Shifting South

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Foreword

The art of sharing knowledge and experience

With its approximately 50 members, PSO is an established association. Just like any other self-respecting organisation, PSO regularly takes a critical look at itself. This gives rise to questions such as: 'What justifies PSO's existence?' and 'What kind of added value can PSO provide in the field of capacity development for its members, but definitely also for important stakeholders such as the Ministry of Foreign Affairs?' The board set aside a large proportion of 2008 and 2009 for strategic reorientation. The preceding questions are central to that process.

Both the North and the South harbour a great deal of knowledge on capacity development. Southern NGOs can be important and strong in their context. Simultaneously, Northern NGOs can provide valuable, additional expertise. The trick is to share that knowledge and experience with one another. I see an important role set aside for PSO in this respect. Because it is an association, PSO provides an excellent platform and network for knowledge sharing. At least as important is the fact that comparable organisations in the South share their experiences, knowledge and expertise. There is, quite rightly, a noticeable shift from North to South.

Naturally, our strategic reorientation should not be viewed as separate from the ongoing discussions in the development sector. PSO has actively contributed to this discussion even where the knowledge function in our sector was concerned.

Capacity development is a lengthy process which is essential to the creation of a civil society precisely in those countries which have weak political structures. I am therefore in favour of all following this path all over the world.

Marnix van Rij, Chairman

The strength of the civil society

If member organisations help their Southern partners to effectively reinforce themselves they are helping to develop a strong civil society. After all, combating poverty only becomes structural if the civil society has sufficient strength to look after the interests of citizens and marginalised groups. That is why PSO focuses specifically on the capacity development of that civil society.

In order to see the effects of our activities in capacity development first hand, I took an official trip to Central America. Once again, it became apparent to me how essential the civil society is. Local organisations help alleviate the principal needs and work tirelessly to draw attention to imbalances of power and poverty. Sometimes in an amusing way, but also often in ways which risk their own welfare. The effects of capacity development on the civil society are particularly apparent on a small scale. Small social organisations reinforce themselves and manage to achieve amazing results. For example, the cooperation between young people from the slums and the local police.

It is important to be fully aware of the local situation in order to prevent unrealistic expectations developing with regard to what is possible. You have to balance between wanting to solve problems and moving in concert with local dynamics. For PSO this means that we have to continue to pay attention to the consequences of our actions: How do our recommendations and visions affect reality? By systematically cataloguing learning experiences and consequences, we are learning to look at new situations better, on the basis of those learning experiences. As an association, the member organisations reinforce one another and as a knowledge centre, PSO stimulates its members to take concrete steps in this learning process.

The PSO agency has an enormous drive to keep itself in motion: we collect and share current knowledge, we learn from processes for developing local capacity. To this end, we also seek out Southern knowledge organisations and knowledge institutes in our own country.

Margo Kooijman, Director

How PSO works

PSO combats poverty in a structural manner by investing in a strong civil society in developing countries. PSO's well over 50 members cooperate with local organisations and networks in the South. The ultimate goal is for these local organisations to become increasingly good at achieving their own mission which focuses on combating poverty. PSO's role in this is to equip its members in such a fashion that they can effectively reinforce their local organisations.

Learning is central

Learning is a big part of this. As an association, PSO has excellent insight into best practices from the field and state of the art knowledge development concerning capacity development. Thanks to intensive contacts with its members, PSO can draw on contemporary knowledge and wide ranging experience. Furthermore, PSO also maintains contacts with knowledge centres in the South and North. Thanks to its insight into the sector, PSO can combine, continue to develop and collate knowledge and experience. This is then provided to members or groups of member organisations who have a specific need for it in a targeted manner. Organisations learn together and individually with PSO.

Organisations learn individually

PSO stimulates its individual members to learn using learning-working paths. Individual organisation's learning questions are central to this. Together, PSO and the member in question lay down which fields the member organisation wishes to further develop in by improving its capacity developing activities in the South.

