OPENING UP FOR INFLUENCE

A report of ICCO’s transformational journey with ProCoDe

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With pleasure and some pride we present this booklet about the birth and implementation of what is without doubt the most far reaching change process that ICCO undertook since its foundation in 1964. During this process known as ProCoDe, ICCO transformed from a Netherlands based development organization into an international network organization. In doing so, ICCO changed its governance structure and partnership approach and ‘opened up for influence’ from Southern stakeholders. This booklet documents the transformation journey that ICCO underwent from 2004 until late 2010.

Above all, the change process was driven by the desire to reverse the dominant power relation between ICCO and its partners in the South. Despite the long standing rhetoric that ownership and responsibility should lie with the people and groups that initiate and drive processes of change, development organizations have essentially remained in the driver’s seat. As a result, strategies, policies and practices tend to be biased in favor of the money sources and less upon local insights or priorities.

Right from its early years ICCO has felt uncomfortable with this situation, as can be read in its first policy paper ‘Development and Participation’ from 1978. This viewpoint is inseparably related to its Protestant background with its traditional emphasis upon the crucial position of the ‘lowest’ level in the hierarchy of the church: the local community. In that sense, one can argue that the importance attached to ‘the voice of the South’ is part of ICCO’s genes. Small wonder, too, that the criticism by the Word Council of Churches regarding the imbalance of power between the North and South was well received by ICCO.

Over the years, ICCO continued to struggle with the issue of unequal power relations. Earlier attempts such as the Reverse Consortia of the late 1970s or the continental and country wide partner consultations, however, did not touch upon the existing decision-making structures. Around its 40th anniversary, ICCO entered a process of fundamental reflection about its added value in a rapidly changing world. The main question at the table was essentially how to move beyond the existing well-intentioned yet essentially paternalistic approach and make the organization future-proof. It was this question that ultimately resulted in ProCoDe and made ICCO what it is today.
We feel that it is of importance for all involved in ICCO, in particular new staff and council members, to digest the contents of this booklet. Exploring the past is critical towards understanding the present and shaping the future. Besides capturing a crucial part of ICCO’s history, this booklet identifies a number of core ideals and ambitions that remain relevant for the future. This is important because the change process that ICCO entered with ProCoDe is not finished. Our environment continues to change and we must change with it to ensure our future relevance and effectiveness. The recently established cooperative with Edukans, Prisma and Kerk in Actie must also be seen as part of this process.

In addition, we also believe that the experiences documented in this book may be of use to other development organizations seeking to reinvent themselves. The ongoing developments that prompted ICCO to change have only intensified in the past few years, making it even more imperative for development organizations to adapt to their changing environment. By sharing our experiences, we hope to make a modest contribution to the much needed innovation of the development sector.

We have requested Dr. Willem Elbers and Bram van Leeuwen to research and document ICCO’s transformation journey. Both are familiar with ICCO, each from their own perspective. Willem Elbers researched ICCO extensively as part of his PhD-research ‘The Partnership Paradox: Principles and practice in North-South NGO-relations’. Bram van Leeuwen has had a long career within ICCO and played a key role in the implementation of ProCoDe as project-leader. Their joint authorship therefore combines the perspective of the outsider with that of the insider. We hope that you’ll find their co-production to be informative, sincere and inspiring.

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In the period between 2006 and 2010, ICCO underwent a process of profound organizational change known as ProCoDe. This document describes and analyses the birth and implementation of ProCoDe. It identifies the main parties involved and the milestones, breakthroughs and hurdles met along the way. In addition, this document sheds light on how ProCoDe relates to ICCO’s ‘old’ co-financing approach. It has two objectives: (1) to explain to (new) ICCO employees and Council members why ProCoDe was implemented and clarify how it represents a departure from the approach taken in the past; (2) to enable ICCO and other organizations to learn lessons from ICCO’s experiences. By sharing its experiences, ICCO hopes to offer tangible starting-points to those organizations seeking to reinvent themselves and to offer concrete input to the current debate about the future of International NGOs.

In the period between 2004 and 2005, ICCO’s leadership became convinced that staying the same was no longer an option. This conviction was based on three sets of observations. First, (it was observed that) the wider development context in which International NGOs operate had changed dramatically in the past decades. Key changes include the increasingly global and complex nature of development problems, the decline of the traditional North-South paradigm, the rise of non-traditional development actors and new ICT-technology. Second, (it was established that) the growing capacity of civil society organizations in the South had not been matched by the delegation of more responsibilities and decision making power within the development cooperation. Despite the importance that is widely attached to partnership and ownership, it was observed that North-South relations continue to be highly unequal. Third, (it was noted that) there had been little innovation in the development NGO-sector, resulting in an inwards directed and closed orientation. International NGOs were identified as continuing to operate within the boundaries of the traditional development sector while failing to reflect fundamentally upon their roles, added value and rootedness in their own society. Most importantly, it was established that the observed characteristics of the development NGO-sector applied to ICCO as well.

To address these issues, a change agenda was developed consisting of three components: the Programmatic approach, Co-responsibility and Decentralization (= ProCoDe). The programmatic approach starts from the idea that tackling the root causes of poverty and injustice requires working on multiple levels and seeking the connections
between them rather than focusing on single issues or problems. It implied a move from supporting individual projects and partners, towards supporting coalitions (or ‘programs’) of actors driven by shared concerns. Co-responsibility starts from the idea that ICCO needs to systematically involve Southern stakeholders in its strategic decision-making. To realize this, ICCO established Regional Councils and an International Council with a mandate in the field of policy development. Decentralization builds on the idea that Regional Offices run by staff recruited in the region are in a better position to facilitate context and coalition specific programs compared to staff based in the Netherlands. In an operational sense, it meant that ICCO transferred roles and responsibilities from the office in the Netherlands to (newly established) Regional Offices, resulting in a major reduction of Dutch staff.

While ProCoDe was successfully implemented within the intended time period and budget, the change process was far from easy. Four difficulties in particular constrained the implementation process. First, not all partners were enthusiastic about the change agenda. The programmatic approach implied losing a well-known and often comfortable relationship with ICCO. While partners welcomed the notion of co-responsibility, not all were happy that ICCO had decided to exclude partners from participation in the Councils. Second, not all the staff within ICCO was convinced that decentralization was right for the organization. Concerns were raised regarding the capacity and impartiality of local Project-officers, the loss of Dutch expertise, higher operational costs and the (undermining of the) uniformity of the organization. Third, ICCO-staff were directly affected by ProCoDe at a personal level. Project-officers lost their unique relation with their partners while a successful change entailed that they would lose their jobs. Fourth, a cleavage emerged between the leadership of ICCO and the workplace which frustrated communication between the two sides. Amongst staff the perception emerged that their concerns were not taken seriously, while the leadership grew increasingly frustrated due the (perceived) lack of enthusiasm for ProCoDe.

Despite its critical reception and sometimes difficult implementation process, ProCoDe was nevertheless completed as planned. Three factors have especially contributed to this. First, there was wide support within ICCO for the philosophy underlying the notion of co-responsibility, which closely resonated with ICCO’s existing core principles and organizational culture. Second, there was sufficient critical mass at the top level to drive and guide the change. The top leadership was highly committed to the change process, had the capacity to guide the change process and was supported by the Board. Three, there was sufficient funding to both implement the change agenda and ensure a generous social plan. This alleviated some of the stress and tensions that emerged with the prospect of job loss.

ICCO’s leadership became convinced that staying the same was no longer an option.
All through its history the nature and quality of the relationship with the South and Southern partners has been a crucial area of concern for ICCO. When one studies ICCO’s policy papers, the emphasis on the (e)quality of North-South relationships is obvious, right from the first policy document ‘Development and Participation’ from 1978. This document refers explicitly to the conferences and policy statements of the World Council of Churches, which paid much attention to unequal power relations and the importance of equal participation in decision-making by all stakeholders. In 1977 and 1979 ICCO tried to put these ideas into practices with its so-called “Reverse Consortia”. In the Reverse Consortia, ICCO invited a substantial number of its partners to discuss ICCO’s policies and explore whether they could be made (co-)responsible for funding decisions. The results of the Consortia were different than expected. Amongst other things, partners pointed out that they did not want to become responsible for making funding decisions due to conflicting interests. Moreover, they made it clear that they wanted ICCO to focus more on raising awareness in the Netherlands.

