Fake Aid

How foreign aid is being used to support the self-serving political activities of NGOs
Fake Aid

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society in social and economic development. IPN achieves
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in many countries and across many disciplines.

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Executive Summary

The Department for International Development (DFID) claims to be “leading the UK government’s fight against world poverty.” However, increasing amounts of DFID funds are channeled through non-governmental organizations (NGOs) to fund lobbying activities, marketing, and the promotion of political ideology, often within the UK.

In 2008–09 DFID spent £140 million on “communications” activities by NGOs whose primary focus is often not the delivery of aid. Spending on such communications has rocketed in recent years: starting with an initial budget just under £38 million in 2000–01, the total cost of these programmes will reach £1.1 billion by 2010–11. (see Fig. 1, Table 1)

DFID funds various well-known NGOs – including Oxfam, VSO, and ActionAid – for vague-sounding activities such as “awareness”, “promotion”, and “advocacy”. The programme that funds these activities has spent over £600 million to date. Most of these grants are not provided by an open tendering system but are instead supplied to NGOs that have very close relationships with government. New applications are currently not allowed, so this elite band of NGOs has enjoyed sole access to the increasing funding. (See Section 1)

When representatives of NGOs engage in public debate they are typically represented as independent and altruistic. Yet, as we document, many are subject to political influence exerted by DFID through its funding schemes. (See Section 1.2)

Many DFID grants are blatantly self-serving. For example, it spends annually in excess of £13 million through the Development Awareness Fund, which finances UK-based activities to promote “awareness” of aid, with the aim of creating public support for DFID’s activities. Rather than improving the lives of people in poor countries, these programmes smack of propaganda. Worryingly, most are targeted at school-age children. (See Section 3)

To put this in context, the World Health Organization estimates that every thirty seconds a child dies from malaria, mainly in Africa. It is possible to provide high quality malaria treatment to an African patient for just $1 (about 60 pence). DFID’s publicity budget for this year alone is therefore equivalent to around 230 million malaria treatments.

DFID has openly funded groups for which “international development is not their main focus”. (See Section 4)

Some DFID grant recipients have blatant domestic political agendas. For example:

- The Trades Union Congress (TUC) has received DFID grants worth over £1.2 million since 2003. Funding covered lobbying activities, new staff for their European Union and International Relations Department, and an “international buffet and wine” event with live music to celebrate “International Women’s Day” in the UK. DFID also paid the TUC to hold lessons in how to apply for even more DFID funds. (See Section 4)

- Under one programme, DFID granted the maximum amount, £300,000, to the National Union of Teachers (NUT) to “enable them [teachers] to become global agents of change” through greater involvement with development issues. The project intends that teachers can then become involved in “central and local government department policy debates.” (See Section 3)

Many DFID grants are unrestricted, and accountability
mechanisms and performance measurement have been classed as poor by the National Audit Office. (See Section 1.3) For example:

- In 2003 DFID founded a registered charity named Connections for Development to “provide a forum for BME [black and ethnic minority] voluntary and community sector organisations and communities on issues relating to international development.” Over £600,000 was paid into the NGO in its first two years, although an independent audit concluded: “there is a lack of clarity over the purpose of the organisation.” (See Section 4.1)

When DFID funds are bundled together with money for aid work in the field, it is impossible to know precisely how the money is spent by recipient organisations or how much is spent on aid delivery rather than advocacy and public relations. We have documented many examples of publicly-funded aid work showing a strong ideological bias. (See Section 2.2)

The theory behind these programmes, known as the “rights-based approach” (See Introduction) underlies DFID’s entire budget of £6 billion. This report concentrates on just four DFID programmes but it is likely that the same arrant thinking about development, as well as other errors of judgement, are repeated throughout other activities and funding mechanisms.
Foreign aid became a component of UK government in the 1960s, with the formation of the Ministry of Overseas Development. Responsibility for foreign aid has fluctuated as different governments have formed and scrapped ministerial departments. The latest incarnation is the Department for International Development (DFID), which was formed in 1997 by the incoming Labour administration. The Conservatives have promised to continue to support DFID should they come to power.

Since the 1960s, more than $1.8 trillion has been transferred from richer to poorer countries in the name of foreign aid.6

Pressure groups and celebrity campaigners argue that rich countries still give too little aid and demand that governments meet an arbitrary target of 0.7 per cent of GDP set by the United Nations in 1970.7 The Conservative Party in the UK has made a commitment to increase DFID’s budget to match this target.

The original justification for foreign aid was the “gap theory”, according to which poor countries lacked capital for investment, because of insufficient savings, and so could not grow. The idea was that this investment (or savings) “gap” would be filled with capital transfers from rich countries.

For several decades a fierce debate has raged over the effectiveness of aid. Without seeking to rehearse the arguments in that debate, it is clear that trends in thinking about aid have impacted on the way it is disbursed.

In the 1980s, the World Bank and IMF promoted “structural adjustment”, the objective of which was to encourage governments of poor countries to adopt sound monetary and fiscal policies. This was superseded in the 1990s by different kinds of “conditionality”. Then, in the late 1990s, many aid organisations shifted to what they described as a “rights-based approach” to development. This approach has been explicitly adopted by DFID.

DFID’s website states that its beginning marked a “turning point” at which the UK government’s approach moved away from the original intention of foreign aid (to create economic development in poor countries). Instead, the department began emphasising the promotion of people’s “rights” to demand services from governments.

