

Basis for a decision on Oxfam. Paper from Vagn.

The below is an executive summary of what came through in the comprehensive consultations and analysis conducted from December to May. And based on that, a proposal for an active observer engagement if the conclusion on the overall analysis is that a membership is worth pursuing.

The paper was written by Vagn Berthelsen, General Secretary of IBIS. It served as the basis for discussions in June in SU (HO liaison committee), in MG (IBIS global management group of country and Head Office directors) and at the OX Day (a full day of discussions on Oxfam amongst employees and board members).

1. Background and hearing process

Three overall papers were written by external consultants: 'Navigating in troubled waters' focusing on the ODA mega trends. An analysis of the existing SMS structure. An analysis of the 2020 vision/decision – titled 'IBIS at a cross road'.

Four thematic analysis papers were developed, focusing on the 'portfolios' of the four HO departments. Country reports were prepared for most countries, a few not participating with 'full' reports because of the contextual factors. These were based on meetings with staff and talks with Oxfam at the country level and with Board/LG participation.

Two public meetings were held in Denmark and a number of smaller and bigger discussions and consultations held at various levels. A blog led by the chair gave the membership an opportunity to be informed and have a dialogue.

The below sums up the viewpoints coming through from all these discussions in terms of opportunities and threats (or 'risks' probably a better word), pros and cons. The background papers referred to have been circulated and are available for internal use.

Further it outlines a proposal as to how we can best handle the next phase if we decide to proceed towards becoming observers in Oxfam.

One message coming through from the consultations was 'why'? Things are going well in IBIS, 'why change a winning team', why take all the trouble? The answer to this is interrelated to the 'pros' when looking at the OI opportunity and is summed up in the following. As is the 'why not' do it.

1. A burning platform?

A 'burning platform' is a metaphor from the management literature used for situations where you either jump or die, and you have to decide which way to jump. So are we standing on a burning platform?

To my mind 'no'. In many ways we have a well functioning organization, we do good work and the economy is sound. For the time being.

We may have a 'not too slowly burning platform' though. The development world will undergo dramatic changes and this will affect the Danish scene and INGOs also. The 'Navigating in troubled waters' report sums up the most current thinking and analysis of this situation. The question is where IBIS will be best

positioned to 'ride the waves' - to cite one of the reports. Free funds is clearly a major issue and will increasingly become so, and in that sense the platform has started to burn.

The 'jumping from the platform' metaphor begs another key question related to identity: Which organization do we want to be or become? Which way do we want to jump – or move? My analysis is that medium sized organizations will increasingly become squeezed, and that either you become part of something bigger or you become smaller. Do we want to become part of something bigger and have influence (contribute to having influence) on overall global issues or do we want to focus on influencing development policy in Denmark? And how will the latter play out if we become relatively smaller? Do we see a future where IBIS can still maintain the current stand- alone IBIS programs and country offices or do we think we must eventually merge these with others or make the independent 'South' entities?

The below tries to sum up 'the why' as it has come out in the discussions and analysis. The why must be seen through a lens which looks at how we want to position IBIS for the future.

2. Why join? The rationale, the 'pros'.

1. Vision, mission and policy (policies). There is a (close to) 1:1 match between IBIS and Oxfam in these areas. Fighting for global equality and justice is the core of these statements, but we have as IBIS little influence on anything global. Whereas Oxfam is recognized as the most influential development NGO globally, based on excellent research strength, a highly respected political analysis and a global outreach. If IBIS can become an important stakeholder within Oxfam we will have a greater impact on global policy making, using the analysis and the brand of Oxfam, which is known by politicians, media and other stakeholders. Our information, policy and campaign work will get a significant boost.
2. Operational strategies. The key strategies guiding the operational work are largely very well in harmony too. This goes for partnerships, governance gender and partly education (refer below) and it goes, not least, for the Right Based Approach. It has been mentioned that our Danish democratic approach and perception is more genuine than in OI, where the partnerships are seen as more instrumental. It should also be noted that Oxfam in certain areas have also been the norm setting organization for operational program policies at the professional level, that is played the leading role it does in agenda setting in development policy.
3. South ownership. IBIS' mandate is to (help to) empower the 'South', mainly understood as civil society but also working for poor countries' position, so that they get a more fair deal globally. We have a good reputation for our partnership relationships, but we have no vision for a future transition from IBIS (country offices) to local (South) organizations. Oxfam has that vision, over time building national affiliates based on national, existing organizations wherever possible. This relates to IBIS as a whole, from Board level and downwards. Other major organizations like WHH are grabbling with that issue too.
4. Intelligent use of resources. In a 'family' (confederation) there are possibilities to use the resources intelligently in a number of ways. One is simply savings by using joint systems and having economies of scale. Another is that what one member cannot fund may be funded by another member, as all members have different 'strings attached' to restricted funding and different levels of free funds. IBIS frame funds can be used strategically well and it is likely that we can establish good synergies with other affiliates with different financial conditions.