Following a period in which ICCO’s relationship with the South received less attention, the topic returned to the agenda in the early 2000s. Shortly after the Reverse Consortia, ICCO entered a period in which much attention went to the expansion and professionalization of the organization and the growth of its program in the South. While the Reverse Consortia seemed to have been forgotten, their spirit lingered on within the organization as is evident from the weight attached to partner consultations. At the beginning of the new millennium, the issue of North-South cooperation and the desire to reverse the dominant power relation returned to the agenda when ICCO got a new director (Jack van Ham). During several brainstorming sessions in which the top management of ICCO participated, the question was raised whether ICCO needed to change in order to stay relevant in a world that had vastly changed since its foundation in 1964. This resulted in a growing conviction that the organization needed to reinvent itself to ensure its future relevance and legitimacy. More importantly, it triggered a process of profound organizational change which later became known as ProCoDe, an acronym capturing its three core components: Programmatic Approach, Co-responsibility and Decentralization.

This document describes and analyses ICCO’s transformation journey from 2004 until late 2010. When the idea for this paper emerged in 2011, the rationale underlying ProCoDe, the nature of the changes it implied and the lessons learned regarding
the change process itself had not yet been systematically documented. Instead, bits and pieces of information were scattered in numerous formal and informal documents as well as in the minds of the many people that had been involved in the change process. This document addresses the need for a concise overview of what, without doubt, has been ICCO’s most profound change process since its formation. It was written with two goals in mind: (1) to allow (new) ICCO employees to learn about the events leading up to the change agenda as well as the changes it implied in terms of the core philosophy and associated practices; (2) to enable ICCO and other organizations to learn lessons from ICCO’s experiences. As such, this document is not an evaluation of whether ProCoDe is living up to its expectations. The decision to share ICCO’s experiences with others is based on the firm belief that International NGOs (INGOs) are crucial in the fight against injustice, but need to change their current donor-oriented approach and adapt to changes in their environment to maintain their relevance and legitimacy. By sharing this report, ICCO hopes to make a modest contribution to facilitating this change while offering input to the current debate about the future of INGOs.

The outline of this document is as follows. Chapter 2 discusses the rationale underlying ProCoDe and explains why the ICCO leadership during the period of 2004-2005 became convinced of the necessity to initiate a process of change. Chapter 3 provides a chronological overview of the main events that took place during the implementation of the change agenda in the period from 2006 to 2010. Chapter 4 zooms in on the change process and identifies the main factors that shaped the implementation of the change agenda. Chapter 5 identifies what is new about ProCoDe and what has stayed the same in terms of ICCO’s philosophy and actual practices. In doing so, it takes ICCO’s ‘old’ co-financing approach as the benchmark. The final chapter concludes with a number of reflections on ICCO’s change process in light of the current discussion about the future of INGOs. The different chapters rely primarily on the relevant documentation (e.g. internal memos, policy papers, evaluation reports) and interviews with eight (former) staff members of ICCO, which were conducted between September and December 2011.1

1 The following people were interviewed for this report: Jaap Kingma (6-10-11), Harry Derksen (6-10-11), Mart Hovens (10-10-10), Jack van Ham (20-10-11), Marinus Verweij (20-10-11), Jan van Doggenaar (27-10-11), Gerrit de Vries (1-11-11) and Willemijn Lammers (11-1-11).
In 2004, the top management of ICCO became convinced of the necessity to change the organization. This chapter describes the birth of the ‘innovation agenda’. It briefly discusses the considerations and events leading up to the decision to initiate a process of profound organizational change. In doing so, it explains why staying the same was no longer perceived as an option and what initial steps were taken towards a ‘new’ ICCO.

While preparing for the celebration of its 40th anniversary in 2004, ICCO started a process of reflection about its mission, vision and strategy. It was agreed that this anniversary should be considered as an opportunity to look ahead together with stakeholders in the Netherlands and partners in the South. On several occasions in the 1960s and 1970s the leadership of ICCO had expressed the view that the organization would become superfluous in the foreseeable future once the poverty problems had been overcome. At the beginning of the 21st century, however, this optimism had gone. In view of massive poverty, large scale injustices, the increasing scarcity of natural resources and the still widening gap between the rich and the poor, all were convinced that there was every reason to continue as an organization to fight structural poverty and injustice. Less clear, however, was what kind of organization would be required in order to remain relevant and effective in the rapidly changing development context.

In the period from August 2004 to November 2005, numerous brainstorming sessions were held involving the top management, the Board, staff, partner organizations and independent experts. Central to these sessions were two basic questions: (1) what are the main changes and challenges within and outside the development cooperation sector that are crucial to the (future) relevance and effectiveness of ICCO? (2) What are the implications of these changes and challenges for the actual policies and practices of ICCO?

**CHANGES & CHALLENGES**

Regarding the first question, three main types of changes and challenges were eventually identified. These related to the wider development context, the power...
imbalance that characterizes North-South relations and the inwards and closed orientation of the NGO-sector (see table 2.1). The internal documents produced in this period, such as the minutes of expert meetings and the working documents of the innovation agenda, describe these changes and challenges as follows:

<table>
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<th>CHANGES AND CHALLENGES</th>
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| 1. Wider development context has undergone rapid changes in the past two decades | • Development problems are becoming increasingly global and complex; the traditional North – South paradigm has become too simplistic  
• While new non-traditional development actors are emerging, the importance of ODA is declining  
• New ICT-technology has changed the way in which organizations and communities communicate and relate to each other |
| 2. Growing capacity Southern civil society not matched by growing responsibility | • In many Southern countries a strong local civil society has emerged  
• Relations between North and South remain unchanged and characterized by asymmetries in power  
• The top-down nature of the international aid system and the growing size of donor organizations reinforces these power asymmetries |
| 3. Inwards and closed orientation of the development NGO-sector | • Development NGOs have become bureaucratized and continue to operate within the boundaries of the traditional development sector  
• Levels of public and political support for development cooperation in the Netherlands are declining  
• No real introspection takes place regarding roles, added value and declining levels of trust in development cooperation |

Table 2.1 Analysis of changes and challenges

The development context in which International NGOs (INGOs) operate has seen rapid changes since the fall of the Berlin Wall. New challenges have emerged which include the growing dominance of the neo-liberal market economy, the increasing scarcity of natural resources, growing threats to food security, the impact of global warming, the growing importance of international security since 9-11, refugee problems, growing tensions between religions and the rise of (mainly intrastate) armed conflicts. Many of these problems are no longer limited to a specific geographical region. Due to processes of globalization, the interests of actors have become increasingly entangled across borders, sectors and levels. The traditional North-
South paradigm underpinning development cooperation is becoming increasingly outdated. As developmental problems have become more complex and global, they are increasingly difficult to solve by a single group of actors, let alone by traditional development cooperation actors. At the same time, a multitude of new actors (e.g. companies, philanthropic foundations, immigrant organizations) has entered the development field. As traditional actors in the field of international development are losing their monopoly, the importance of Official Development Aid (ODA) is on the decline compared to other capital flows such as foreign direct investments and international remittances. Furthermore, fast developments in the field of ICT have changed the way in which organizations, communities and individuals (can) relate to each other. Amongst other things, this has created new opportunities for INGOs and their Southern partners for sharing information and networking.