By 2000, the “rights-based approach” was instituted and DFID began to argue that poverty is “about more than lack of income”.8 At the same time, DFID began funding NGOs to disseminate such messages, to participate in
the formulation of public policy alongside civil servants and elected politicians, and to promote DfID’s work among the British public, to which end it devoted part of its budget to “communications.”

The funds are dispersed through four main programmes:9

- Partnership Programme Arrangements
- Civil Society Challenge Fund
- Development Awareness Fund
- Strategic Grant Agreements

The budget for these programmes currently stands at £140 million for 2008–09 and is projected to increase to over £150 million next year, and £198 million the year after that. The increases in these budgets are depicted in Figure 1 and Table 1.

This paper analyses these four DfID programmes and the grants they award NGOs. We question whether this is a sensible use of resources, and if the lives of the poor are enhanced by such projects.

Table 1  

<table>
<thead>
<tr>
<th></th>
<th>Taxpayer funding (£ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership Programme Arrangements</td>
<td>28.25</td>
</tr>
<tr>
<td>Civil Society Challenge Fund</td>
<td>3.40</td>
</tr>
<tr>
<td>Development Awareness Fund</td>
<td>5.58</td>
</tr>
<tr>
<td>Strategic Grant Agreements12</td>
<td>0.54</td>
</tr>
<tr>
<td>Media &amp; marketing</td>
<td>0.00</td>
</tr>
<tr>
<td>Total DFID “communications” budget</td>
<td>37.77</td>
</tr>
<tr>
<td>Percentage increase</td>
<td></td>
</tr>
</tbody>
</table>
Partnership Programme Arrangements

The Partnership Programme Arrangements (PPAs) provide unrestricted funding to large UK-based NGOs. The mechanism was started in 2000–01, with DfID handpicking the original set of 10 recipients. Only eight out of the 27 NGOs currently partaking in the programme have been assigned funding through accountable tendering procedures, while the majority were simply hand-picked by DfID.13

Since 2005, DfID has offered no new call for tenders and the programme has been closed to new applicants,14 leaving the few admitted NGOs to benefit from considerable budget increases. However, even greater budget expansion is planned (the PPAs’ budget is expected to increase by £40 million by 2011)15 with DfID looking for “at least five” new UK-based recipients.16

The PPA has paid a total of £632.63 million to its small band of recipient NGOs since 2000. Table 2 below show the organisations that currently have a PPA with DfID, how long it has been running, and its value for the current period. In bold are the original ten organisations that were hand-picked by DfID upon the founding of the PPA system in 2000–01.

DfID states that NGOs seeking funding must offer “significant engagement in DfID policy formulation.”19 This raises questions regarding the politicisation of aid funding, the autonomy of these supposedly non-governmental organisations, and the prioritisation of aid delivery by these NGOs.

1.1 Advocacy and Politicisation

While the promotion of advocacy would appear to be a natural outcome of DfID’s shift towards a ‘rights-based approach’ to development, DfID itself has become critical of some PPA recipients deemed to have made excessive moves towards advocacy and political activities, and away from humanitarian service delivery. One example concerns Oxfam, who is receiving £27.8 million as a result of its most recent PPA. A DfID report on the PPA with Oxfam states:

“There are however concerns that have recently emerged across DfID about their [Oxfam’s] apparent prioritising of advocacy over humanitarian delivery, and a sense of compromised focus and performance in some of their operations… There has been specific criticism of Oxfam’s management, budgeting and implementation of its humanitarian work.”20

However, this outcome was perhaps inevitable given that Oxfam’s PPA for 2002 listed “public policy development and advocacy” as one of its two main aims. Furthermore, other documents show DfID actively encouraging Oxfam’s specialisation in these areas:

“DfID fully endorses what Oxfam see as their strengths in working on trade policy / influencing.”21

The politicisation of NGOs’ work is even less surprising given the close relationships they have fostered with government as a consequence of the PPAs. All PPA recipients must provide DfID with “a significant working relationship, a common ethos and vision and a strong match in priority areas.”22

1.2 Losing Independence

PPAs state that the independence of NGOs should be respected, yet at the same time reveal interferences with
NGOs’ internal policies. The very first ActionAid PPA criticised child sponsorship schemes. DFID advised ActionAid that these schemes are “paternalistic” and “increasingly inappropriate in the current development policy environment.”

DFID has even criticised an ActionAid campaign for the administrative burden its campaigns imposed on the government. Asking citizens to write to their MPs on global poverty was “not the most effective or constructive way to tackle this issue”, DFID stated, as it “resulted in a huge amount of administration work for DFID.” As DFID was in control of £3.79 million worth of ActionAid’s grant funding and a further £5.32 million for specific projects (making it the NGO’s largest donor, supplying 10.6 per cent of its income in 2004), the NGO would have faced some pressure to take DFID’s recommendations on board.

The level of collusion between NGOs and government is a notable characteristic of PPAs. Oxfam’s PPA from as far back as 2002 boasts as follows:

“Oxfam GB’s Policy Department maintains regular informal contact with DFID and other UK Government Departments, such as the Treasury, across a broad range of policy issues.”