Organisations learn collectively

In collective learning paths, the members exchange practical experiences and acquire new knowledge and insights under PSO supervision. PSO regularly involves Dutch and foreign experts to provide the latest insights on a theme. Southern partners will also be invited to exchange their experiences and insights.

Initial results of the learning-working paths

Margo Kooijman, PSO's director: *'In 2008, PSO saw the first fruits of the new working method introduced in 2007: the learning-working paths. The member organisations were asked what has changed in their way of working on capacity development and their relationship with PSO. Although, there is always room for improvement, many members indicated that the learning-working path has made them think. They are now more aware of their actions. And that is exactly what PSO intended: wanting to learn from your own way of doing things and its effects.'*

PSO distinguishes:
- **Collective learning paths:** demand-oriented activities that focus on a joint question from PSO members.
- **Networks:** support dynamic partly virtual exchange networks for specific themes.
- **Action studies:** scientifically shaping collective learning pertaining to problems from practice often in collaboration with an academic partner.
- **Events:** supply-oriented activities aimed at observing trends and recognising their importance to members.

Strategic financing

In order to stimulate capacity development, PSO provides strategic financing i.e. in line with the learning questions from the individual learning-working paths. PSO finances its members' programmes and projects in the field of capacity development in 65 countries. This concerns programmes and projects in which member organisations and their Southern partner organisations consciously work on capacity development and in doing so on their learning questions in this respect. Experiences are gained and improvements made visible. The activities focus on consciously working on capacity development with the partner in order to answer local learning questions and achieve ambitions. Experiences acquired and improvements observed are highlighted.

PSO also works with a number of stimulation funds in order to involve specific target groups or to stimulate particular developments pertaining to capacity development. For example, there is the placement programme for young people from the Netherlands and the South: Youth Zone and the placement programme for migrants in their country of origin: Cross Over.

Furthermore, PSO wishes to stimulate innovation in the field of capacity development. The Innovation Fund was set up to this end. The Quality Fund provides members with funding to become better prepared for their capacity development activities with Southern partners. The Quality Bonus rewards high-quality projects by member organisations and their partners in the field of capacity development.

PSO's other special areas of attention are Humanitarian Aid and Sports and Development Cooperation. PSO contributes to humanitarian aid by financing programmes in this field. The aid consists of emergency aid, restructuring and preventing disasters and conflicts. PSO tries to get its members in touch with local organisations as quickly as possible even if the latter have been weakened by a crisis. In the field of Sports and Development Cooperation, PSO provides Dutch sports associations with improved access to development organisations with a view to capacity development sports activities in developing countries.

Posting of experts

PSO annually helps with the posting of hundreds of Dutch and international experts. These are used by Southern partners for capacity reinforcing activities. Originally, this service was PSO's principal reason for existing. Since 2002, the emphasis for activities has shifted to capacity development.

In 2008, PSO received a budget of € 28.5 million from the Ministry of Foreign Affairs for its activities.

Results in 2008

This annual report details PSO's activities in 2008. PSO brings over 50 member organisations together who tirelessly work for a more just global distribution of prosperity.

Organisations learn individually

In 2008, 32 learning-working paths were concluded by an equal number of organisations. These proved to be intensive processes which provided many learning experiences to both PSO and its member organisations concerning ways in which to more effectively reinforce Southern partners. Linked to the learning-working paths, PSO finances strategic, concrete, capacity developing activities. The activities financed provide practical experiences which can be learned from or in which improved methods can be applied. PSO systematically monitors the activities it funds, analyses application quality and has evaluations carried out. In 2008, PSO assessed reports on 272 of 53 member organisations' current projects and programmes. Three mid-term reviews and four evaluations of projects and

IICD's Learning-working path

Deem Vermeulen is Team Leader International Programmes at IICD. He is PSO's contact and a member of the MT. He had the following to say concerning the learning-working path: 'The process started in December 2007. We primarily examined the aspects we should pay more attention to. We have a strong focus on end users and to a lesser extent on reinforcing partner organisations. This is an important point of attention for us. That is what the learning-working path is about now too. Writing this down was a difficult process as we speak a different language to that of PSO. IICD does not primarily think in terms of organisational development, but much more in terms of connecting ICT to the organisation's core activities. This is what we call ICT4D (*ICT for development, ed.*). This also explains why the process took us so long. Our relationship with PSO has changed tremendously; the discussion concerning capacity development has gained a great deal of depth. This does not happen with other donors. The old relationships were characterised by our client's donor dependency. Now we are engaged in a dialogue on capacity development using a different perspective. This is not only due to the learning-working path, but also thanks to the good relationships that have developed.'