The growing capacity of civil society organizations in many Southern countries has not led to them being attributed more responsibilities and decision-making power within private and governmental development cooperation. While local civil society organizations and governments in a growing number of countries have become increasingly capable to own processes of change, the working methods, the distribution of tasks and the balance of power between the “North” and “South” have essentially remained unchanged. Despite the prevailing policy rhetoric which emphasizes such principles as ownership, partnership and bottom-up development, INGOs continue to make key decisions in a top-down manner. This practice is strengthened by the increasingly rigid and top-down nature of the international aid system. The official donor requirements needed to qualify for funding have become progressively stricter. Donors have adopted more instrumental views of NGOs and increasingly use them as sub-contractors who can contribute to official donor policy objectives. Thus, the agendas of back donors and INGOs are ever more becoming the starting-point of interventions in the South, reinforcing an already existing donor-orientation at the expense of downwards accountability. Particularly in a context where a fierce competition for funds exists, this implicitly promotes a donor orientation instead of encouraging Southern organizations to search for connections within their own society. As development agendas and policies are decided far away from the people and societies where they are supposed to have an effect, the ownership that is required for effective and sustainable development interventions is undermined.

Having begun as a “counter-movement” in the 1960s, the development NGO sector has become increasingly institutionalized since the 1980s. INGOs continue to grow bigger and organizational growth and survival seems to have become their
leadership’s primary concern. Furthermore, the sector has become increasingly bureaucratic and got locked up in the rather closed circle of (government and private) development organizations. A considerable gap has emerged between the first-generation NGOs and new development actors. The former continue to focus on their traditional partner-relations and have been insufficiently successful in building relationships with actors outside the sector. At the same time, as part of a broader trend in which the general public is becoming increasingly critical regarding traditional institutions, public doubts about the effectiveness and efficiency of development aid are mounting. Scandals regarding the high salaries of directors of INGOs, stories in the press about aid money spent on corrupt organizations and the lack of tangible results have undermined trust in the development sector. Established development organizations increasingly have difficulties in reaching out and inspiring (young) people. In the Netherlands, responses from the development sector to the growing critique and declining levels of trust have been largely defensive. The sector has mainly tried to ‘prove’ its effectiveness with evaluations and audits, but real introspection in terms of reflecting upon roles, added value, changes in the development context and the erosion of trust has hardly taken place. What dominates, above all else, is the fear that critical self-reflection will fuel the critics of development cooperation.

CHANGE OF DIRECTION
As the brainstorm sessions continued, the top management of ICCO became fully convinced that staying the same was not an option. It was clear that many of the observed characteristics of the development NGO-sector applied to ICCO as well. Despite the ongoing globalization of development problems, the ICCO organization and approach were still implicitly based on the ‘old’ North-South paradigm. ICCO’s board and staff were still fully Dutch while it essentially remained a standalone organization whose cooperation with others was largely limited to large and professional Southern NGOs. In addition, despite being widely perceived as a flexible donor, ICCO had effectively maintained a donor-oriented outlook in which policy-decisions about themes, target groups, strategies, regions and countries continued to be made without real Southern involvement. Like most other traditional INGOs, ICCO had also become increasingly bureaucratic over the years whilst becoming increasingly

While paying lip-service to partnership and ownership, development cooperation continues to be a donor-driven affair.

2 This observation closely resonates with the question raised by the then minister for Development Cooperation and former ICCO board member Jan de Koning at the occasion of the opening ICCO Office in Zeist in 1980. Mr. de Koning asked ICCO when it would apply the principles of the Dutch co-financing model, which was based on the responsibility and autonomy of Dutch development organizations, to its partners in the South.
distanced from its (traditional) Dutch constituency. After having explored different scenarios, the conclusion was eventually reached that a major change of direction was unavoidable if these issues were to be addressed.

In the first half of 2005, the basic components of the change direction started to crystallize. While at that point many questions still remained, internal memos of that time already listed three change objectives which can be summarized as follows:

1. **Cooperation with other players:** reflecting the necessity to move beyond relationships with Southern NGOs alone. This goal starts from the acknowledgement that many contemporary development problems cannot be addressed without involving actors outside the development sector such as businesses, government institutions or universities. Moreover, it builds on the recognition that the relevance of the traditional development sector is in decline while numerous new and relevant actors have either entered the development field or could be approached to get involved.

2. **Co-responsibility between North and South:** acknowledging the need to reverse the existing power relation. This goal draws on the observation that North-South relations in (private) development cooperation have remained essentially asymmetric in terms of power. It reflects the conviction that a re-evaluation of the roles and responsibilities between “North” and “South” is necessary if the principles of ownership and partnership are to be taken seriously, particularly in the light of the growing capacity of Southern civil society actors.

3. **Alliance formation in the North:** recognizing the necessity to strengthen ICCO’s rootedness in Dutch society. This goal reflects the conviction that ICCO has to reinforce its membership in ecumenical networks and its linkages with its traditional constituency. In addition, it starts from the acknowledgement that ICCO needs to reach out to, and inspire, the broader public including young people and the business sector.

Throughout 2005, most attention was paid to the objectives of co-responsibility and alliance formation in the North. Regarding the first, the top management of ICCO became convinced that co-responsibility could not be achieved without a new governance model. Based on the outcomes of the initial brainstorm sessions, the top management of ICCO started working on a new model with the help of an external governance expert (prof. Dr. Pauline Meurs). Although the exact nature of the new model was still to be decided, it soon became clear that the new model would be characterized by (1) the sharing of decision-making power related to corporate policy with Regional Councils and an International Council, and (2) the transfer of roles and responsibilities from the Utrecht office to Regional offices.
The basic idea was that the International Council would offer guidance regarding the general policy of ICCO while the Regional Councils, consisting of representatives from the South, would be responsible for providing input for tailor-made regional policies. The starting-point would be that the ICCO leadership would comply with Council-input unless they had important strategic considerations for not doing so. In the case of the latter, they would have to explain their alternative policy choices. This way co-responsibility would entail more than a ‘mere’ advisory role for the Councils yet at the same time preventing co-responsibility from becoming too rigid or juridical. Besides achieving co-responsibility these measures would also reduce the centralization of power in the Netherlands. Regional offices, mainly manned by staff recruited from the region, would be in better position to pick up signals and trends in the region and shape a region-specific policy. The general idea underlying the new governance model was ‘less North, more South’.

PARTNER CONSULTATIONS

In order to get more clarity, additional brainstorming sessions with external experts and a number of partner consultations were organized. During the expert meetings the analysis underlying the need for co-responsibility was further confirmed as well as the necessity of decentralizing decision-making power. Meanwhile ICCO’s change plans received a more mixed response during the partner-consultations. In the first half of 2005, three major consultations took place in Asia (Philippines), Latin America (Peru) and Africa (Uganda) in which ICCO shared both its analysis of changes and challenges and the change direction it had in mind. In each consultation a representation of partner organizations and several independent resource persons participated. In general the participants welcomed ICCO’s intentions to establish closer cooperation with partners in the Netherlands and to involve people in the South in its policy development. The plans to establish Regional Offices, however, met with quite a number of reservations. Many partner organizations indicated that they were happy with the present arrangement of project-officers, based in the Netherlands, visiting their organizations once or twice a year to discuss new plans and to monitor the implementation of the cooperation. The same hesitation was evident at the international partner conference, organized in November 2005. On the one hand, partners welcomed the intention to give a strong voice to the South regarding policy decisions, but on the other hand, they were afraid of changing a well-known and comfortable practice. Nevertheless the Conference supported the resolution to go ahead with the implementation of the transformation of the ICCO organization.