### Table 2 DFID’s current funding of NGOs through Partnership Programme Arrangements (PPAs)

<table>
<thead>
<tr>
<th>Name</th>
<th>Since</th>
<th>Tender</th>
<th>Funding for 2008–2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>ActionAid</td>
<td>2000</td>
<td>No</td>
<td>13,820,000</td>
</tr>
<tr>
<td>Action on Disability in Development (ADD)</td>
<td>2002</td>
<td>Yes</td>
<td>3,030,000</td>
</tr>
<tr>
<td>Aga Khan Foundation (AKF)</td>
<td>2006</td>
<td>No</td>
<td>2,390,000</td>
</tr>
<tr>
<td>CAFOD</td>
<td>2001</td>
<td>No</td>
<td>13,180,000</td>
</tr>
<tr>
<td>CARE</td>
<td>2002</td>
<td>Yes</td>
<td>11,750,000</td>
</tr>
<tr>
<td>Christian Aid</td>
<td>2001</td>
<td>No</td>
<td>17,420,00</td>
</tr>
<tr>
<td>Ethical Trading Initiative (ETI)</td>
<td>2006</td>
<td>No</td>
<td>1,600,000</td>
</tr>
<tr>
<td>HelpAge</td>
<td>2002</td>
<td>Yes</td>
<td>5,390,000</td>
</tr>
<tr>
<td>International HIV/AIDS Alliance</td>
<td>2004</td>
<td>Yes</td>
<td>13,340,000</td>
</tr>
<tr>
<td>International Institute for Environment and Development (IIED)</td>
<td>2006</td>
<td>No</td>
<td>3,180,000</td>
</tr>
<tr>
<td>International Planned Parenthood Federation (IPPF)</td>
<td>n/a</td>
<td>No</td>
<td>42,999,990</td>
</tr>
<tr>
<td>International Service</td>
<td>2001</td>
<td>No</td>
<td>4,680,000</td>
</tr>
<tr>
<td>Islamic Relief</td>
<td>2006</td>
<td>No</td>
<td>2,390,000</td>
</tr>
<tr>
<td>One World Action</td>
<td>2006</td>
<td>No</td>
<td>3,180,000</td>
</tr>
<tr>
<td>Overseas Development Institute</td>
<td>2004</td>
<td>Yes</td>
<td>3,410,000</td>
</tr>
<tr>
<td>Oxfam</td>
<td>2001</td>
<td>No</td>
<td>27,830,000</td>
</tr>
<tr>
<td>Panos Institute</td>
<td>2004</td>
<td>Yes</td>
<td>5,710,000</td>
</tr>
<tr>
<td>Plan International UK</td>
<td>2006</td>
<td>No</td>
<td>7,130,000</td>
</tr>
<tr>
<td>Practical Action</td>
<td>2004</td>
<td>Yes</td>
<td>3,180,000</td>
</tr>
<tr>
<td>Progressio (formerly Catholic Institute for International Relations)</td>
<td>2001</td>
<td>No</td>
<td>10,310,000</td>
</tr>
<tr>
<td>Save the Children UK</td>
<td>2001</td>
<td>No</td>
<td>23,370,000</td>
</tr>
<tr>
<td>Skillshare International</td>
<td>2001</td>
<td>No</td>
<td>74,840,000</td>
</tr>
<tr>
<td>Transparency International</td>
<td>2006</td>
<td>No</td>
<td>3,180,000</td>
</tr>
<tr>
<td>Voluntary Service Overseas (VSO)</td>
<td>2001</td>
<td>No</td>
<td>89,010,000</td>
</tr>
<tr>
<td>WaterAid</td>
<td>2002</td>
<td>Yes</td>
<td>3,990,000</td>
</tr>
<tr>
<td>World Vision</td>
<td>2006</td>
<td>No</td>
<td>7,770,000</td>
</tr>
<tr>
<td>World Wildlife Fund – UK</td>
<td>2001</td>
<td>No</td>
<td>12,740,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>£395,141,990</td>
</tr>
</tbody>
</table>
Beyond Oxfam’s regular contribution to DFID’s White Papers and strategy papers, Oxfam’s PPA mentions involvement in governmental meetings in the run-up to the World Trade Organization meeting in Seattle and other international political events. These activities appear to contradict the NGO’s claims from 2006: “Oxfam is an independent charity, and as such does not align itself to any governments.”

ActionAid, similarly, has campaigned with DFID at the European Parliament, “liaising with each other” while the NGO “discussed their approach with DFID and kept DFID closely informed”. “ActionAid staff have served on official UK delegations to the WTO, UNCTAD”, they state, while sending staff on secondments to work in DFID’s Aid Policy Department regarding the government’s involvement in the G8.

1.3 Unaccountability

The PPAs offer NGOs unrestricted public funding, allowing them to spend funds on any projects within broadly agreed “areas of partnership”, such as “women empowerment”, “rights” and “equality and difference”. DFID does not require recipients to consult or notify the department in advance of the PPA funds being allocated to projects.

From 2000 to 2006 DFID relied entirely on NGOs’ self-audits of their performance. The recipient NGO was only expected to file a non-standardised annual report, applying their own assessment measurements. This led to uncertainty over the effectiveness of millions of pounds worth of funds.

