and record everything in sight (and out of sight) ... and above all to transmute living reality into the stuff of texts ...'.¹

There is a danger, too, that information gathering can become an objective in itself, and a fear that although reports are *required* by funders, they will not necessarily be given the attention that they deserve, or that would justify the effort that has been put into writing them. Similarly impact assessment – which should be a supportive enquiry into whether and how the project is making a difference (who benefits and loses, what would be the effect of failure and what can be done to mitigate against it) – can become instead a search for weaknesses. Under such scrutiny, admitting failure can be doubly difficult – risking disapproval as well as jeopardising future funding.

Nevertheless, mistakes are inevitable, and can be learned from and translated into growth and success in an environment of trust and respect.

¹ Edward Said, *Orientalism*, 1978, quoted in Tom Paulin, 'Writing to the Moment', *Guardian Review* 25 September 2004

Bridget explored some models of support that would be more likely to engender such an environment. These include:

- *shared vision and values* – more likely to be found with grant making trusts, such as Quaker organisations, than with Government funders;
- *long term relationships* – building mutual understanding between funder and grantee;
- *continuity of staffing* – this assists in relationship-building but is hard to attain, with staff moves and restructuring common in both charities and government agencies;
- *flexibility when circumstances change* – also assisted by continuity;
- *honesty* – difficult without trust;
- *accountability* – not just financially but in terms of the underlying objectives;
- *learning* – not only individually but as an organisation.

The presentations were followed by a brief interlude of discussion in small 'buzz groups' and a plenary discussion session. In the afternoon discussion continued in three groups (two of them led by one of the speakers, the third by Kate Cargin, who is responsible for fundraising at Friends House), and concluded with a report-back plenary session. Plenary and group discussions are summarised together below:

Issues of measurement

Several participants felt that the increased focus on the definition and measurement of success criteria was making it harder to get funding for Conflict Transformation, particularly from Government (and other, similarly bureaucratic) funding agencies, because of the difficulty of predicting outcomes when working in volatile conflict areas.

The long-term nature of most conflict transformation work also creates problems, especially given the short-term nature of most funding. The results of our work may be visible too late to ensure continued funding. For example, one participant talked about some training and capacity-building of local NGOs in Afghanistan. The work was funded for two years, at the end of which there was little visible

evidence of impact, and the funding was not renewed. The local NGOs felt considerably let down, trust was eroded and scepticism engendered. Looking back some years later, it was possible to see that the work had indeed been successful, because the people involved in the training had become very influential for peace.

On the other hand, the requirement to account for the money allocated, and to show that it was well spent, was seen to be completely understandable. Several people stressed the need, therefore, to find some way of demonstrating intermediate steps towards the long-term objective. Having a funder who is well-informed about the work you are doing, and who has recognised the likely timescales, is clearly helpful here.

Several participants commented on the difficulty of finding adequate 'hard' criteria for assessing the achievements of conflict transformation work. If, for example, your objective is to improve relations between two groups, it is not clear what you can measure to adequately reflect progress. It is important to be able to show not just that positive change has occurred, but that negative change has not.

Opinions were mixed about the receptiveness of funders to subjective assessments of success. In one participant's view, effective evaluation is founded in effective initial assessment and planning - which then informs the way in which the entire project is implemented and monitored. With the correct groundwork, he was sure that soft targets *could* be included in this. Another participant agreed that if the problems of measurement were openly discussed at the time of the funding application, a way forward could be agreed. Others had found funders less and less prepared to consider 'soft' targets.

One funder suggested that some of the difficulty could be said to be with the fundraisers, who sometimes have 'impossibly high goals'. In their view, more realistic criteria for success are needed.

It was suggested that the 'new managerialism' among funders may lead to an insistence on measurable forms of accountability and achievement at the cost of reflecting reality in complex, ambiguous and delicate scenarios. The need to measure can 'take over' from the real objectives of a project, so that you end up measuring activity rather than outputs. One

example given was that of an inner city regeneration project. You can count how many people you train and who gain employment as a result, but if those people then move out of the area you will have a falsely positive assessment of what has been achieved by way of regeneration. [On the other hand, there is a net gain, because those people *have* benefited from the training.]