3 In that sense, there was a clear parallel with the experiences gained during the Reverse Consortia.
A lot of progress was achieved during 2005 regarding the objective of alliance formulation in the North. ICCO reached an agreement with the diaconal program of the Protestant Church, ‘Kerk in Actie’ to integrate their overseas programs. The idea was that ICCO would strengthen its connection with the Protestant segment of society while achieving closer cooperation with faith based organizations in the South. Kerk in Actie would benefit from the professional knowledge, expertise and policies of ICCO. At the same time, discussions with other Protestant development organizations took place about the possibility of forming an alliance in the Netherlands. After extensive discussion, an agreement was reached between ICCO, Kerk in Actie, Prisma, Oikocredit and Share People. In December 2005 the memorandum of the ICCO Alliance was signed in the presence of the then minister for development cooperation, Ms. Agnes van Ardenne. To demonstrate their commitment to working together, all six organizations agreed to jointly prepare and implement the Business Plan 2007 – 2010.

In Board meetings in December 2005 and January 2006 under the presidency of Ms. Tineke Lodders, the Board gave the green light to begin the implementation of the change plans, based upon a master plan which contained three phases of implementation:

- Phase I (2006 – mid 2007): to prepare a detailed plan of action
- Phase II (mid 2007 – end 2008): pilot phase (extended until mid 2009)
- Phase III (mid 2009 – end 2010): finalization of the implementation.

Given the far reaching implications of the master plan, the Board made clear that its approval would be required for all major steps during the implementation process. Furthermore, the Board stated that the overhead expenses should not increase as a result of the change process. The funds for the transformation process were to be acquired through the Dutch co-financing program, as part of the Business Plan 2007 – 2010.
The innovation agenda was implemented in the period of 2006 to 2010 in three consecutive phases. The change process soon came to be known as ProCoDe, which refer to its three core components: the Programmatic approach, Co-responsibility and Decentralization. This chapter provides an overview of the major events that took place during the implementation of ProCoDe. It identifies the main parties involved, together with the milestones, breakthroughs and hurdles met along the way.

CONCEPT & GOVERNANCE DEVELOPMENT

People from various backgrounds and affiliations were involved in preparing a more detailed plan of action for the change process. The implementation of the innovation agenda became the responsibility of the team of directors, in particular the general director, and was supported by the Project Implementation Team (PIT) which consisted of staff members that originated from different parts of the organization. PIT was supported by a number of independent consultants who helped out in terms of thinking through the planning, design and implementation methodology of the innovation agenda. Furthermore, an International Advisory Group (IAG), consisting of seven independent persons from different continents and two from Netherlands, was formed to assist PIT and the directors. This IAG met three times between September 2006 and June 2007 and played an important role in offering advice and feedback regarding the new decentralized governance model and the implementation of the innovation agenda.

Throughout 2006 work continued on further developing the co-responsibility concept and the decentralized organizational structure. Much effort went into clarifying the new governance model in terms of the mandates of the International Council and

The revised statutory framework contained a number of changes which related directly to co-responsibility.

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4 The following people were member of the IAG: Julio Berdeque (Chili), Bernard Njonga (Cameroon), Rifat Kassis (Palestine), Zia Nazer Niazi (Pakistan), Mayra Falck (Honduras), Eric Sottas (Switzerland), Jane Bennett (Switzerland), Gemma Crijns (Netherlands) and Ineke Bakker (Netherlands).
Regional Councils, the selection criteria of their respective members and the roles and responsibilities of the Regional Offices and the Utrecht office. Under the presidency of Mr. Doekle Terpstra, ICCO also adopted the ‘code Wijffels’, a set of guidelines for good governance for charities. Amongst other things, a new internal decision-making structure was installed with an Executive Board responsible for day-to-day decision-making (consisting of a strategic and financial director) and a Supervisory Board responsible for overseeing the Executive Board. When the Code Wijffels was implemented a number of changes were also made to ICCO’s statutes, which related directly to co-responsibility. For instance, the revised statutory framework states that the Regional Council and the International Advisory Council are part of ICCO’s governance structure, that the Executive Board has the responsibility to strengthen co-responsibility, that the Supervisory Board is responsible for appointing members of the International Advisory Council and that the Executive Board is responsible for nominating members of the Regional Councils.

PROGRAMMATIC COALITIONS

At the same time, progress was also made on clarifying the idea of cooperation with other players aside from Southern NGOs. Until then, this aspect had received far less attention compared to the other two objectives of the innovation agenda (co-responsibility and alliance formation in the North). The head of the Research and Development Department came up with the notion of the programmatic approach which was subsequently introduced to the organization in the beginning of 2007. Starting from the idea that poverty and injustice typically have multiple causes, the core idea underlying the programmatic approach is that achieving change implies working on multiple levels and seeking the connections between them, rather than focusing on single issues or problems. As such, the programmatic approach implied that ICCO should move from supporting individual projects and partner organizations, towards supporting coalitions (or ‘programs’) of actors grouped around a strategic issue and driven by shared concerns. These coalitions were expected to extend beyond the NGO sector and include actors, such as governmental agencies or businesses, with an added value concerning the objective of the coalition.

When it became clear early in 2007 that the programmatic approach, co-responsibility and decentralization were mutually reinforcing, they were connected to each other, thus resulting in the acronym ProCoDe. Initially, the programmatic approach had been developed separately from co-responsibility and decentralization. As the philosophy underlying the programmatic approach started to become more fleshed out, its linkages between the other two components became more and more apparent. A core idea of the programmatic approach is local ownership: members of the
Coalition are to take responsibility for shaping a joint agenda, rather than squeezing their agenda to fit with ICCO policy. In addition, it is up to the coalition members themselves, not ICCO, to decide who should be part of the program. In other words, the programmatic approach, like co-responsibility, aims for a reversal of the dominant power relation between donor and recipient. It also became clear that the programmatic approach would benefit from the decentralization. A decentralized ICCO with Regional Offices run by staff recruited in the region would be in a better position to facilitate context and coalition specific programs compared to staff based in The Netherlands.

**TENSIONS**

In 2007, the first tensions started to emerge among staff members about ProCoDe. Initially, the steps made in phase I did not draw too much attention in the organization. In 2006, the majority of the staff was much more focused on the preparation of the Business Plan 2007 – 2010 together with the other Alliance partners, the integration of Kerk in Actie staff in the international department of ICCO and commencing with the programmatic approach. From January onwards, however, it became increasingly clear that the role and position of the international department would undergo drastic changes if the change plans were to continue.

When phase I came to an end (mid 2007), there was a considerable tension in the organization. This culminated in reluctance among the (middle) management of ICCO to accept the plans laid out for phase II (starting with the implementation of CoDe in four regions). In July the managers were convinced to sign a management agreement, known as the ‘Akkoord of Woudschoten’, in which they committed themselves to the innovation agenda. When this management agreement was presented to the staff, however, it received a highly critical response. Many people were not fully convinced of the necessity of change. Amongst other things, there was a fear of losing jobs in spite of the assurance by the general director that ICCO would do its utmost to find alternative employment in the case of being asked to leave. There was also much concern about the quality and impartiality of local project-officers. Furthermore, some staff perceived the innovation agenda as if they had been doing something ‘wrong’ in the past. This highly critical attitude was clearly expressed by the Works’ Council. Only after many rounds of dialogue, the Council could be convinced to accept the proposal for phase II.

**IMPLEMENTING CHANGE**

During Phase II in which councils and offices would be established in Western Africa, Central America, Central Asia and South Asia, it became clear that the change process really would affect the organization in a significant manner. Key tasks involved re-
cruiting regional managers (responsible for establishing and managing the Regional Offices), supporting the regional managers as they established the Regional Offices, preparing the handing over of portfolios to the new staff in the Regional Offices, finalizing the new governance structure of the organization, establishing Regional Councils, preparing a detailed plan for the future office in Utrecht and commissioning an external evaluation.\textsuperscript{5} The implementation of ProCoDe was done in close cooperation with staff in the Utrecht office. Amongst other things, staff from the international department assisted in the recruitment of regional managers, regional project-officers and the selection of Regional Council members. Staff from the HR-department assisted regarding salary scales and staff manuals while personnel from the ICT department gave advice on matters such as internet connections and software use.