The reports filed by the Catholic Agency For Overseas Development (CAFOD) in this period show a protracted difficulty in measuring the impact and efficacy of the development interventions carried out by the NGO. In the evaluation of the 2001–2005 partnership with CAFOD, DFID stated its “slight disappointment” at the fact that the NGO had found it “difficult to provide more than an indication towards progress”. The report continued: “It is unclear from the information available whether the monitoring and evaluation system that CAFOD currently has in place can provide an overview of the progress and impact of the programme as a whole...”

Similarly, the 2005–06 review of the partnership urged CAFOD to “identify some measurable indicators to illustrate increased engagement” on its programmes related to economic justice.

NGOs were also criticised for simply listing inputs rather than measurable outcomes. The 2005–06 DFID review highlighted “existing indicators” on HIV/AIDS campaigns that “mostly measure CAFOD’s inputs” rather than results, and noted in relation to development awareness that “it would be useful to ensure that the indicators are measurable.”

Comparable sentiments appeared in a DFID report to Oxfam also in 2006, in which the department called for “more information on how their [Oxfam’s] activities have contributed to specific outcomes.”

CAFOD’s 2005–06 statements also raise doubts about the suitability of “interfaith collaborations” as an object of public funding, given the difficulties inherent in measuring their progress and their oblique relation to economic development.

However, in spite of CAFOD’s protracted inability to quantify and measure the services it had provided in exchange for £12.4 million of funding, the partnership was renewed for 2008–10 with a further £13.18 million.

Unsurprisingly, this accountability system – or lack thereof – was criticised by a report of the National Audit Office which found that “this arrangement does not provide DFID with assurance that it targets the most effective agencies to maximise the development benefits of its funding.” The National Audit Office found that “large grants were awarded to organisations with relatively less efficient results measurement.”

Following this damning report, DFID belatedly purported to introduce an accountability framework with “specific, measurable performance indicators.” From 2008, two years after the report, DFID begun to include new measures to “demonstrate impact, accountability and...”
Partnership Programme Arrangements

value for money’’ of partnerships with NGOs. However, at the time of writing the evaluation of NGOs is still not carried out by independent external evaluations but instead left to annual self-audits of NGOs and the publication of a series of case studies to showcase the achievements of selected projects.

The projects run by NGOs with public funds are not evaluated individually and only the overall impact of the “areas of partnerships” is assessed by “a set of strategic level indicators” reflecting the priorities of the department.48

Until 2006 NGOs were not required to publicise what projects had been funded with public money received under the partnership. A list of publicly-funded projects still cannot be found on most NGOs’ websites, nor a breakdown specifying which areas of work the funds have been directed towards.

In August 2009 DFID launched a new feature on their website aimed at increasing transparency to taxpayers, claiming “information about our projects is at your fingertips.” Unfortunately this fails to list individual projects funded through PPAs, and still does not recognise the existence of Strategic Grant Agreements.49

1.4 Debatable policies

The funding of political campaigns by NGOs through loose, unrestricted grants with limited measurement and oversight can result in activities that are politically extreme and/or detrimental to development. The author of a recent article on public advocacy observes:

“The trouble is that ‘public advocacy’ is used to signify a broad sweep of practices, ranging from public relations, market research, and report-writing to lobbying, public-interest litigation, and civil disobedience.”43

For example, PPA recipient Voluntary Service Overseas (VSO) campaigned for the government of Gambia to ban companies running all-inclusive package holidays. It was successful, but it is unclear that this is good for the people of Gambia. Such a ban might simply redirect tourists towards all-inclusive deals in countries where they are not outlawed, thereby depriving Gambian locals of the opportunities to earn a livelihood by working for all-inclusive hotels. This perhaps explains why the ban was lifted a year after its implementation.

VSO received nearly £22 million in PPA funds in 2001 – the year it lobbied the Gambian government. It subsequently secured a further £71.5 million in funding from DFID for the three-year period 2003–06. Moreover, its anti-tourism campaign was listed in the text of the PPA agreement as one of VSO’s achievements – in spite of its obviously perverse effect.

The VSO actions seem to contradict Secretary of State Douglas Alexander’s following statement on UK policy on trade and development:

“The Government continues to believe that economic development, which is impossible without a thriving private sector, is amongst the most important drivers of poverty reduction. It is private businesses that will create the bulk of the new jobs, income and taxes that the poorest countries need to generate for their people.”

But VSO is far from the only PPA recipient to engage in activities that seem to contradict the stated policy of the UK government regarding development. ActionAid is set to receive £13.8 million from DFID in 2008–11 period to engage in “dialogue, consultation and collaboration on strategic and policy issues” with the department.45 ActionAid’s website details “campaigns and lobbying targeted at national governments against free trade… This includes the UK Government, the EU Government, WTO, World Bank and the IMF.”46 ActionAid’s rhetorical armoury includes such dubious assertions as: “no country has ever developed by following a free-trade model from the outset”.

1.5 The future of PPAs

DFID plans to expand the PPAs considerably, with a projected budget of £148 million for the year 2010–11, equivalent to a 36 per cent increase on the current funding level.

The relationship between recipient NGOs and government goes far beyond what is common in
competitive public tenders. While the measurement of actual outcomes takes a back seat, DfID seems intent on increasing the transfer of funds to the large NGOs to which it grants Partnership Programme Arrangements.

In a report on their PPA with Oxfam, DfID states: “we feel that Oxfam could use the PPA more. It would be useful in future reports for Oxfam to identify how the existing strong connections could be built on and suggestions on how this could be achieved through the PPA. DfID will meet with Oxfam to discuss potential ideas and suggestions.”