Learning effect
'An enormous amount of awareness was created with regard to capacity development and the importance of partners for reaching your end users. A partner is not just the implementing party for our ideas, but is itself an important actor to be reinforced. This insight was gained from PSO and self-reflection. We also observed this during the learning-working path.'

Tip for PSO
'What I still need is that we actually enter into a cooperation agreement, i.e. take things one step further than the learning-working path. Everything we do within the PSO system should fit into that. In other words, project applications, collective learning paths, the innovation fund and quality fund, etc.'

programmes were carried out during the year under review. Furthermore, the planning, monitoring and evaluation systems were tightened up in 2008 so that we can all learn more. The idea is to emphatically create more space for the Southern partners' own visions and missions with regard to capacity development.

Organisations learning collectively

PSO bridges the gap between theory and practice, between policy and implementation. To learn together and to share knowledge in the field of capacity development, PSO introduced the following collective learning activities in 2008: four collective learning paths, five paths for networks, four events and two research presentations. Furthermore, the Knowledge Centre carried out advice requests for partners, member organisations' programmes were visited in the field and cooperations with national and international (knowledge) institutions were expanded.

The collective paths and events were occasioned by various issues and the perspectives adopted can differ considerably per learning activity. It is conspicuous that when dealing with power imbalances (as a personal dilemma or between organisations or networks) is increasingly cropping up on the agenda.

Among other things, PSO organised the following collective learning activities: the seminar 'The Way South', whereby the central question was whether and in which cases the presence of Northern NGOs in the South is important. The discussions were fed by the PSO research report 'Field presence of Dutch NGOs: What is the impact on civil societies in the South?' by Dr Georgina M. Gómez.

The Way South

It seems a simple question: should or shouldn't we as an organisation be present in the South. However, the question continues to be difficult to answer as the sometimes heated discussions during this event bore witness to. The discussion concerned whether or not it is respectful towards the Southern civil society to be present in the South as a Northern NGO. A number of quotes:

Peter Llewellyn, a freelance development consultant who lives in Egypt, thinks they shouldn't: *'People who provide development aid are often very arrogant. They think their way is the only way. By doing so they edge out the local organisations.'*

Rob Watson, development consultant: *'Local people are often skilled and do good work. Nevertheless, it is sometimes necessary as an NGO to provide additional expertise so that better results can be achieved. There is an awful lot we can learn from each other. There are various situations in which the presence of a Northern NGO can be very valuable. E.g. in Zambia where a Northern NGO cooperates very closely with a local one. They provide additional expertise with a great deal of respect and openness towards local working methods. Or elsewhere in Africa, where I witness Northern NGOs helping to set up national organisations for a system local funding acquisition.'*

Dr Gomez: *'Northern organisations should also contemplate their exit strategy. 'When will we leave?' and 'How are we going to leave things?' These are relevant questions.'*

In 2008, PSO organised several, collective learning paths. 'Balancing between advisor and financier' was a popular learning path for programme staff, which focused on dealing with their various roles in relation to the Southern partners. The 'Basic Capacity building process for Civil Society' was organised again at the request of many members.

PSO also organised an event on networks and capacity building that attracted a lot of participants. PSO facilitated a Network PM&E [Planning, Monitoring and Evaluation] that focused on innovative monitoring and evaluation methods.

A major study conducted by PSO in collaboration with Wageningen University, was a peer review in which five partner organisations assessed each other's partner policy in crisis areas. The results of this study were presented at a workshop in May 2008. The principal issues that were dealt with in the study were local organisations' visions on partnerships, how partnership works in crisis situations and under which circumstances there is room to develop sustainable, local capacity.