5. Professional capacity. To compete in a competitive market you need cutting edge professionalism and increasingly so as NGO's are competing with other stakeholders for contracts. This goes for all areas, obviously programs, but also for fundraising, information/communication, financial administration, campaigns etc. Oxfam has a size which makes it possible to professionalize (and to update this continuously) and to make a division of work between the members. IBIS can benefit from using OI members' expertise outside our own priority areas.
6. Program match and geographical outreach. Our current professional focus and geographical focus is a good match with Oxfam. Education and governance are not overcrowded within Oxfam, so the expertise we can offer can get a central position in Oxfam. We must consider the way 'education' is defined though and consider how to position it, refer the recommendation made in the '2020' analysis. Our geographical foci are not a bad match either, especially looking at LA and West Africa. But the other members' expertise can be drawn upon and we have then an option to expand our geographical outreach, depending on the resources we have available.
7. Fundraising 1. Funding through North based NGOs' will go down over the coming years (says all forecasts). Donors need to deliver funds in bigger chunks to cut back their administrations, and you need to be able to deliver at a big scale to win contracts. The situation for middle sized NGOs' may well turn out to become difficult in this respect as only the 'big ones' can actually offer, what the donors will demand.
8. Fundraising 2. Private fundraising will become increasingly important and necessary – for independence, for ability to decide own priorities, as co-financing and as a substitute / buffer for declining public funds. Private fundraising can benefit a lot from the Oxfam expertise, brand, outreach and information/campaign capacity. This includes also building on Oxfam's disaster activities (one of the 5 biggest globally) which will greatly enhance our name recognition.
9. Scandinavian outlook. IBIS will be the only Nordic member of Oxfam and is well positioned to become the gateway to Scandinavia for Oxfam. Presently there is a newly established fundraising office in Stockholm. It will be promising to explore IBIS' role in Scandinavia vis a vis private fundraising, institutional fundraising and policy dialogue.
10. Protection via the international family? Our recent Bolivia experience indicates that INGO's are (also) subject to political harassment from governments. Nobody is above that, but a 'family' does give you a different level of protection and ability to take action in situations like that.

3. Why not join – threats/risks and reflections.

1. Program work in practice. This has come through as the main worry, not least from the country consultations. Which role can/will IBIS play in the new 2020 setting of Oxfam International – in countries and thematically? Will the program work in the future Oxfam match the theory and the quality we think we represent presently? How will this relate to 'back donor(s)' demands and our turnover? Can we shape the education strategy so that it matches our perception?
2. Financial analysis. OI membership comes at a price, currently 1% fee and 0,2% (fundraising investment) and 0,3% (South growth of OI) of turnover. Can we afford this? Can we negotiate with OI and with back donor to make this possible? Will our turn over decline because of the division of work in OI (or will it go up)? Will the levy go up and can we pay it?

3. Transaction cost. The 2020 decision (of Oxfam) is taken to correct what does not work well enough in the SMS (Single Management System) structure of Oxfam. It remains to be seen how the new decisions will be implemented and function in practice.
4. Transition cost. The 2020 (One Oxfam) is a radical decision that will involve major organizational changes. How much will it affect our ongoing work? How can we best design an observer period where we become well positioned to make the final decision?
5. Identity. Refer above about 'which way to jump' But also: The program work is for many in IBIS related closely to our identity as an organization. Some will see a membership of OI as undermining or destroying our Danish rooting. OI aims at a 'dual citizenship', member organizations both being independent entities *and* working for 'One Oxfam' – will this culture shift succeed?