Throughout 2008, much progress was made with regard to the implementation of ProCoDe. During the first half of 2008 the composition of three Regional Councils was completed. The inauguration of the councils took place with some ceremony in the presence of the chair of the Executive Board. In mid-2008 the Supervisory Board,
led by Mr. Doekle Terpstra, installed the International Advisory Council (IAC)\(^6\) which, like the Regional Councils, became part of the new governance structure of ICCO (see figure 3.1). Around the same time, the Board of ICCO also gave its approval to finalize the legal procedures needed for the final transition towards a model with an Executive Board and a Supervisory Board. The new board structure explicitly recognized the guiding role of the International Advisory Council and the Regional Councils during policy development. In the latter part of 2008, the recruitment procedures of the staff of the Regional Offices had been largely completed and by the end of the year the transfer of portfolios could begin.

A major project at the time was the preparation of the social plan. In 2009 and 2010, the number of staff in Utrecht would have to be reduced by more than 50 percent. The Board and directors promised to do their utmost in assisting redundant colleagues to find suitable work. The financial means required to take the proper steps had already been set aside for this purpose. After consultations with the Works’ Council and negotiations with the labor unions, an agreement was reached in June 2008 regarding the social plan. By the end of 2008 a special team - the mobility desk - started to coach staff in finding employment outside ICCO.

**ACCEPTANCE**

From mid-2008 onwards, the resistance to ProCoDe within the organization started to change into resignation and acceptance. Until that time, there was an impression among staff members that the changes could be undone, which had fuelled the critical attitude against the change agenda.\(^7\) When it became clear that the point of no return had long since been reached, this resistance eventually subsided. The fact that many project-officers were involved in the handing over their portfolios to their colleagues at the Regional Offices also contributed to a change of attitude. For most of project officers meeting their local replacement was a positive experience. Many of their concerns relating to the capacity of local project-officers appeared, in retrospect, to be unfounded.

Between October 2008 and June 2009, an evaluation study led by Irene Guyt was conducted in the four pilot regions to investigate the progress with the implementation of ProCoDe. This study served to provide input to the Supervisory Board for deciding about the implementation of the third and final phase of the ProCoDe process.

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\(^5\) The regional managers were initially named regional process coordinators, since they were not allowed to take any decision related to programmes, partners or programmatic work. At that point, this remained the jurisdiction of the programme managers in Utrecht. The title of regional process coordinator illustrates the sensitivity of the change process.

\(^6\) Members of the IAC at that time were: Pauline Meurs, Jan Pronk, Madhulika Gupta, Vasu Gounden and Julio A Berdegué.

\(^7\) This impression was strengthened by the fact that phase II of ProCoDe, the implementation of CoDe in four regions, was presented as a pilot.
Given the fact that the Regional Councils and offices had only been operational for a short time period, the study could not provide an in-depth analysis of whether ProCoDe was living up to its expectations. It did, however, identify a range of (potential) pitfalls to be taken into account during the (future) implementation of ProCoDe. Overall, the study was positive about the potential of ProCode and recommended proceeding with the implementation.

Once phase III was approved by the Supervisory Board mid-2009, its implementation went rather smoothly compared to the earlier phases. Without any major problems, new councils and offices were established in four regions (South East Asia, East and Central Africa, Southern Africa and Latin America). Early in 2010 most of the programs had already been transferred to the regions. The transfer in Latin America lagged behind due to the late recruitment of the regional manager, but was eventually completed in mid-2010. Overall, the implementation of phase III benefited a lot from preparatory works conducted during the previous phase, including the recruitment of Regional Council members and regional managers and the identification and registration of Regional Offices. Furthermore, it was now possible to draw upon the lessons learned from the implementation of phase II, for example, regarding the recruitment of staff for the Regional Offices. The fact that new regional managers could be recruited from ‘within’ – unlike the situation in 2007 when no internal candidates came forward – also contributed to a much easier transfer of work to the Regional Offices.

**ICCO-ALLIANCE**

During phase III it became increasingly clear that the other Alliance partners were not yet ready to adopt CoDe. Already in 2006 it was agreed that Pro would be implemented by all Alliance partners. Due to its far reaching implications in terms of staff positions, roles and responsibilities, however, it was decided that CoDe would only be implemented by ICCO. While the idea originally had been that the Alliance partners would follow once CoDe was in place in 2010, this proved to be difficult to realize. Although progress reports regarding CoDe were presented regularly in the meetings of the directors of the Alliance, for them CoDe remained at a distance as the change process continued. In 2008 and 2009 steps were taken between the Alliance partners towards a more intensive cooperation and CoDe was an important topic on the agenda. In September 2009 an International Working Conference was held with the objective of discussing and agreeing upon the future of the Alliance. Representatives of all Alliance partners participated, including ICCO staff from the Regional Offices, representatives of the councils and Southern partner organizations. While the conference was an important step towards strengthening the Alliance
cooperation, it also became evident that more time would be required for alliance partners to ‘embrace’ CoDe. A number of difficulties emerged, including the acceptance of the role of Regional Councils regarding regional policy decisions and the implementation of policies through Regional Offices.

An important component of phase III was the restructuring of the office in Utrecht. Such restructuring was necessary as many tasks had been transferred to the Regional Offices. Moreover, in early 2006 the Board had already decided that the overhead expenses should not increase as a result of the transition process. Earlier plans regarding the reduction of the staff had to be reviewed and fine-tuned. An important part of this process was the agreement between the ICCO management and Fair & Sustainable Advisory Services (FSAS). The latter was established as a limited company by ICCO in order to provide support services to, in the first instance, Regional Offices, partner organizations and program coalitions. By guaranteeing a (decreasing) number of advisory days over three years, two objectives could be realized: (1) making the knowledge and experience of former employees available to new colleagues in the Regional Offices and (2) providing time to FSAS to gain experience in offering advisory services and developing contacts with clients outside ICCO. Approximately 15 ex-staff could be employed by FSAS. Between March and May 2010, the selection and appointment of staff for the restructured ICCO office in Utrecht (renamed the Global Office) and FSAS were completed. For those staff members of the Utrecht office who could not be offered a position, the procedures as agreed upon in the social plan were followed.

SET BACK

The disappointing outcome of the approval process of the Business Plan 2011-2015 in November 2010 under the Dutch co-financing program (MFS-2) caused a tremendous setback to the organization. The unexpected reduction of income by 45 percent meant that the newly built organization (built without an increase of overhead expenses) had to make considerable savings on both on program and overhead expenses. The newly recruited staff was confronted with the task of adjusting policies and (abruptly) reducing the number and the size of its contracts with partners. The Board of Directors - consisting of Wim Hart and the recently appointed chairman of the Board Marinus Verweij - had to guide this difficult process and ensure that the required measures were taken in a period of only two months. At the end of 2010, an outline was presented to the Supervisory Board in which the principles of ProGoDe remained leading for the period 2011 – 2015. However, painful decisions, such as a further reduction of staff and phasing out of several countries and partner organizations, appeared to be unavoidable.
While ProCoDe was implemented within the intended time period and budget, it is clear that the implementation process was far from easy. This chapter provides a more in-depth analysis of this process. Besides explaining why the implementation of ProCoDe was so difficult, it also identifies the key factors that contributed to its successful completion.

PARTNER CRITICISM
There were a number of difficulties that constrained the implementation of ProCoDe (see table 4.1). A distinction can be made between difficulties relating to partners and constraints relating to ICCO itself. Considerable criticism of the change agenda emerged from the partners’ side (see also chapter 2). While the notion of co-responsibility in itself was received positively, its operational translation – the establishment of Regional Councils - yielded less enthusiasm. To prevent conflicts of interests and to ensure innovative thinking from outside the development sector, ICCO had decided to exclude partners from participation in the Regional Councils. Many partners were not happy with this decision, however. Their criticism was that ICCO was talking about sharing responsibility, but had chosen a governance model which de facto did not empower its partners. There was also criticism of the plans to decentralize the organization. Partners feared that ICCO’s greater geographical proximity would result in ‘unduly’ interference.