Partners in Crisis

In the foreword to this study, Ian Smillie, international expert in the field of humanitarian studies wrote:

'This is a refreshingly candid study of the partnership phenomenon, one that avoids both cant and rant. It opens new windows for thinking, policy development, programming and research into one of the most pressing and important problems facing humanitarians today.'

The publication can be found at: www.pso.nl

Creating an international network

In 2008, PSO made contact with PRIA in India, EASUN in Tanzania and CDRA in South Africa. It is exceptional to meet Southern organisations that share our philosophy on capacity building. The PSO agency wishes to develop long-term relationships with these organisations in order to become better anchored in developments in the South. This will enable PSO to allow its members to also view the practice of capacity development from a Southern perspective.

EASUN stands for *East African Support Unit for NGOs*. EASUN is a regional development organisation that focuses on reinforcing civil society organisations in eastern Africa. EASUN works on the basis of the conviction that a strong civil society is a precondition for allowing people to participate in the social and economic development of their community and country.

CDRA stands for *Community Development Research Association*. This organisation works with development workers, organisations and movements involved in social change within marginalised communities.

PRIA stands for *Society for Participatory Research in Asia*. PRIA is an international centre for learning about and promoting democratic administration. Since its founding in 1982, the organisation has been active in the field of capacity development, knowledge acquisition and advocacy. PRIA collaborates with various partners at a local, national and international level.

Stimulation funds

In 2008, PSO granted six applications to the innovation fund. Eight organisations received a quality bonus. Initiatives that can fulfil a valuable, exemplary function and which deserve more exposure are nominated for the Innovation Award. In 2008, PSO presented the first award to Both ENDS. PSO wishes to use the Innovation Award to provide these initiatives with increased scope in the sector.

PSO stimulates the placement of migrants and young people to these target groups with their unique input for capacity development. In 2008, the Cross Over programme placed thirteen migrants in their countries of origin for the purpose of capacity building. In 2008, PSO's youth programme, Youth Zone, sent twenty three young, western people to work in the South. New is the placement of two Southern youths to other member organisations' Southern partners via the Southern Youth Zone programme that was developed in 2008.

Andres Mora Portuguez (FANCA): 'I am very happy for the Central American community. The PSO innovation award is a very nice incentive. It gives us more credibility for what we do. The award is going to open doors that were closed for us before.'

Both ENDS wins PSO Innovation Award 2008

An expert jury decided to present the award to the project 'South – South shared learning through a new approach for [sic] river basin management' by Both ENDS and its partner organisation FANCA: 'The Negotiated Approach as part of the project and the attention to political negotiating power elevates communities to the political and broader social level. The attention paid to this makes Both ENDS's project so special', wrote jury chairman, Lucie Blok, Koninklijk Instituut voor de Tropen [Royal Tropical Institute].

Christa Nooy, Both ENDS: *'Globally, more integral, sustainable and participatory water management is coming into view. Many national governments and international fora use the Integrated Water Resources Management (IWRM) concept. It is a good concept, but in practice we have observed that policy makers often forget the local actors. Simultaneously, we are seeing strong CSOs who manage to implement IWRM in practice in a participatory, bottom-up manner by enabling local actors to fight for their interests. This often takes place through negotiation. These practical examples, based on a Negotiated Approach to sustainable water management prove that truly participatory water management is possible. Policy makers also seem increasingly aware of this fact; a careful rapprochement is noticeable between policy makers and CSOs in the field of water management. The Negotiated Approach offers major opportunities for bridging the gap between local actors and policy makers. Together with CSOs we are crossing the bridge towards policy. We make the most of their needs, in their specific context; this is tailor-made capacity development.'*

Transparent policy cycle and portfolio review

Tear has received a PSO quality bonus. What does Tear do? And how did Tear achieve demonstrable results in improving capacity development quality at its partners in recent years? Martin Herlaar, head of the Programme and Partner department and Caspar Waalewijn, programme staffer, provide the answers.