The Conservatives have stated that, should they come to power, they will retain the PPA system. They have also pledged that increased funding will be linked to “evidence of effectiveness and results, rewarding good performance and ensuring our aid achieves the most it possibly can.” However, they have yet to specific how they might achieve this (for example through eligibility criteria and efficiency measurements for projects).
Civil Society Challenge Fund

The Civil Society Challenge Fund (CSCF) allocated £15.75 million to UK-based, non-profit organisations in 2008–09, with its budget expected to increase to £20 million for the financial year 2010–2011.

2.1 Rights-based advocacy

DfID explicitly uses the CSCF to promote the ideological rights-based approach that it introduced in 2000. Applicants to the fund are obliged to endorse this contentious approach: Figure 2, from a DfID Powerpoint presentation, states twice in bold lettering that all projects must be rights-based.

DfID’s “requirements for evaluations of CSCF projects” makes clear in the first sentence that it supports NGOs (or in DfID’s terminology “civil society organisations”) “in their role of helping poor and excluded people to get their voice heard and demand access to better services” from their government.51 The delivery of services falls, again, under political lobbying and advocacy, with the CSCF stating that projects “must lead to a change in government policy and practice.”52

The CSCF purports to be a means of funding innovative approaches to service delivery, yet it inherently stifles innovation by insisting that applicants follow one dominant ideology. Life-changing programmes run by NGOs with different views on development would be excluded on an ideological basis.

Furthermore, service delivery appears to be of only secondary importance to the CSCF. Figure 3 shows that “advocacy and empowerment” take precedent over any service delivery concerns when selecting which NGOs receive funds.53

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Figure 2  What projects does the Civil Society Challenge Fund support?50

Very basically …

**RIGHTS BASED PROJECTS**

… That may be innovative service delivery.

… That may be service delivery in a difficult environment.

… That may be innovative service delivery in a difficult environment.

… but overall the project **must be rights based**.

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Figure 3  Venn diagram54

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2.2 Advocacy in the UK

As well as promoting a rights-based approach abroad, applicants are obliged to devote up to 5 per cent of their grants to “building support for development in the UK.” For each grant, up to £25,000 of public money can be diverted from international development work towards domestic media and political campaigning in support of DfID’s rights-based ideology.

DfID stresses the need to spread the ideas to the UK public. The CSCF conditions state:

“All proposals are required to have a component of building support for development in the UK… It is essential that they are more than just disseminating information to supporters who are already convinced about the importance of development. They should aim to reach new audiences.”

As with the examples outlined in Section 1.4, some of the advocacy work of funded NGOs is dubious to say the least. The NGO War on Want, for example, was issued an official warning by the Charity Commission over its overtly political activities which included calls for the cutting of all cultural, academic and sporting ties with Israeli people who they deem “complicit at worst and acquiescent at best” in relation to the Israeli government’s alleged “apartheid policies.” The warning did not affect DfID’s continued funding of the organisation, to which it granted £980,119 via the CSCF in 2007 and 2008.

War on Want’s ideological agenda is evident even in its relationship with government, accusing the CDC group (a state-owned international development fund) of using “private equity-type policies” and a “western capitalist” mentality in helping the poor. This is in spite of the CDC seemingly engaging in projects that help the poor. Secretary of State Douglas Alexander lauded the CDC for “encouraging local businessmen [in LDCs] to keep their money working locally and… attracting interest from international investors” through “investment that is both decent and profitable.”
Development Awareness Fund

In addition to the UK-based advocacy undertaken by organisations receiving funding from the CSCF, DFID has created a separate programme singularly devoted to “raising awareness” in the UK. In 2008–09 DFID’s Development Awareness Fund (DAF) granted £13.71 million to UK-based organisations that promote its favoured perspectives on international development, primarily to people in Britain.

Since 2000, DFID has spent almost £90 million through the DAF and it is planning to increase the size of this fund at a considerably greater rate than the other programmes examined in this paper, with its total projected budget for 2009–10 and 2010–11 standing at £47 million.

DAF-funded projects seek to change the way people think about international development issues and to influence lifestyle choices such as the products that people buy. For example, projects can encourage children to purchase certain brands such as Fairtrade and Traidcraft. In the 2007–08 budget, one grant paid for a project intended to create a network of young people as “Fairtrade Ambassadors.”

Most of the projects are aimed at school-age children; 21 of the 31 largest funded projects for 2009–10 fall into this category; 87 per cent are aimed at children or university students; only 4 of the 31 are aimed at neither children nor students.

For 2009–10, DAF lists 31 funded projects, each of which have been awarded up to £300,000. In addition, DAF provides “Mini Grants” of up to £30,000. For 2009–10, DAF is funding 43 new projects with Mini Grants. A sample of both types of grants follows:

- Global Education Derby: £209,455 to teach school children in Derbyshire that “unequal development fosters poverty and conflict, which undermines community cohesion in communities in the South and which in turn, through population migration or the destabilising effects of failed states, raises tensions and threatens local community cohesion in the UK.”

- The National Union of Teachers (NUT): £300,000 to “enable them [teachers] to become global agents of change” through greater involvement with development issues. The project intends that teachers can then become involved in “central and local government department policy debates.”

