

# NGOs and Aid Fragmentation

The Belgian Case

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# Intro

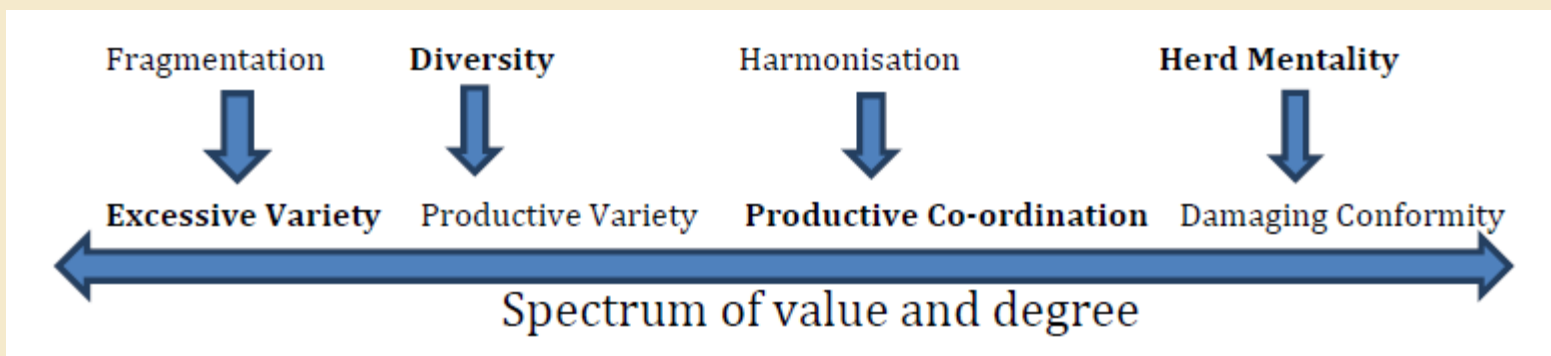
- Aid fragmentation is about too many donors carrying relatively small amounts of money to too many different interventions in too many different countries.
- Kyle & Sperber (2010) 'future research should consider the role played by NGOs and other non- or sub-state actors in aid fragmentation'

# Bilateral aid (%) channelled to and through NGOs, 2009 (source OECD/DAC)

DAC Member	To	Through	Total
Denmark	3	8	11
Finland	0	22	22
Ireland	15	22	37
Netherlands	21	9	30
Norway	0	27	27
Sweden	5	21	26
UK	4	10	14
sample average	6,86	17	23,86
<b>DAC average</b>	<b>3,79</b>	<b>12,86</b>	<b>16,7</b>

- Mostly however this aid to/through NGOs is divided over multiple organisations
- Belgium : 7% to/through 115 NGOs

- DAC peer reviews systematically address the need for more complementarity/synergie between NGOs and bilateral aid
- European donors reforming their NGO-co-funding systems in search of (intensive – extensive) complementarity



## Why Belgium?

- Reform
  - Crucial case
    - NGO fragmentation is 'an old problem' – remedies unsuccessful
    - Multi-linguistic - Multi-ethnic
    - Multi-level governance
    - Ranked 3rd largest NGO sector Europe
    - => Rich in fragmentation/overlap
  - Pilot study, exploratory, availability data
- ⇒ Taking an in-depth look at NGO aid delivery – NGO landscape
- What is it ?
  - What drives it?
- Survey + available data

## Input – Output fragmentation

- Country/sector allocation does not give information on aid spending
  - Further down the aid chain: fragmented delivery (output fragmentation)
    - NGOs have multiple partners within one country
    - Often active in different sectors
    - Multitude of projects / programmes per partner
    - Conflicting goals
  - Higher up the aid chain (input fragmentation) What drives allocation choices?
    - Resource dependency
    - Historical institutionalism:
      - history
      - socio-political structures
    - Path dependency – stickiness institutions

## Looking into output fragmentation

- (1) The number of countries and partners NGOs deliver their aid to
  - 115 NGOs – 62 countries
  - Average budget/year/NGO 360.000€
  - Multiple partners/NGO
- (2) The sectors in which NGOs develop activities
  - >30% NGOs active in 3 sectors
  - 10 NGOs in more than 5 sectors
- (3) NGO coordination in the field
- (4) (?) The level of synergy between the NGO allocation strategy and the bilateral allocation strategy (?)