In cooperation with partners in the South, Tear formulates values and visions for combating poverty. The emphasis is on humanitarian aid and structural development. Using education and information, Tear tries to raise its own supporters' consciousness and create ties between citizens, companies and government bodies in the Netherlands and the South. Capacity development plays an important role in this.

ICT
'In recent years, we have substantially improved our own ICT system which enables us to monitor our partners better', explains Caspar Waalewijn. 'We manage the entire cycle from the assessment of applications, planning, to monitoring and evaluation using the system. This provides transparency and makes agreements and results more manageable. That has a positive effect on capacity building quality.'

Portfolio process
Some two years ago, Tear was still focusing on too many countries and partners. Martin Herlaar: 'We instituted a portfolio process in order to reduce the number of countries and partners. To this end, we examined which partnerships Tear could provide added value for. The number of countries and partners has since been reduced by half from 80 to approximately 40. This has led to an increase in scale and more intensive cooperation with the remaining partners.'

Learning
With PSO's advice and support, more attention is currently being focused on learning, both within Tear and at the partner organisations. Herlaar and Waalewijn: 'On training days, we discussed learning levels and styles. This has given learning a much more clearly defined position within Tear's organisational structure.'

Results
Have the efforts led to concrete results in the field of capacity development? Herlaar: 'Don't imagine a turnaround, but view the efforts as a gradual process towards fundamental changes. We take capacity reinforcement to its logical conclusion: a structural improvement of capacity development quality based on a clear vision.'

The structural changes are also laid down. Waalewijn says: 'Portfolio and partnership policy are good examples of this. We have laid down which organisations we are going to continue to work with. We have concluded agreements to this end. In this way, both organisations know what they want to achieve and what to expect from one another. This can be useful for both parties.'

'To mention a more concrete result: we have submitted applications to reinforce the learning process at partner organisations in two fields: HIV/AIDS and Disaster Risk Reduction', adds Herlaar. 'These applications have been accepted. We thereby also examine how partner organisations can improve their outward orientation. Think, for example, of a hospital in Chad, that operated in complete isolation. With our help, the hospital received government recognition which will hopefully lead to government funding.'

'With PSO's advice and support, more attention is currently being focused on learning, both within Tear and at the partner organisations.'

Southern Youth Zone

PSO strives to increasingly work with the capacity present in the South and to develop the latter. This is why in 2008, PSO started the new Southern Youth Zone programme alongside the existing Youth Zone. Theatre Embassy and Social Trade Organisation (STRO) immediately made use of the opportunity to carry out a South-South posting. A young theatre maker from Nicaragua was seconded to Peru for three months and an exchange between young people from Uruguay and Brazil started at the end of 2008. In 2008, PSO also acquired its first learning experiences with South-South placement through the newly developed policy. An increasing number of member organisations are expected to start using the Southern Youth Zone programme in 2009.

In November 2008, two members of PSO staff visited a number of young people. In Uganda a capacity assessment at a small organisation which cares for the handicapped was attended. A Southern junior expert facilitated this workshop. A Kenyan who had been working at VSO's national office in Uganda for the past two years. During the assessment, the participants exchanged information on the mission, vision and strategy of both the local organisation and VSO. Furthermore, they catalogued the principal stakeholders using a mapping and examined the organisation's main strengths, weaknesses, opportunities and challenges.

The junior expert immediately noticed a clear advantage to this new programme: *'Right now I'm not so sure about my future. I don't have a sending organisation to whom I will return at the end of this posting. So I clearly see an added value in having a sending and a receiving organisation within the programme. This way you can make sure that the placement is really sustainable and all the acquired skills and knowledge do not disappear and resources will not go to waste at the end of the placement.'*

Planning, Monitoring and Evaluation scrutinised

In 2004, PSO introduced the Planning, Monitoring and Evaluation system (PM&E) to promote learning about capacity development strategies and processes. PSO had two meta evaluations carried out on its programmes. In answer to the meta evaluations carried out, a PSO work group detailed a modified system in 2008.