- Development Education Centre (South Yorkshire): £122,559 for a project in which school-age pupils are

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“It is unclear how these projects improve the lives of people in poor countries. They smack of propaganda.”

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Figure 4  DAF Projects’ Target Groups 2009–10

- Includes neither
- Includes school-age children
- Includes university students (but not children)
to “review carbon trading, and the new Climate Investment Funds”, among other activities.

- One World Broadcasting Trust: £270,380 to “foster a new generation of UK media professionals” with a more positive approach to development. This is intended to change UK media coverage of development issues which the project feels is “dominated by negative images, which can leave audiences feeling powerless about their role in reducing poverty.” Among the beneficiaries listed for the project are “the UK public”.

- The Northern College: £100,000 to provide an “understanding among its target audiences of issues such as global poverty and HIV / AIDS.”

It is unclear how these projects improve the lives of people in poor countries, or contribute to development. They smack of propaganda. To the extent that the target audience is school children, this is particularly disturbing.
Strategic Grant Agreements

Strategic Grant Agreements (SGAs) are made with organisations “for whom international development is not their main focus”. Recipients include domestic trade unions and other groups with overt domestic political agendas.

The Trades Union Congress (TUC), for example, has received over £1.2 million in grants from DfID in recent years. Not a single project listed under these grants was exclusively or even primarily targeted at people in poor countries. Indeed, the only activity involving individuals from poor countries consisted of 16 trade unionists from LDCs being flown to the UK. About £27,000 of the DfID grant to the TUC was spent on this project, 6 per cent of the total 2003–06 grant. The SGA with the TUC includes “advocacy/lobbying” and “lobbying/influencing strategies” within its key outcomes to be funded by the grants.

DfID asserts that SGA grants should enable recipients to “work constructively and strategically with DfID in helping to reduce poverty.” Yet the TUC spent the vast majority of its DfID grant on internal activities benefitting its members. Grant expenditures included funding the TUC’s activities at the European Union and International Relations Department, and free seminars for TUC affiliates on how to apply to DfID for additional grants. Also covered by the grant was a “Women and Globalisation Conference” with no declared guests from poor countries, and a celebration in London’s West End of “International Women’s Day” at which guests enjoyed a free buffet, wine and live music.

After the first three years of funding a review was carried out of its effectiveness – yet this was only a “desk impact study” based exclusively on the evidence that the TUC voluntarily decided to submit. This limited review predictably deemed the strategic grant a “highly successful project” and the TUC itself ruled that a “full evaluation by an independent consultant was not required.” Funds to pay for a fully independent review had originally been safeguarded, but were axed following an overrun of £23,720 (or 19.8 per cent of the total grant) on staff costs due to salary increases.

DfID was clearly happy with this outcome, since it renewed the TUC’s SGA for a further period of three years and even increased it by 66 per cent. Furthermore, DfID has now agreed to grant another £2.4 million to the TUC as it looks to “expand work with trade unions.”

4.1 DfID’s GONGO

Perhaps frustrated with the limited influence it has been able to achieve over some of the larger and more independent-minded NGOs, DfID has created its own “NGOs”, which it then funds via SGAs. Meanwhile, several other so-called NGOs are almost entirely dependent on DfID.

In 2003, DfID founded the group “Connections for Development” (CfD) whose first objective was to “provide a forum for BME [black and ethnic minority] voluntary and community sector organisations and communities on issues relating to international development.”

This government organised non-governmental organisation (GONGO) was intended to be a centralised uniform body representing different...
Fake Aid

minorities – thereby presumably doing away with the 
messy situation of having many independent groups 
each with different views, which could be awkward for 
an organisation seeking to promote a single ideological 
approach to development. Some members of CfD have 
complained that “events must be organised with 
members, not ‘them’ telling ‘us’ what we need or what is ‘best’ for us!”

An independent audit challenged the effectiveness of 
CfD and the confusion around its function. The audit 
noted that, suspiciously, “nearly 40 per cent of members 
either have an email address that is out of service or no 
email address listed”. It also shed doubt on CfD’s claim 
that its membership “shares a common interest in 
international development”.

The independent review strongly criticised the way in 
which CfD was set up and run for the first three years, 
noting “lack of demonstrable experience in international 
development” and the confusion dominating this DFID 
initiative. The review concluded:

“Overall, there is a lack of clarity over the purpose of the 
organisation and how it should meet the needs of both 
its membership and its engagement with DFID.”

CfD is solely funded by DFID who granted in excess of 
£600,000 in the NGO’s first two years. Its latest accounts 
are not available as the NGO (at the time of publication) 
is a month late in submitting their accounts to the 
Charity Commission. CfD’s latest 
public report is for the year ending 
30th September 2007 and lists all 
their expenditure as “Governance 
Costs”, while expenditure other 
than staff wages is simply reported 
as “Other costs” (totalling 
£161,825). £7,980 was paid to the trustees of the NGO, 
listed as travelling expenses. According to Charity 
Commission data, CfD consists of just five members of 
staff.

Another example is Panos London, a UK-based NGO 
(part of an international network based in the 
Netherlands) which works to promote the “participation 
of poor and marginalised people in national and 
international development debates through media and 
communication projects.” Since 2004, Panos London 
has received funding from DFID under a “strategic 
partnership”. Starting with an initial grant of £1.1 
million in 2004–05, Panos currently receives £1.9 million 
per annum from DFID – and the total value of its grant 
from DFID is £12.2 million.