The (initial) response of the partners to the programmatic approach was also mixed. In the ‘old’ co-financing relationship, partners enjoyed considerable autonomy and flexibility in day-to-day affairs, especially when they had a good personal relationship with their respective Project-officer. The programmatic approach implied that partners would lose their existing certainties, but it remained to be seen what they would get in return. As autonomous organizations they would have to exchange their fairly uncomplicated and often comfortable working relationship with ICCO for that of a multi-actor coalition requiring continuous cooperation and coordination. Moreover, the programmatic approach meant that the existing convictions, assumptions and certainties of partners were called into question. Just like the Project-officers (see below), partners were asked to move out of their comfort zone, take more responsibility and adopt a new change paradigm and working practices. As such, not all partners were enthusiastic about the programmatic approach. While many partners recognized its potential, others - especially established organizations who had most to lose from the programmatic approach - remained unconvinced.
What reinforced the (initially) critical reception of the programmatic approach was that several of the earlier programmatic coalitions had been top-down established from the Netherlands due to an initial confusion among some Project-officers about the philosophy and practice of the programmatic approach. These ‘forced marriages’ were not always viable because they were not based on a real interest among the participants for working together.

<table>
<thead>
<tr>
<th>FACTORS</th>
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| 1. Not all partners were enthusiastic about the change agenda | • Governance model of co-responsibility did not empower partners  
• Partners lost their unique relation with ICCO; a relation in which they had considerable autonomy and informal influence  
• Partners were forced to move out of their comfort zone and had to work in a more complicated working environment  
• The resistance among partners was fuelled by the fact that a number of the early programmatic coalitions were artificial |
| 2. Not all staff within ICCO were convinced that decentralization was right for the organization | • Decentralization was not required for organizational survival  
• Doubts were raised regarding the capacity and impartiality of local POs  
• There were concerns regarding the loss of Dutch expertise, higher operational costs and the undermining of the uniformity of the organization |
| 3. ICCO-staff were affected by ProCoDe at a personal level | • POs were forced to move out of their comfort zone as change implied a paradigm shift and required new competencies  
• POs lost their unique relation with partners; a relation in which they were influential and had a lot of autonomy  
• Successful change implied a loss of jobs |
| 4. Cleavage emerged between ICCO’s leadership and the workplace | • The change message was initially framed negatively  
• Amongst staff the perception emerged that their concerns were not taken seriously and that the leadership was unwilling to share information  
• The leadership of ICCO and PIT grew increasingly frustrated due the (perceived) lack of enthusiasm for ProCoDe  
• A vicious circle emerged in which both sides were increasingly unable to communicate |

Table 4.1. Difficulties in the implementation of ProCoDe
DECENTRALIZATION

While the criticisms of partners directed towards ProCoDe were certainly important, the internal dynamics within ICCO had a much more profound effect on its implementation. In retrospect, it took a while before staff within ICCO became fully aware of the profound changes that ProCoDe implied for the organization and for their own positions. Initially, the change agenda remained a distant event for most people. In 2005 and (early) 2006, daily affairs were still largely unaffected, not least because the focus in this period was on finding the right governance model and thinking through the conceptual foundation. Furthermore, for many people the innovation agenda was only one of many changes that occurred in a relatively short time period. This was because ICCO in the preceding years had already shifted from a geographic to a thematic internal division, undergone a process of integration with Kerk in Actie, adopted new administrative software (Dynamics) and become part of the ACT Alliance.8 Hence many people initially considered the change agenda as the next ‘hype’ and did not think too much about it.

Later on, when it became clear that the change agenda was there to stay, it started to attract more and more criticism within ICCO (see also chapter 3). The major bottleneck during the change process was that a substantial number of people doubted the necessity of decentralization. While the top management was fully convinced that co-responsibility required a decentralized organization with Regional Offices staffed by local people, it could not justify its plans with arguments relating to the (threatened) survival of the organization or the funding conditions of the Dutch government. In fact, the financial success of the 2007-2010 Business Plan, which was based on the ‘old’ co-financing approach, could even be interpreted as a reason not to change. Overall, it proved to be impossible for the leadership of ICCO to offer conclusive ‘evidence’ as to why the decentralization was necessary. Throughout the change process numerous arguments were brought forward, often in a heated and emotional way, against the decentralization plans. Doubts were raised regarding the capacity and impartiality of local program officers. In addition, decentralization was said to result in the loss of valuable Dutch expertise, higher operational costs and an undermining of the uniformity of the organization in terms of identity, policies and procedures. In comparison, co-responsibility and the programmatic approach attracted far less criticism, although some doubts were raised, for example, about whether it was possible to find ‘truly’ neutral and impartial Regional Council members.

PERSONAL LEVEL

Besides concerns related to what was right for the organization, the critical reception of the change agenda was also very much triggered by the fact that it affected people on a personal level. Over the years many Project-officers had grown attached to their partners and had established strong personal relations with partner representatives. The shift towards multi-actor coalitions and the subsequent changes in roles and responsibilities suddenly implied a very different kind of relation. Not all POs welcomed this change. Not only would they lose much of the influence and autonomy that was previously associated with their position,
many of them were deeply concerned about what would happen with their partners in light of the many uncertainties regarding ICCO’s future. While many people eventually recognized the potential of the programmatic approach in terms of triggering change, not everybody could or wanted to make the mental switch.

Whereas the programmatic approach affected the autonomy, authority and job responsibilities of POs, the consequences of the decentralization were even more profound. Other INGOs that had decentralized had always done so without the loss of jobs. In the case of ICCO this was not the case. The top management of ICCO was convinced that this would mean a rise in overhead costs, more complex organizational processes and a continuation of the dominant position of the headquarter office (and staff). Not only had the ICCO board stated in 2005 and 2006 that the overhead expenses of the organization had to be maintained at the same level, the ICCO leadership also wanted to acknowledge the responsibility and expertise of regional staff and council members. Thus, the Utrecht office would see a major reduction in terms of staff numbers while the Regional Offices would be primarily staffed by people from the region. This effectively meant that people were asked to participate in a process which meant the end of their employment.

**CLEAVAGE**

Finally, there are issues relating to the implementation process that explain the critical reception of the change agenda within ICCO. One factor that played a role was the initial framing of the change message. In the beginning this message was that ICCO, despite best intentions, had remained a top-down and supply-driven organization. Therefore, it was argued, it was imperative that the organization should change. Although this was not the intention, a number of people interpreted the change message as ‘all this time we have been working in the wrong manner’. For people who had always been fully dedicated to their work and who strongly believed in the relevance of what they had been doing, this message was very hard to bear. Once the ICCO leadership learned of what was happening, it reframed the change message into ‘we have achieved great things in the past, but there is still room for improvement’. At that point, however, some damage had already been done to the goodwill for the change agenda.

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8 ACT is an alliance of 125 churches and church-related organizations that work together in humanitarian assistance, advocacy and development.

9 The dedication of POs to their partners during the change process deserves to be mentioned here. While the POs knew that they were about to lose their jobs, almost all continued doing their job and making sure that the work was successfully transferred to the Regional Offices.
At a certain point, a cleavage started to grow between ICCO’s top management and PIT on the one hand and the workplace on the other hand. People from the workplace started to get the impression that their concerns and critical remarks were not taken seriously and the perception emerged that the leadership was unwilling to share information. At the same time, the top management and PIT were growing increasingly frustrated due to the (perceived) lack of enthusiasm for ProCoDe. Some PIT-members even had the feeling that people were deliberately trying to slow down the change process by debating ‘every step’ and ‘inventing’ new reasons as to why ProCoDe was a bad idea.