Posting services

Posting Northern and Southern development experts to guest countries remains an important part of the capacity development interventions. PSO organises the experts' postings with the aim that these can function in as optimum a way as possible at the partner organisation they work for.
The PSO agency's staff are skilled and experienced at facilitating and advising the seconded experts and partner organisations concerning the practical, administrative and financial aspects of a posting.

PSO has funded well over 200 posting contracts for its members. During the year under review, PSO administratively managed approximately 350 postings for its members via the Garant-verklaringen (GAK) [Guarantee Declarations]. Approximately 130 postings were administratively managed for non-member organisations (Facilitatory Services, FAC). PSO charges administrative costs for both FAC and GAK postings. In 2008, one member organisation (Mensen met een Missie) lodged almost all activities pertaining to providing postings with PSO. In 2008, the posting conditions for migrants were updated. Service to all contracted parties improved by also sending financial data digitally. Another point of attention was the security of those seconded. Together with Partos we organised a meeting on this theme for development organisations.

Visible changes

A consultant scrutinised the results of the mid-term reviews and final evaluations between 2003-2006 and those of 2007-2008. The initial analysis (2003-2006) revealed that member organisations more often than not viewed capacity development as knowledge transfer. That is why attention was primarily paid to Human Resource Development (HRD). It also became apparent that members used a limited number of methods to promote capacity development. Training sessions which contained little tailor-made work were primarily used. The second analysis (2007-2008) revealed that member organisations' attention had shifted more to contacts with partners. More methods were also being employed to promote capacity development whereby there was more room for coaching and less emphasis on training. By now, a better balance has been sought and struck between HRD and Organisational Development. Unfortunately, Institutional Development remains underdeveloped in most programmes. In practice, a lot of funding is still spent on the partners' short-term needs for the implementation of projects and programmes, and not on more sustainable organisational development aspects.
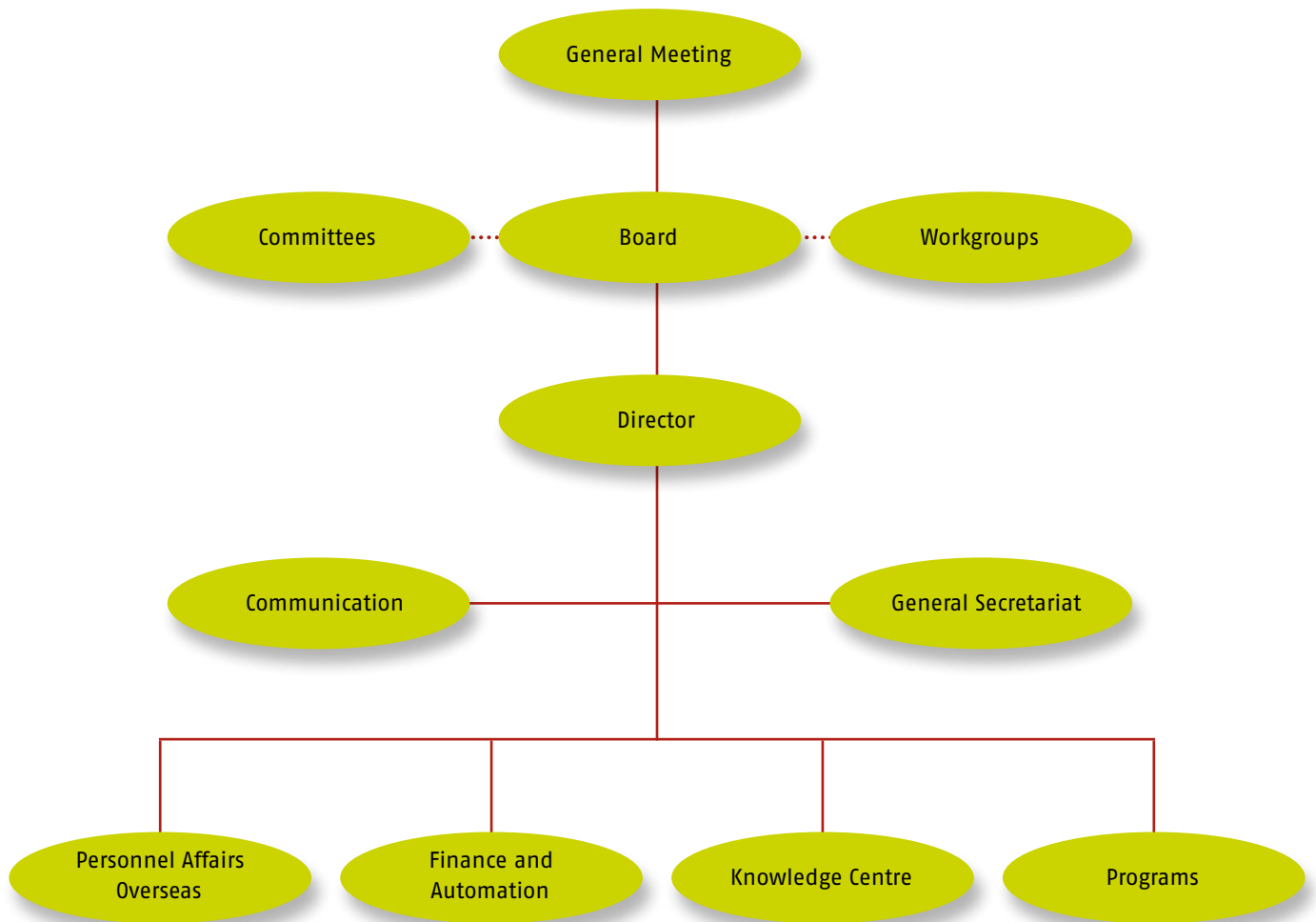
Organisation in figures