Many of those present felt that some things were very difficult, if not impossible to measure but nevertheless were valuable. In their view, while rigorous measurement gives an essential framework, it is not enough by itself: the softer, more intuitive evaluation is also needed, and is often fundamental to a project's success. Bridget argued that there should still be room for faith and for hope (which she described as a 'revolutionary duty'²). It may be hard to find evidence for Margaret Mead's dictum that 'a small group of thoughtful, committed citizens can change the world' but we need to believe that it is so. Others backed her up, arguing that people are in general too fatalistic: the combined actions of each one of us determine the future.

One person commented that reporting back to funders is often more effective face-to-face than on paper: quicker for the funder to assimilate as well as strengthening the relationship. It is particularly unfortunate, therefore, that one side effect of the growing role of management is that it becomes harder to speak to people, even by phone (they are too busy in meetings, one participant supposed).

The unequal relationship

There was some discussion about the relationship between funders and fundraisers: does the funder always hold all the power or is there potential equality?

Although it was generally agreed that the relationship was inevitably unequal, there was little argument with the fact that some funders are much better than others at valuing the organisations that they fund. JRCT (and other funding bodies represented at the meeting) do manage to have relationships with applicants that are mutually respectful and helpful as well as

² after Che Guevara

rigorous. (One participant said that JRCT in particular had 'spoiled' him for other funders by raising his expectations of honesty and openness to a level that other funders did not live up to!)

It was disappointing that the more demanding funders were not present at the seminar. One participant questioned what this said about their attitude to peace. The pessimists assumed that there was little or no interest; but there were also optimists who suggested that their non-attendance might indicate that these funders were too busy working for peace to be able to attend. Unfortunately, Government funders were perceived to be in this troublesome category by a number of participants. One participant complained that DfID frequently rearranged or cancelled meetings at short notice; another spoke of a project having had 6 or 7 different DfID grant officers in three years.

One person suggested that much business-based funding is narrow-minded and egotistical – with the funders frequently requiring their name to appear on all project materials. But at least one participant felt that this attitude was pejorative. One should not *expect* ego and dishonesty; on the contrary, business funders may bring with them a refreshingly different view of the world.

It was recognised that there can be relationship problems even *between* funders. The GCPF, for example, is a partnership of three UK government departments (MoD, FO and DfID) with widely differing attitudes and approaches.

It was felt that applicants don't always realise or fully utilise funders' expertise: they may have more than money to give. Their expertise is unlikely to be exploited unless both funders and funded put work into the relationship throughout the life of the project. The best chance of synergy is when there is a settled, long-term relationship that spans a number of projects, though it was recognised that such relationships present problems for new players, and can mitigate against novel approaches.

In any case, it is worth remembering that the power is not all one way. Funders need practitioners in order to realise their objectives

Covering the costs of core activities

While it was accepted that effort spent formulating, discussing, explaining and justifying a

proposed project is generally well-spent, making the resulting work more systematic and better thought out, such effort is not often acknowledged by funders, and is seldom allowed for in grants.

Indeed, most participants experienced difficulties in getting funding for the whole range of core activities, including project administration, fund-raising itself (which could be regarded as a key project activity, involving educating funders and public), information gathering and reporting (especially as the demands for detailed reporting increase). The burden on small organisations is particularly acute. One participant recalled that Comic Relief does sometimes make an allowance in the budget for reporting, but this is rare.

The more bureaucratic Western funders become, the more hands money generally has to pass through before it reaches the end-recipient; this, too, increases the administrative overhead, and in a way that is difficult to cover. The Global Green Grants fund, mentioned in Bridget's paper, goes some way to addressing this problem, by linking projects with large funders through a network of regional advisors.

Travel, too, can be difficult to get funding for. It was suggested that the Internet has, to some extent, brought people closer together globally, replacing the need for travel. But others felt that there was no substitute for the support and solidarity that could be gained by providing a safe physical environment in which people can meet and discuss the awful circumstances that they suffer at home. Some felt that, because the Internet was a tool of the rich, it provided yet another means of disadvantaging the poor. But one participant had the opposite experience, and described how Jubilee 2000 had found the Internet a very effective conduit of information to groups in poor rural areas of the global South. And another person commented that the Internet gave NGOs in the global South a much more direct link with US or European funders than they have previously enjoyed, cutting out the need for intermediaries. (Where would that leave US and European NGOs, someone wondered? Maybe they would finally put more effort into righting wrongs closer to home?)