Due to the increasing tensions and frustrations, feelings of distrust between the two ‘camps’ started to grow, which made each side less receptive to communication from the other. As a consequence, the leadership of ICCO tended to interpret critical remarks from the workplace as ‘unwillingness to cooperate’ although this, in retrospect, was clearly not always the case. Conversely, the workplace had a tendency to view each communication about ProCoDe as a fait accompli, which was not necessarily the case. The result was a vicious circle which was very hard to break and effectively lasted until the first half of 2008 when it became clear that the change process was irreversible.

SUCCESS FACTORS

Despite its critical reception and sometimes difficult implementation process, ProCoDe was nevertheless completed as planned. Several key factors explain its successful implementation (see table 4.2). The widespread support within the organization for the philosophy underlying co-responsibility was crucial. ICCO has a long history of aspiring local ownership and equal partnerships based on trust and reciprocity. This approach is rooted in the importance attached to international solidarity and the conviction that development is an endogenous process in which ICCO’s role is to enable partners to take control of their own work. The notion of co-responsibility, with its emphasis on sharing power and striving for a more equal North-South relationship, closely resonated with ICCO’s existing core principles and organizational culture. As such, the philosophy underlying co-responsibility was something that all those involved agreed with in principle. In fact, being against co-responsibility was simply ‘not done’. Who could be against an effort to bring the organization more in line with its core principles? This mattered a great deal because it meant that the philosophy underlying the change process, as opposed to how it was implemented, always remained beyond criticism.

Another factor essential to the successful completion of ProCoDe has been the presence of critical mass at the top level of the organization. While the implementa-
tion of ProCoDe has been the result of the work of many (dedicated) people, a small group at the level of top management consisting of the director (Jack van Ham), the deputy director (Harry Derksen) and the head of PIT (Bram van Leeuwen) constituted the driving force behind the change process. All three were highly committed, fully convinced of the need for change and not afraid to be criticized. In addition, they ‘clicked’ on a personal level and could therefore support each other during difficult times. Together, they formed a powerful guiding coalition at the top level of the organization which was able to push for the required changes, even in the face of opposition. While the ‘guiding coalition’ played a crucial role in initiating and propelling the change process, the implementation of ProCoDe would not have been possible without the support of the Board of ICCO. While it took some time before the Board ‘warmed up’ to ProCoDe, once they did so, they gave their full support.

Finally, the generous social plan that was established to support people who lost their jobs played an important role in enabling the successful implementation of the change agenda. From the moment that the consequences of ProCoDe had become clear, there were a lot of concerns among staff members regarding their job security. The fact that there was an extensive social plan played a major role in alleviating the stress and tensions that emerged due to the fact that people were about to become jobless. This plan, which had been approved as part of the co-financing grant from the Dutch government, contained a generous transition arrangement which allowed people to continue receiving their salary up to one year after their job had ended. In addition, it enabled people to undergo retraining for another job and included a mobility bureau which supported former staff members in finding new work.

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<tr>
<th>FACTORS</th>
<th>CONTENT</th>
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| 1. There was widespread support for the core philosophy underlying co-responsibility | • Everybody in principle was sympathetic towards the idea of co-responsibility  
• The notion of co-responsibility closely resonated with ICCO’s existing core principles and organizational culture  
• Being against the idea of taking steps towards more co-responsibility was ‘not done’ |
| 2. There was sufficient critical mass at the top level to drive and guide the change | • The top leadership was highly committed to the change process and had the capacity needed to guide the change process  
• There was sufficient support from the Board of ICCO |
| 3. There was sufficient funding to implement the change agenda and ensure a generous social plan | • A generous social plan alleviated the stress and tensions that emerged due to the fact that people were about to become jobless. |

*Table 4.2 Success-factors in the implementation of ProCoDe*
While ProCoDe represents a major change in ICCO’s philosophy and practices, it has not been plucked out of thin air. This chapter offers an analysis of how the ProCoDe approach relates to ICCO’s ‘old’ co-financing approach. It does so by comparing ideal-types of the two approaches, making it possible to pinpoint what is new about ProCoDe and what is not. As the analysis takes place at the level of ideals (or ambitions), the descriptions of both approaches do not necessarily correspond with their implementation in practice.

### CHANGING POWER RELATIONS

ICCO has traditionally viewed development (cooperation) as a process aimed primarily at changing power relations (see table 5.1). Poverty is not seen to be inevitable or ‘natural’, but a result of human-made social, economic and political structures favoring certain groups of people at the expense of others. As poverty is viewed as the result of power structures that discriminate against, exclude or exploit certain groups of people, development is seen as a process in which these structures are transformed and marginalized people are empowered. The emphasis on power, whether in social, economic or political life, ultimately implies a political perspective on development (cooperation). While development cooperation is thought to facilitate change, the latter is explicitly seen to be an endogenous process. As such, it is believed that the empowerment of marginalized groups can only be achieved when it is locally owned and driven.

With the shift to ProCoDe, the already existing goals and assumptions regarding development have been refined, deepened and expanded. ICCO still primarily views development as a political process aimed at changing power relations in which local ownership is considered to be a key condition. What is added is, first of all, the recognition that issues of poverty and injustice cannot be considered as merely the problems of Southern countries. This means a shift of emphasis from local ownership to global ownership in tackling these issues. Furthermore, there is greater recognition for the complexity and non-linearity of change processes. Rather than seeing development as a linear process, with clearly defined manageable interven-
tions at different levels based on an exhaustive analysis, development is viewed as a process which often cannot be predicted or controlled in rational or causal steps. There is acknowledgment of the fact that poverty and injustice typically have multiple causes which are imbedded in prevailing structures that maintain inequality. For example, promoting respect for human rights is related to the absence of a legal framework, traditional norms and values about the rights of individuals and groups in societies, the existing level of knowledge about rights and the capacities and intentions of duty bearers in assuring human rights. Achieving change therefore implies working on multiple levels and seeking the connections between them rather than focusing on single issues or problems.

**BELIEFS (goals, premises and values)**

<table>
<thead>
<tr>
<th>CO-FINANCING</th>
<th>PROCODE</th>
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<tr>
<td><strong>Development</strong></td>
<td><strong>Development</strong></td>
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<tr>
<td>- Poverty and injustice are imbedded in larger systems that maintain existing inequalities</td>
<td>- Poverty and injustice are imbedded at multiple levels in larger systems that maintain existing inequalities</td>
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<tr>
<td>- Local ownership of development processes is crucial for effectiveness and sustainability</td>
<td>- Local and global ownership of development processes is crucial for effectiveness and sustainability</td>
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<td><strong>Civil society</strong></td>
<td><strong>Civil society</strong></td>
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<td>- Civil society organizations play a crucial role in changing systems of oppression, marginalization and discrimination</td>
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<td>- Civil society organizations are actors in their own right</td>
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<td>- Strengthening the capacity of civil society organizations is both a means and an end</td>
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<td><strong>Relations</strong></td>
<td><strong>Relations</strong></td>
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<tr>
<td>- Value-based relations between ICCO and local partners have both an intrinsic and instrumental value</td>
<td>- Value-based relations between ICCO and local partners have both an intrinsic and instrumental value</td>
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<td>- Multi-actor coalitions make it possible to tackle complex development problems and offer opportunities for learning</td>
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*Table 5.1. Ideal types of the ‘old’ and ‘new’ approach*  
Note: words written in **bold-Italics** represent changes
While ICCO continues to view vibrant and autonomous civil society to be at the core of processes of change, it has also come to recognize the importance of (involving) non-civil society actors. ICCO has traditionally perceived civil society organizations to be in the best position for understanding the interests of marginalized people and addressing the root causes of poverty. They are considered to have the benefit of local know-how and a local presence and understand the culture and norms of the people they are working with. The view that development is an endogenous process and the importance attached to local ownership implies that Southern organizations are not viewed or treated as channels for aid-delivery but as autonomous organizations that are actors in their own right. With the shift to ProCoDe, ICCO has continued to hold on to these beliefs. What is new, however, is greater recognition of the limitations of civil society in tackling the root causes of poverty. There is acknowledgement that many problems cannot be addressed on a structural level without the involvement of other types of actors such as companies, government organizations and knowledge institutions.