4. Decision point – yes or no to becoming observers. Additional reflections.

Based on the above we must decide if we want to proceed. We can decide 'no thank you' now. Or we can decide to proceed and design a proposition/business plan and an 'active observer role'.

A fair question is: Which alternative scenario can we outline. As I see it they are as follows:

- a. IBIS alone. We work by ourselves and enter into partnerships on an ad hoc basis when we see fit. This can include organizations focused only on the themes we want to explore. The main question is if this is a viable option in the medium term, or rather, what the consequence of that choice will be in the medium and long term, refer above.
- b. IBIS in Alliance 2015. Our discussions with Oxfam have sparked some new urgency in the Alliance and the discussions are becoming more 'to the point'. Education and governance are not joint priorities and 'our diversity is our strength' but definitely also our weakness. There are major discrepancies between the organizations when it comes to vision, mission, policy and strategy. That said we can still benefit from the cooperation.
- c. The Oxfam choice. The Board of IBIS has at two earlier occasions (2000 and 2006) decided to check if an Oxfam membership was a possibility. It happened in 2000 when Alliance2015 was initiated, and in 2006 when Action Aid approached us. If you believe that it is necessary to be part of a bigger, integrated family to be well positioned for the future, Oxfam is not only an (in most aspects) ideal possibility, it is also the only one. 'Ideal' without underestimating the risks outlined above.
- d. One can also argue for postponing the whole thing a year or two to see how things are settling in in the 'One Oxfam'. It is strongly recommended not to consider this an option. The Boston decision made by Oxfam and the '2020' plan means that it is now things are decided and shaped. The direction is clear but there are many issues which have to be worked out and negotiated between the affiliates. That means that we at this point of time can design a role for us as observers where we position ourselves well (as optimal as possible). But in 1 or 2 years' time things, which are presently open for negotiation, will be 'frozen' and impossible to unlock for a while, not least the country strategies.

Why is Oxfam welcoming IBIS is also a fair question when summing up the analysis. 'Do they take us for the money' is maybe the unspoken question. I have heard the following statements from key OI people (the CEO and the chair of OI +): a) IBIS has a strong reputation for doing quality work from a rights based perspective, b) We know that we over the years have worked together and shared policy positions and

research on a number of occasions (COP 15, EU Summit, extractives/tax), c) IBIS represents thematic areas (education and governance) which are welcome in OI as they are not already overcrowded, d) Our LA presence is welcome as OI is considering how to tackle the donor exodus e) the Scandinavian perspective, as the Nordics politically has a big say in development policy. Oxfam's main worry is related to our financial dependence on DANIDA and our limited free funds. So maybe we are not attractive 'for the money'.

If we decide to become active observers, what is our platform for negotiation and the 'non-negotiables'? My outlook, based on the consultations, are as follows:

5. Key points in a proposition.

If we decide to define ourselves as 'active observers' (rather: recommend to the General Assembly to take this step) the following is what I see as the main points in a proposition:

Generally to mitigate what we see as the main risks and to exploit fully what we see as the potential. Not to try to preserve everything we do now (the 'museum' approach) but to embrace the 'One Oxfam' vision without being naive. To participate in defining the implementation mechanisms in the 2020 vision in a positive and constructive manner. To negotiate what may become the agreement for joining fully if we decide to do so.

Specially

1. *Program role.* Because of the 2020 decision and ongoing process it will be a short term, mid term and long term perspectives we will be looking at, where we can define/negotiate the short - and mid - term situation and accept the direction of the long term perspective.
 - a. Knowledge hub and resource centers. These are about to be fleshed out and members' role to be defined, and IBIS' future role must be tentatively defined. The financial mechanisms and practical tools to make this operational must be defined too (a functional 'regulated market' set up)
 - b. Thematic role. Our role and participation in education and governance qualified, inc discussing the definition of 'education' within Oxfam and discussing our role vis a vis extractives, tax heavens and other elements of the governance strategy. Other options tentatively discussed to explore in which way we can benefit from Oxfam expertise in other areas like climate, livelihoods etc.
 - c. Accountability mechanisms and governance issues. These are about to be fleshed out and IBIS' role must be tentatively defined. Which countries do we take lead on in the short term, and which new countries (in Asia, in the Middle East?) do we consider in the longer term? Which positions do we go for in the Oxfam governance groups at the national and regional level? How do we in the short to medium term ensure IBIS' staffs' positions and possibilities for taking new positions in an Oxfam set up.
 - d. Back donor agreement. Investigating how we can be part of 'One Oxfam' and deliver what we need to deliver to back donors (DANIDA and others institutional as well as private donors (key foundations)). This includes not least performing well in the 'RAM setting' (Resource Allocation Model).