In 2007–08 Panos only received 7 donations from private 
individuals for a total value of £21,772, equivalent to 
0.59 per cent of its income. Meanwhile, only 5.1 per cent 
of its income came from individuals and private 
foundations combined. Most of the rest came from 
various government and intergovernmental 
organisations – which together accounted for 93.1 per 
cent of its income. Grants from DFID alone accounted for 
at least 60 per cent of its 2007–08 income.

The paucity of private donations to Panos London calls 
into question the independence of its activities and 
raises the spectre of DFID and other government funders 
essentially using Panos London to do their bidding. 
Indeed, with such a high proportion of DFID funding, is 
Panos London really a GONGO?

Another DFID GONGO is a website named Platform 2. 
This is a £10 million scheme run in coordination with 
Christian Aid and BUNAC, “aimed at raising awareness 
of global development among young British adults from 
less advantaged backgrounds.” Platform 2 pays for 
British young individuals from “underprivileged” 
backgrounds to volunteer abroad at the taxpayer’s 
expense.

It seems bizarre that a government 
department supposedly devoted to 
reducing poverty in other countries 
should spend millions of pounds 
sending less well off Britons to witness 
poverty abroad. This costly 
scheme exemplifies the perversity of DFID programmes 
focused on “raising awareness”, “public advocacy” or 
lobbying. Do these programmes reduce poverty or 
otherwise aid development? Or are DFID’s GONGOs 
merely promoting propaganda that serves DFID’s own 
ideological and bureaucratic agenda?

4.2 Lack of transparency

No explanation of the rationale for this series of
Strategic Grant Agreements is published on DfID’s website. Grants are assigned by DfID, with no open tender or competition between organisations, thus increasing the risk of political favours, influence and corruption. No full list of beneficiaries is published by DfID, but a partial list of groups in receipt of SGA funds appears to show partisan political bias, with funding of traditional Labour groups such as trade unions, and groups such as the UK Local Government Alliance for International Development, a Labour-dominated coalition of local authorities interested in overseas development.
DfID’s “rights-based approach” to international development, with its emphasis on advocacy, has resulted in substantial and increasing amounts being spent on communications programmes of the kinds analysed in this report.

As the total amount spent on these programmes reaches the £1 billion mark, it is reasonable to ask whether they have improved the lives of people in poor countries.

The value of DfID’s ideological rights-based approach for alleviating poverty is unclear. In 2002 DfID itself admitted that this approach was abstract and had little practical content:

“Rights-based concepts… have grown out of discourse largely at the level of theory and international policy. … field practitioners identify a shortage of practical methods and approaches to use in the implementation of rights-based approaches at a programme level.”

By 2005, five years after the adoption of its rights-based approach, DfID was reiterating to NGOs working in the field the request to “develop, test, collate and disseminate” practical experiences and real case studies in order to “enable staff of operational development agencies to promote rights-based approaches in projects, programmes, and policy implementation.” The clear implication is that evidence of a beneficial effect of its rights-based approach was thin on the ground.

According to Andrea Cornwall, fellow of the Institute of Development Studies at the University of Sussex, rights-based approaches to development are “the latest development buzzword” revealing little attention “to the underlying causes and power effects of poverty and inequity.”

Even if DfID’s communications programmes succeed in spreading the view that people are entitled to certain services, there is scant evidence that declaring such rights actually improves conditions for the poor. The “right to adequate housing” is cited in the Brazilian constitution, with human rights ambassadors congratulating Brazil for having “among the best” constitutional articles on this right. However, 20 million people in Brazil are homeless. Similarly, access to safe water is a human right according to the United Nations, yet waterborne pathogens cause around 4 billion cases of diarrhoeal disease every year, resulting in 1.7 million deaths.

Some of these rights were introduced over half a century ago, such as the right to “enjoyment of the highest attainable standard of health” – introduced in 1946 by the World Health Organization. But even today a child dies every thirty seconds of malaria (mainly in Africa), and over 16,000 people die every day from respiratory and diarrhoeal illnesses.

Proponents of the rights-based approach argue that entitlement ensues from the legal formalisation of such rights. But it is often not clear against whom these entitlements are to be claimed. Moreover, the people who currently have the worst access to clean water, nutritious food, good healthcare, and such necessities are also typically the people least able to enforce any rights through courts of law.

DfID’s Civil Society Challenge Fund seeks to create a “flow of information to poor people” about their “rights” and the “factors which perpetuate poverty” as a primary method of alleviating poverty.

However, a National Audit Office inquiry found that
nine out of 16 DfID-funded NGOs had no least
developed country (LDC) representation on their boards
at all, and three of the remainder’s LDC representatives
were only small minorities on the boards.\textsuperscript{102}

Commenting on Oxfam’s record on advocacy work,
which cost £9.5 million in 2006 alone,\textsuperscript{103} DfID noted the
“relatively little mention of how southern civil society
was actually involved in either the design or
implementation of these”, adding that “national
governments complain that UK NGOs (not specifically
Oxfam) take strong positions on issues that bear no
relation to the views of the people.”\textsuperscript{104}

By insisting on ill-defined rights-based practices through
its partnerships with other organisations (NGOs, public-
private initiatives, and foreign governments), DfID risks
stifling innovative methods of aiding development by
imposing a uniform, unproven standard across the
sector.