In the experience of several participants it is easier to get core funding from US funders than from their European counterparts, although it was not clear why this should be so.

Particular funding difficulties for conflict transformation

It has already been noted that funding tends to be short-term (varying from 1 to 4 years in general), while most conflict transformation takes much longer. This makes funding harder to obtain, because it is harder to demonstrate short-term results.

One person argued that we should expect conflict transformation to be relatively under-funded currently because it is a new area of work - only recognised by the EU some 10 years ago. As the profile of our work is raised, funders are likely to allocate more money to it – as well as to adapt the current log-frames to fit better with conflict transformation work.

Another participant's experience was that it is easier to get funding through American or European embassies in the country where the work is to be done than through the 'home' government. DfID and the Global Conflict Prevention Fund both distribute funding in this way.

One problem for conflict transformation work is that peace is a politically loaded word. For example, while various US organisations might be prepared to fund peace, they tend to see it in terms of *pacification*. In a struggle for justice it may be necessary to challenge the status quo rather than bow down to it. It can be hard to find funding for this more radical approach. As evidence of the political nature of conflict transformation, the meeting was reminded that, under Charity Commission rules, promoting peace is not a sufficient reason for charitable status, whereas defence of the realm is. [Sadly, no-one asks for an evaluation or cost-benefit analysis of a war.]

The effect of the 'war on terror' is huge – and though it has generated additional funding, it often excludes funding applications for projects involving dissident groups who have at any stage used force. This rules out a great deal of meaningful conflict transformation work (as well as being blind to the historically common transformation from terrorist to freedom fighter to government minister, as demonstrated in South Africa, Israel and Northern Ireland, for example). Bridget argued that this reactionary backlash is nothing new. She remembered the headline

'Blood Money' in the Daily Mail in the 1970s, criticising expenditure on anti-racist action because it involved South African liberation movements.

The distorting effect of funding

While those who spoke greatly respected the commitment of local partners with whom they worked, more than one participant expressed the fear that competition for funding can distort attitudes and objectives, especially in regions where money is short and NGO work is one of the few growth industries. Participants described a spectrum of distortion ranging from the 'tweaking' of genuine applications to better fit the funder's priorities, through applications from organisations that may do good work but put too much focus on income generation, to the totally unscrupulous 'creaming off' of funding by 'brass plate' NGOs that do little other than applying for money. It can be hard for funders to distinguish between these - particularly without local knowledge.

Even the most scrupulous fundraiser faces ethical dilemmas: is their prime objective to get the money or to tell the truth? Juliet's paper refers to the many applications to JRCT that head straight for the refusal pile because their cases are distorted to fit the applicants' perceptions of what JRCT might fund.

One person commented that the mushrooming of the NGO 'business' in many countries had almost supplanted the notion of voluntary action. This is more evident in some countries than others: in Bosnia, for example, there is very little unfunded activity, whereas in Croatia voluntarism is very much alive.

During group work, Juliet raised a story in that day's Guardian³ about a family of 6 South African children orphaned by Aids, being raised by the 11 year old (eldest) child. The story explained that the government is not paying the family the welfare grant to which they are entitled, but that a local charity offers some support. How, Juliet wondered, did participants react to this story? If they wanted to help the family, would they send money direct, or via a

³ See 'Meet the Ndlovus' at <http://www.guardian.co.uk/international/story/0,,1322298,00.html>

local charity? Or, would they prefer to fund work campaigning for welfare benefits, or researching to prevent AIDS, for example? Some group members feared that the local charity might end up receiving more money than it could possibly spend effectively; or that other, equally deserving, causes might suffer financially; even that a sudden influx of money might increase the level of conflict locally. But it is clear that some people respond with their heart more readily than with their head. For them a particular child, or family, is a more likely trigger for giving. Fundraisers need to be prepared to use different strategies to reach this group.