- e. Advocacy role. 2020 is sharpening the advocacy role of Oxfam and the rights based approach. Advocacy is an integrated part of our programs and we have strengthened the international dimension through the AAP/LAPI (and soon to be: Education) programs. How to best ensure that our approach (local-national-international) is transferred and strengthened in Oxfam.

2. *Humanitarian role.*

How can we use and contribute to OI's work in disaster situations? We have little to offer in the immediate disaster situations, but OI will (almost always) be there. We can fundraise to OI as part of the family and it will be valuable if we at times can contribute also. Is there a small niche for Education in Emergencies?

3. *Policy and campaigns.*

- a. Benefitting from Oxfam's campaign strength. Analyzing and defining our potential future role in the global campaigns, considering the Danish context. How can the research be used intelligently, how can we contribute to this end?
- b. Developing the 'Whole world in School' campaign in an Oxfam setting. As a minimum continuing this campaign. But can we make other Oxfam members interested in this?

4. *Information and fundraising – and membership.*

- a. Benefitting from Oxfam's power and resources. How can IBIS make use of all of Oxfam's 'products' of global materials, which are produced on an on-going basis, to reach out to a broader Danish constituency and strengthen the membership basis?
- b. Private fundraising. How to use both the political profile and the emergency profile to fundraise substantially more private funds and get a much stronger name recognition, support base and through this political platform.

5. *Finance and administration.*

- a. Financing the membership. We need to explore means and ways to finance the membership fee that suits our setup. Investing in fundraising for free funds is likely to be an element in achieving this.
- b. Intelligent use of resources. Analyze what other Danish members of families do and work out how IBIS resources including frame funds can work best within the larger setup of Oxfam.
- c. Shared service centers / savings. How do we join these debates and ensure that we position ourselves to benefit from the shared services and the savings. Ensure IBIS alignment where possible.
- d. Institutional fundraising position and consequences. Join discussions and analyze the financial consequences of 2020 vis a vis especially national fundraising. Will the immediate effect be less income or what is the forecast for the gain in short and medium term. Consequence of 'account manager' set up, incl. our possible role via a vis SIDA and NORAD.

6. *The Scandinavian perspective.*

- a. Private fundraising. Explore the potential for IBIS in fundraising in Sweden / Norway for/with Oxfam.

- b. Institutional fundraising. Can IBIS become 'account manager' for SIDA / NORAD in Oxfam and what will it entail in terms of funding.
- c. Political role. SIDA and NORAD are together with DANIDA significant actors and part of the decision making process on issues linked to ODA and development. Can we define our role in Oxfam so that we use our understanding of Scandinavian politics and the Oxfam platform?

Further process

The liaison committee, the MG and the OX Day discussions will inform the Board's decision on 3rd July. The Board will recommend to the General Assembly in September to not proceed or to enter into an observer period. If we decide for an observer period the main parameters for 'success' (the proposition) must be defined. Oxfam must confirm that they accept IBIS as a potential member and the prerequisites for this must be agreed.

The observer period is usually a year, and unless there is a very 'special situation' I'll recommend that one year is the maximum. These processes create uncertainties and should not be prolonged.

If the main elements of the proposition are fulfilled the next General Assembly will be asked to confirm the decision of joining Oxfam. If the outcome of the observer period is 'seriously' different from what was agreed at the GA in September 14 it will (constitutionally) mean that a 3rd GA must confirm the decision.

There is a great deal of judicial issues that I have no overview of, but which must be tackled along the way. Oxfam does have manuals on this sort of things, but I have not studied them yet ☺.

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