**PARTNERSHIP**

Working in partnership has since long been central to ICCO’s development approach. Underlying the partnership approach is the firm belief that working with local partners, rather than implementing projects directly, is more likely to ensure lasting, locally owned, development. This approach implies a way of working that refuses
to act paternalistically. Instead it recognizes the value of working with Southern organizations and enabling them to take control of their own development. As an expression of values such as equality, trust and reciprocity, partnerships are also inseparably related to ICCO’s organizational identity which emphasizes international solidarity and the necessity to overcome paternalism. As such, partnerships are more to ICCO than mere relationships based on funding.

The relational approach of ProCoDe builds on ICCO’s existing partnership vision, but, above all, it emphasizes the necessity of multi-actor coalitions. ICCO continues to strongly believe in the necessity of working with local organizations to achieve locally owned change. Similarly it continues to attach much importance to the values that have traditionally underpinned its relations with Southern organizations. At the same time, the recognition that the causes of poverty are typically imbedded at multiple levels has resulted in the firm conviction that multi-actor coalitions – i.e., coalitions built of different types of actors and actors active at different levels - are required to deal with this complexity. It is thought that such coalitions will stimulate dialogue where it was previously absent, resulting in joint learning and improved cooperation between actors. Moreover, it is assumed that these coalitions will have a stronger voice vis-à-vis funding institutions and will result in a greater impact compared to bilateral relationships with standalone NGOs.

**ROLES & RESPONSIBILITIES**

With regard to actual practices, the shift to ProCoDe implies an expansion of ICCO’s roles beyond its traditional emphasis on funding and providing capacity building support. ICCO has a long history of viewing its roles primarily in terms of providing the pre-conditions that allow partners to do their work. Partners were expected to take the lead in project-design and implementation while ICCO would largely limit its involvement to providing (flexible and long-term) funding and capacity building support. Given the importance attached to a strong and autonomous civil society, capacity building was not merely seen as a means to improve or facilitate project-implementation, but also as an end in itself. Under ProCoDe, brokering has become an important new role. Due to the emphasis on multi-actor coalitions, ICCO-staff has become engaged in bringing relevant actors together, linking with existing networks and strengthening existing cooperation. In addition, ICCO now also seeks to support the internal dynamics of programmatic cooperation by making funds available to facilitate their governance, joint learning and capacity development. Furthermore, the recognition that many of today’s problems require changes in the North means a different perspective regarding lobby and advocacy. In addition to the (traditional) lobby activities carried out by ICCO, it is thought that multi-actor coalitions are better equipped to deal with the complex and multiple causes of poverty and injustice.
out by partners, the Global Office in the Netherlands now also works with partners on a common lobbying agenda on those issues that are not related to a specific geographical area such as agricultural and trade policy.

Regarding partner-selection, ICCO has expanded its traditional focus on cooperation with civil society actors to include ‘unusual suspects’ from outside the development sector. Starting from the recognition that civil society plays a crucial role in triggering processes of development, ICCO’s partner selection policy was based on selecting capable civil society organizations with a likeminded mission, vision, strategy and similar values. Under ProCoDe, ICCO continues to work with likeminded civil society organizations, but it also explicitly seeks to work with governmental actors, business and knowledge institutions when the context and problem at hand requires this. As such, ICCO explicitly seeks to move beyond the rather closed circle of ‘traditional’ development actors. As ICCO continues to hold the view that development is an endogenous process which requires local ownership, it aims to leave it up to (programmatic) coalition members themselves to select their own ‘partners’.

**DECISION-MAKING**

In the area of decision-making, ProCoDe represents a further attempt to reverse the dominant power-relation that characterizes North-South relations. Given its emphasis on local ownership and the autonomy of its partners, ICCO has traditionally granted its partners a lot of influence in the decision-making related to project-design and implementation. Consequently, partners could largely pursue their own preferences when designing and implementing projects, provided that they met ICCO’s policy requirements. Southern participation in policy development, however, remained limited to ad hoc involvement. In the decision-making procedures under ProCoDe, ICCO has institutionalized Southern participation at the policy level. Regarding the first, programmatic coalition members are expected to take the lead in joint-program design and implementation. With regard to policy development, Regional Councils are to provide input for the development of regional policies and the International Advisory Council is to offer input at the corporate level. The Board cannot ignore the input offered by the councils as the statutory framework of ICCO states that the Board has to either ‘comply or explain’.

Under ProCoDe, ICCO has institutionalized influence from the South within its governance structure.
Although it has not been possible to cover every aspect of ICCO’s change process, we hope we have succeeded in our goal to clarify the rationale underlying the change agenda and the organizational changes it implied to present and future ICCO-staff. We also hope that the experiences documented in this book are of use to other development organizations seeking to reinvent themselves. ICCO provides a clear example for other (International) NGOs struggling with the task of ‘reinventing’ themselves. This is particularly relevant as the central changes and challenges in the development context (e.g., the emergence of new actors, the discontent with the ‘old development model’ and the increasing strength of Southern civil society) that triggered ICCO in 2004 are still as strongly felt today and take up a central part in the much discussed change process of (Dutch) development organizations. While the analysis of such changes and challenges led to the development of ProCoDe in ICCO, it would probably lead to different solutions within other organizations. ProCoDe must then be seen as an example of how NGOs can respond, and certainly not as a prescription of how they should respond to such issues. Ultimately, each organization must choose its own route to change based on its own vision, identity, history and leadership.

Regardless of the exact direction of change that each organization will chose and the ultimate outcome of such a process, the following insights drawn from ICCO’s experience seem particularly pertinent:

- Changes in the development context make changes within development organizations unavoidable. ProCoDe was based on an analysis of contextual changes and it took a relatively long time to translate the analysis into an innovation agenda and then implement this agenda. Of course, it may take ProCoDe even longer to become ‘institutionalized’, if only because this requires the culture, and not just the set-up, of the organization to change.

- Change not only takes time, but is also always difficult because it inevitably evokes resistance. Processes of organizational change tend to drive people out of their comfort zone, upset established ways of working and threaten existing positions and interests. In the case of ICCO, both employees and partners were directly affected by the change plans.

- In a turbulent environment, strong leadership is essential to maintain momentum. The fact that ProCoDe was ultimately implemented within the given timeline and budget has everything to do with leadership.
• It is essential that the chosen route of change makes sense in light of the core principles of the organization. While ProCoDe was new, it was based on well-accepted ambitions and ideals within the organization. Although the implementation of ProCoDe attracted considerable criticism, the underlying motives were never called into question.

Although ProCoDe has been implemented as planned, ICCO’s change process is far from over. It has become more important than ever to cooperate with others and ensure a strong support base in the Netherlands. The ICCO cooperation, the recently established cooperative with Edukans, Prisma and Kerk in Actie, is part of the ongoing change process that is needed to ensure survival, effectiveness and added value in a rapidly changing world. With a strong network both in the Netherlands and the South, a strong voice of Southern stakeholders in policy decisions, and the possibility to implement context specific policies through a flexible decentralized working organization, the ICCO cooperative has a strong foundation for the future.
Between 2006 and 2010, ICCO undertook the most far reaching change process since its foundation in 1964. This process became known as ProCoDe, an acronym capturing its three core components: Programmatic Approach, Co-responsibility and Decentralization. During the implementation of ProCoDe, ICCO changed its working practices and governance structure and ‘opened up for influence’ from Southern stakeholders.

This booklet discusses the birth and implementation of ProCoDe. It identifies the motives underlying the change process and identifies the milestones and hurdles met along the way. The booklet was written to allow (new) ICCO employees and council members to learn about a crucial moment in the history of ICCO while enabling other development organizations to learn from ICCO’s experiences.

‘Opening up for influence’ was researched and written by Willem Elbers and Bram van Leeuwen.

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