Increasing the funding for conflict transformation

There was some discussion about possible ways of expanding the funding pool for Conflict Transformation. It was noted that funders are more inclined to fund Human Rights work, and yet peace is at the heart of both human rights and conflict transformation. Development work, too, often has a peace element. JRCT is inviting known peace funders to come together to talk and act as a group, in the hope of increasing awareness and funding.

One of the problems is that charitable trusts often have a very specific agenda, often dictated by the personal views of the founder of the trust, or the person in honour of whose life and aspirations the trust has been founded. This limits the scope for movement.

It was suggested that, in general, funders prefer to hear from practitioners or beneficiaries than to meet fundraisers. There is a dilemma here, in that if funders require well worked out applications, applicants will naturally tend to professionalise their fundraising activity. This issue has some impact on the way that NGOs fit fund-raising into their organisational structure. Nonviolent Peaceforce, for example, is moving away from having a central fundraising department and towards locating fundraisers with each project. Their justification for the change is that so much of their money comes from sources local to the project, so it might bring additional benefits.

Some of the larger funders seem not to be interested in small grant requests. Undoubtedly there are efficiencies of scale for them, but the end effect tends to be that they outsource the

problem of managing smaller applicants. It was suggested that one way round this dilemma would be for organisations forming consortia in order to bid for funding. This would not only make it easier to deal with funders who only want to make large grants, but would also bring benefits in sharing experience and expertise among applicants. Against this approach is the level of competition between organisations, as well as the likely reluctance of a funder to deal with a group application rather than to discuss specific projects.

The way forward?

Is it possible to construct a strategy for improving the effectiveness of existing funding relationships and for addressing the currently perceived drawbacks? The general feeling seemed to be that CCTS as a group had no spare capacity to work on such a strategy, and were satisfied to have aired the issues at this seminar. It was suggested that BOND (British and Overseas NGOs for Development) or the Peace and Security Liaison Group may be better fora for such work.

Participants

Kat Barton
Email: kat@wri-irg.org

Kate Cargin
Email: katec@quaker.org.uk

Donna Copnall
Email: donna@copnall.demon.co.uk

Oliver Cumming
Email: ocumming@saferworld.org.uk

Clive Fowle

Diana Francis
Email: diana@dianashouse.freemove.co.uk

Carolyn Hayman
Email: carolyn@peacedirect.org

Alan Hunter
Email: a.hunter@coventry.ac.uk

Rachel Julian
Email: rjulian@nonviolentpeaceforce.org

John Lewis
Email: LewisLynet@aol.com

Carrie di Memmo
Email: carriedim@quaker.org.uk

Rhona Miller
Email: rmiller@c-r.org

Mohamed Osman
Email: osmanm@unaid.org

Alan Pleydell
Email: alanp@quaker.org.uk

Juliet Prager
Email: juliet@jrct.org.uk

Michael Randle
Email: michaelrandle@blueyonder.org.uk

Andrew Rigby
Email: a.rigby@coventry.ac.uk

Anne Rogers
Email: anne@hollylawn.org

Susan Seymour
Email: susanseymour@softhome.net

Imran Tyabji
Email: imran@tyabji.co.uk

Bridget Walker
Email: bridget@respond.org

CCTS: Participating Organisations

Conciliation Resources, London

Quaker Peace & Social Witness, London

Responding to Conflict, Birmingham

War Resisters International, London

Centre for Study of Forgiveness &
Reconciliation, Coventry

St Ethelburga's Centre for Reconciliation and
Peace, London

International Alert, London

Charter19, London

Saferworld, London

International Fellowship of Reconciliation,
Alkmaar

Richardson Institute for Peace Research,
Lancaster

Conflict Analysis and Development Unit, London

Moldovan Initiative Committee of Management,
Belfast

Chair: Diana Francis

Treasurer: Paul Clifford

Minutes Secretary: Michael Randle

Secretariat: Conciliation Resources, 173 Upper Street,
Islington, London N1 1RG

Tel: +44 (0) 20 7359 7728

Fax: +44 (0) 20 7359 4081

Email: ccts@c-r.org

Website: <http://www.c-r.org/ccts>

Newsletter production

Editors: Diana Francis and Michael Randle

Layout: Anne Rogers

Distribution: Conciliation Resources