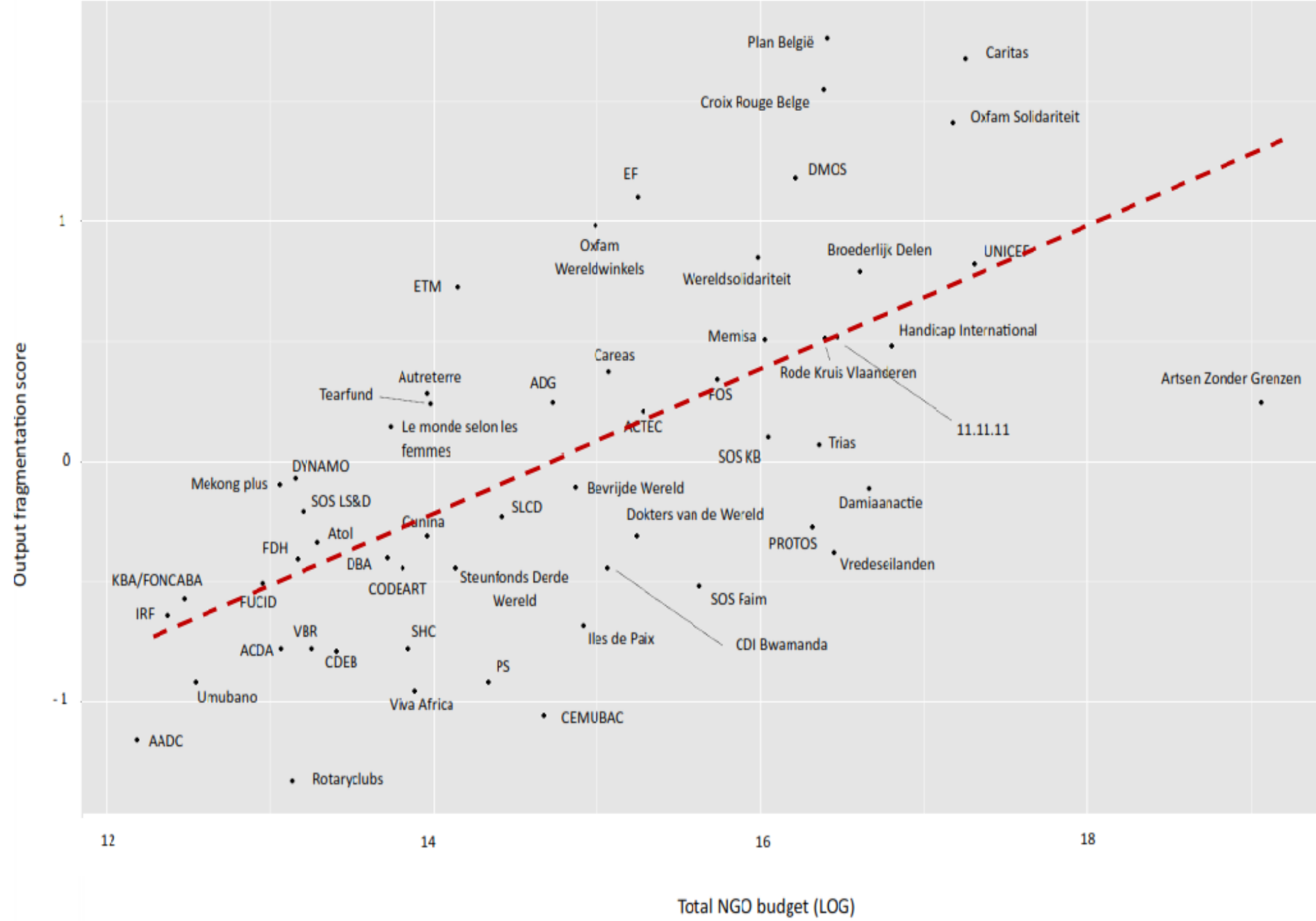
## Measuring output fragmentation

- Standardized Z-scores for 3 variables
  - Number of countries
  - Number of continents
  - Number of sectors

$$\text{Output fragmentation} = \frac{\text{Zscore}(\text{countries}) + \text{Zscore}(\text{continents}) + \text{Zscore}(\text{sectors})}{3}$$

- The output fragmentation score in our sample ranges from -2 to +2, with 0 as the average output fragmentation score of the sample.
- Crude measurement !
- But size of organisation matters (budget) → relative score





## How to understand this variety?

Drivers of Input fragmentation:

- (1) Resource dependency NGOs
- (2) The history of the NGO-landscape
- (3) Socio-Political setting
- (4) Past reform attempts in Belgium.

## Multiple funding sources – multiple incentives

- European funding
- Federal co-funding
- Regional
- Provinces
- Community funding
- Private gifts, own revenues, sales...
- Other official sources (lottery, other federal budget lines)

## Presence in more countries increases likelihood to get access to funding through

- gifts (0.321)
- sales (0.417)
- the private sector (0.335),
- the province (0.376)
- the local municipality (0.306).
- the National Lottery (0.330).

All correlations are Spearman, valid at the 0.05 level

- Resource dependency: fragmentation and access to multiple funding sources seem to go hand

## History of NGO landscape

- Belgium, a consociational federal state, historically characterised by deep linguistic, regional, and ideological cleavages
- NGO-landscape is 'old' & bears these traits:
  - segmented into ideological pillars (catholic, socialist, liberal)
  - divided into regional groups (Flemish, Walloon).
- Flemish versus Walloon NGOs?
  - Major differences in size and level professionalization

## Path dependency: Past Reform attempts

- 3 major reforms: some changes, but never reached the goals set out.
  - Trade-off between the push for quality of the NGO-sector and political sensitivities
  - Political leverage of NGOs
  - Informal institution: NGOs have 'the right of initiative' and 'autonomy'.

## Conclusion

- For NGOs, output fragmentation pays off
- A focus on one funding reform (the federal NGO-funding) is far too simple
- Questioning the fragmented NGO landscape equals questioning the wider socio-political structures and their in-built checks and balances
- Future research:
  - improving output fragmentation index
  - quantifying variables on the input side so as to move towards research that is able to establish causal relationships between in- and output fragmentation

Thank you !

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