- PSO received a budget of € 28.5 million from the Ministry of Foreign Affairs for its activities over the past financial year, of which € 24.9 million for the financing of PSO members' programmes and projects.
- 42 people worked in six departments at the PSO agency.
- In 2008, an ISO certificate was awarded to PSO for its quality control.
- In 2008, Bob van Boven was succeeded by Henk den Boer as the board's treasurer.

- The International Advisory Board (IAB) also met in 2008. This international advisory board's role is to provide feedback to PSO's management concerning their current approach and to tie PSO to new developments and lessons learned in the field of capacity development.
- In 2008, PSO welcomed three new members: World Population Foundation, IRC and VluchtelingenWerk Nederland.

Please refer to the full version of the annual report for an overview of PSO's financial details. This can be found at: www.pso.nl

Organisation chart

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                        │ General Meeting   │
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List of member organisations 31st of December 2008

Agriterra
Aim for human rights
AMREF Flying Doctors Nederland
Both ENDS
CARE Nederland
Cordaid
Dorcas Hulp Nederland
Edukans
ETC Foundation
Fair Trade Original
Free Voice
Gereformeerde Zendingsbond (GZB)
HealthNet-TPO
HIVOS
ICCO/ Kerk in Actie
International Institute for Communication and Development (IICD)
IKV Pax Christi
Interserve Nederland
IRC International Water and Sanitation Centre
Leprastichting
Mama Cash
Medisch Comité Nederland-Vietnam
Mensen met een Missie (CMC)
Missionarissen van Mill Hill Nederland

Nederlandse Rode Kruis
Netherlands Institute for Multiparty Democracy (NIMD)
NIZA
NOC*NSF
Oxfam Novib
SIMAVI
Social Trade Organisation (STRO)
Solidaridad
Stichting Kinderpostzegels Nederland
Stichting Milieukontakt International
Stichting VSO-Nederland
Stichting WEMOS
Stichting Woord en Daad
Tear
Terre des Hommes
Theatre Embassy
Transnationals Information Exchange (TIE)
VluchtelingenWerk Nederland
WAR Child Nederland
World Population Foundation
World Vision
Zending Gereformeerde Gemeenten (ZGG)
ZOA-Vluchtelingenzorg
Zeister Zendingsgenootschap (ZZg)

List of Board members on the 31st of December 2008

M. van Rij, Chairman
H. den Boer, Treasurer
D. Faber
L. Geut
K. Schilte
D. Vermeer