The research presented in this paper has questioned the
wisdom of DfID’s rights-based approach to international
development. We have argued, largely on the basis of
DfID’s own research and documents, that the approach
does not appear to have resulted in an improvement of
the condition of the poor. Furthermore, substantial
amounts of funding predicated on the rights-based
approach appear to have been spent on projects that
have little if any connection even to the promotion of
the “rights” of people in poor countries, but have instead
been spent on domestic propaganda and lobbying.

The Conservatives have pledged to “ensure the impartial
and objective analysis of the effectiveness of British aid”
should they win the next General Election.\textsuperscript{105} If that is
the case, a reconsideration of DfID’s “rights-based
approach” in general and its funding of
“communications” in particular would seem to be the
first order of the day. It is time to stop this fake aid.
Notes

Unless stated otherwise, all websites were accessed on 28 August 2009.

1. DFID website, homepage, http://www.dfid.gov.uk/

2. DFID financial year “is based on a 12 month duration from April to March the following calendar year.” Dates in the paper are referred to accordingly. http://projects.dfid.gov.uk/Glossary.asp#DFID_Financial_Year


5. The National Audit Office’s report on the efficacy of DFID’s funding of civil society noted: “Formal monitoring arrangements provide few insights to value for money… Scrutiny of project or Agreement costs should be proportionate to their value. For the majority of projects and all Agreements we reviewed, however, there were no indicators which provided measures of economy or efficiency, using, for example, benchmarking of procurement activity, or unit costs for service delivery… Indeed, the project completion reports note that objectives are rarely fully achieved.” National Audit Office. 2006. Department for International Development: Working with Non-Governmental and other Civil Society Organisations to promote development. London: The Stationery Office: page 33. http://www.nao.org.uk/idoc.ashx?docId=f58abf3c-9d6a-46e2-9775-92bec43a5e3e6version=-1


9. DFID’s annual budgets from 2000 up to and including 2008 listed these four programmes under “Communications”. In its 2009 budget, Partnership Programme Arrangements were moved to the “Policy” expenditure list.


12. DfID’s published SGA spending seems unreliable. Total cost for SGAs in 2008–09 is listed as £60,000, while the TUC’s Strategic Grant alone amounts to £252,000 (‘Commencing on 1 July 2006, the three-year Strategic Framework Partnership Arrangement (SFPA) provides £756,000 to the TUC’). See: TUC SGA. 2009. “The TUC and the Department for International Development,” *Trade Union Congress*. http://www.tuc.org.uk/international/TUC_DFID.cfm.


14. This webpage previously listed the programme as being closed: http://www.dfid.gov.uk/Working-with-DfID/Funding-Schemes/Funding-for-not-for-profit-organisations/PPAs/. However, DfID removed the information. A phone call to DfID in August 2009 informed us that the programme is currently closed but that recipients should look out for its reopening at an undefined point in the future.


18. IPPF funding is for the 2009–2013 period.


40. The Project Information page can be found here: http://projects.dfid.gov.uk/


60. Formerly “Commonwealth Development Corporation”


65. Similarly, 12 young people in Glasgow and Nepal “explored the impact of HIV and the stigma associated with [sic] individuals in their communities and wider society” following a previously funded project run by the Red Cross. IDEAS. 2009. “DFID Development Awareness Fund Mini-Grants” http://www.ideas-forum.org.uk/dfid_mini_grants


Notes


69. £6759 was spent to invite 5 trade unionists as part of TUC Mini Grant Scheme (on average £1353 per person). 11 more unionists were invited under different projects, whose cost has been estimated using the figure of £2,000 per guest fixed by TUC as a maximum expense for the Mini Grant Scheme. TUC SGA. 2006a. DFID/TUC Strategic Grant Agreement: Final Report. London: Trade Union Congress. http://www.tuc.org.uk/extras/SGAreport.pdf


80. CFD’s activities as shown in Charity Commission data (Summary by GuideStar UK): http://www.guidestar.org.uk/gs_summary.aspx?CCReg=1110249&strquery=connections%20for%20development

81. GONGOs are government-organised or government-operated non-governmental organisations. In Foreign Policy magazine Moisés Naím discusses this “almost laughable tongue twister” in an article entitled “What is a Gongo?”. He outlines their proliferation under both oppressive regimes and liberal democracies, noting how they are sometimes used as “thuggish arm of repressive governments” or to promote the reputation of the governments that control the groups (often by stealth). Having been set up by and entirely funded by government, CFD is a GONGO.

82. “The impetus to form CFD came from DFID’s recognition of the importance and need to engage with BME communities... However DFID realised that there was no one organisation that it could engage with and that could fully represent the BME communities engaged in or interested in development issues... that led to the decision to explore the potential for an SGA with UK BME civil society [and] to create a national body to address some of the issues raised...” Naru, Faisal; Condy, Ann and Naomi Humphries. 2007. Department for International Development: Evaluation of Strategic Grant Agreement (SGA) with Connections for Development (CFD). London: DAI Europe Ltd: page 7. http://www.dfid.gov.uk/Documents/publications/evaluation-report-sga.pdf

83. Naru, Faisal; Condy, Ann and Naomi Humphries. 2007. Department for International Development: Evaluation of Strategic Grant Agreement (SGA) with Connections for Development (CFD). London:


