

- læring og metodeudvikling på tværs

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Multi-donor funds: Learning and dilemmas for Civil Society Organisations.¹

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¹ This paper has been prepared specially for *Fagligt Fokus* as an input for the learning process on how Danish CSOs and their partners can work to promote better southern based funding modalities. The views presented in the paper are not the position of 'Fagligt Fokus', but solely the positions of the author.

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Contents

1	The rise (and fall?) of multi-donor funds	2
2	Key lessons from multi-donor funds	3
3	The Policy for Danish Support to Civil Society and multi-donor funds	8
4	Roles and dilemmas for Danish CSOs and partners	10
	Annex A : Bibliography	15
	Annex B : Guiding questions for multi-donor funds for civil society.....	16

Multi-donor funds for civil society: learning and dilemmas.

1 The rise (and fall?) of joint civil society funds

Official aid to civil society is moving to the global South

Official aid support to civil society in developed and developing countries has steadily increased in the last decade³. Official aid provided to or channelled through CSOs increased from USD 14.5 bn in 2008 to USD 19.3 bn in 2011, and increased from 13.6% to 17.8% of total Official Development Assistance (ODA) during the same period.

Northern CSOs continue to be a preferred channel for ODA support to civil society in developing countries but there is evidence this is in decline. In 2009 DAC members provided around five times more aid to CSOs based in their own countries than to CSOs based in developing countries. Remarkably, this seems to have shrunk to only twice as much in 2011. This proportionate decrease in official aid to Northern CSOs is reflected in significant drops in the strategic funding of domestic CSO in some donor countries as overall aid budgets have been reduced in response to the financial crisis (Ireland, Spain) or to changes in government policy (the Netherlands).

This reinforces a more general trend to decentralise ODA to developing countries, whether through multi-donor pooled funds (MDF) or other mechanisms. Denmark began to decentralise the management of bilateral aid as early as 2003. The current Danish Development Cooperation Strategy⁴ commits to increasing direct support to small and medium-sized CSOs in developing countries.

..and joint donor funds for civil society have increased

Over the last decade there has been growing interest among donors, in line with the Aid Effectiveness Agenda, to channel support to CSOs in developing countries through MDFs. This is driven by a desire to harmonise approaches; reach out to more CSOs in the South; and reduce transaction costs. MDFs are expected to continue grow in number in the future, especially in fragile countries where donors may have a weak institutional footprint and a motive to share risk, although there are no reliable figures on the proportion of ODA that is being channelled through multi-donor funds in developing countries.

MDFs supporting CSOs can have a sectoral or a thematic focus, or be 'open' funds in support of civil society more generally. They vary considerably in terms of their preferred partners, types of funding and funding 'windows', types of capacity development provided and systems of governance. MDF's can take a variety of forms depending on how explicit is the aim of national ownership –

"We will continue to support small and medium-sized CSOs in developing countries. We will increasingly do so through direct support to CSOs in developing countries."

"The Right to a Better Life
"p.35

³ Statistics are drawn from OECD/DAC sources. See *Evaluation Insight* (2013)

⁴ *The Right to a Better Life* (2011) p35

ranging from donor-controlled funds through to government-aligned funds and independent foundations.

However, there does not seem to be reliable figures on how much the decentralisation of aid is reflected in increased funding of MDFs in developing countries. A pre-study in 2012 to the Evaluation of Danish Support to Civil Society was unable to gather fully accurate data on the amount of Danida funding support channelled to civil society through different 'modalities', including MDFs in developing countries. A Danida exercise in 2011 to map its support to human rights and democracy through MDFs in developing countries⁵ identified 18 civil society funds on this theme alone in 14 partner countries with an estimated Danish commitment of DKK 390 million. Danida subsequently commissioned a broader comparative study of the use of multi-donor funds in support of civil society⁶ and the development of a Guidance Note for Danish embassies.

This perhaps indicates increased Danish interest in MDFs as a channel for support to civil society. The financial and human resource constraints facing Danish missions, potentially limiting their capacity to grow bilateral programmes, might be a factor in influencing this.

...but there may be constraints on their future growth.

While donors have both a principled (aid effectiveness) and pragmatic (reduced transaction costs) interest in supporting MDFs a conduit for funding civil society, there may be some constraints on their future growth. Setting up joint donor funds involves high initial transaction costs and few donors have the capacity to design and initiate new funds. As a result, there seems to be a tendency for some donors to 'piggyback previously established funds rather than collaborate on new initiatives. This can lead to some donors ceding responsibility for the design and active oversight of a joint civil society fund to a lead donor with whom they may or may not share the same goals with regard to strengthening civil society.

2 Key lessons from multi-donor funds for civil society

A number of key lessons with regard to MDFs in support of civil society have emerged in a number of reviews in recent years⁷.

The purpose of a MDF should determine how it reaches out to civil society

A key lesson of a recent review of DAC peer reviews⁸ is that the funding mechanisms in support of civil society should match the purpose of that support. In other words:

- *What a MDF seeks to achieve should determine*

⁵ *Danish Support to Governance, Democracy and Human Rights through Civil Society Funds* (2011)

⁶ *Study on Support to Civil Society through Multi-Donor Funds*, (2014)

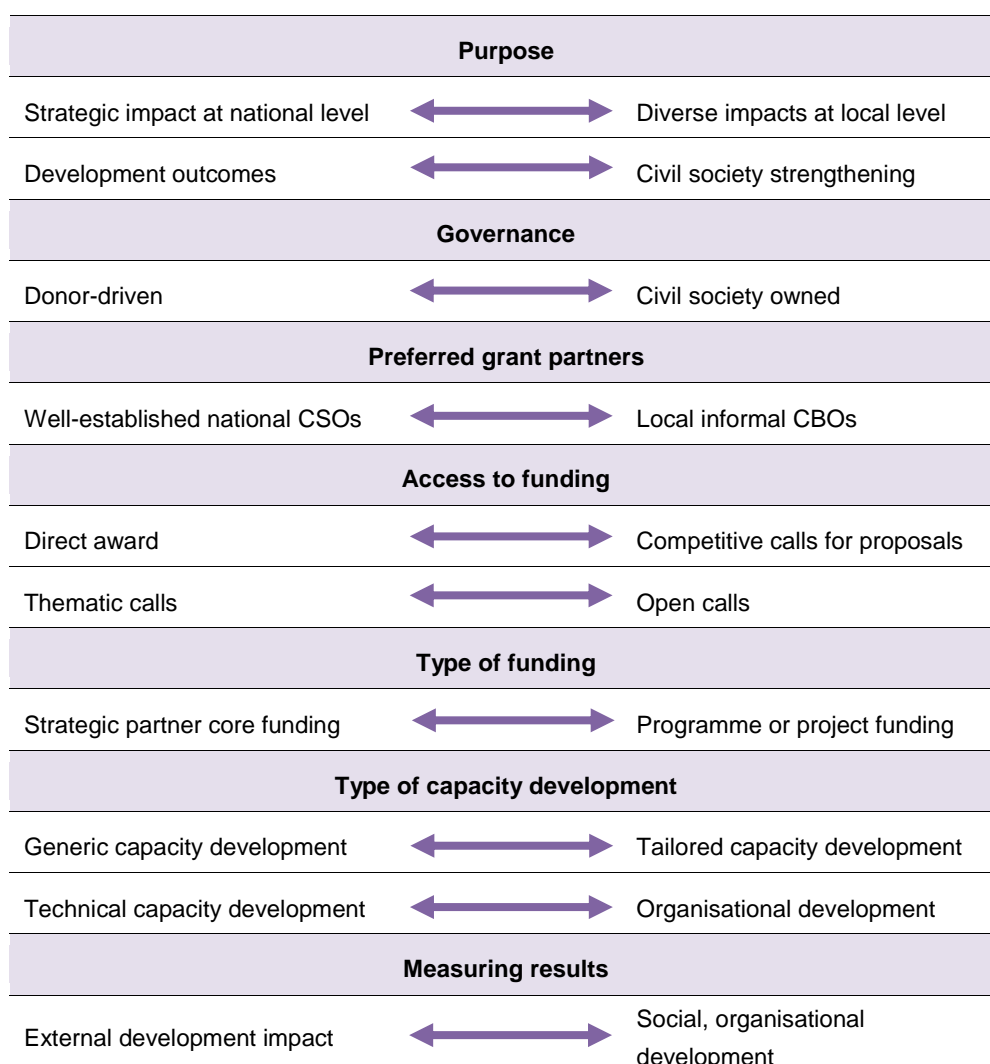
⁷ *Ibid.*

⁸ *"Partnering with Civil Society: 12 Lessons from DAC Peer Reviews"* (2012) Lesson7

- *How* the MDF is governed and how civil society is funded and supported e.g. its funding mechanisms and capacity development on offer; and
- *Who* is funded i.e. the type of social or civic organisation it supports.

For example, a MDF whose objective is to maximise its development impact is likely to operate through competitive calls for proposals and support CSOs with an established track record. On the other hand, a MDF that seeks to strengthen an independent, diverse civil society will need to have an active outreach strategy in order to support a more diverse range of CSOs, and have a stronger element of capacity development support. Similarly, MDFs in support of democracy and human rights frequently form longer-term, strategic partnerships with local CSOs. In contrast, MDFs in support of sectoral programmes tend to ‘sub-contract’ local CSOs to deliver pre-defined activities within specific programmes.

A number of key choices, therefore, emerge about how a MDF might operate once its purpose is clear, as illustrated in the following diagram⁹.



⁹ The examples given are meant to illustrate some key choices rather than two different models

Calls for Proposals tend to have winners and losers

MDFs, therefore, use a variety of funding mechanisms to support civil society. They can make grants directly by invitation ('managed' grants) or through an open, competitive process, normally a call for proposals. Most joint civil society funds award grants through calls for proposals which can be 'open' to civil society or 'targeted' e.g. on a specific theme. The advantage of open calls is that they encourage CSOs to develop proposals in line with their own priorities and competencies. The advantage of more targeted calls is that they can provide 'critical mass' on a particular issue and opportunities for synergy and knowledge sharing.

Calls for proposals encourage a high number of applications and the success rate of CSOs finally being awarded a grant is very low, particularly in relation to open calls and when funds are targeted to smaller, less sophisticated CSOs. In general, larger and better established CSOs tend to benefit most from calls for proposals since they have a greater capacity to formulate winning proposals.

In addition to different ways of accessing MDF grants, the type of grants awarded can vary. CSOs themselves prefer strategic or 'flexible' funding since it supports their own strategic priorities and normally over a longer period. It is also popular with donors since it involves low transaction costs. Most strategic funding, however, tends to be restricted to CSOs with established reputations for delivery and fiduciary management. As a result it may help to consolidate an elitist focus in civil society by favouring fewer, more capable organisations already well entrenched in the national context. Project or programme grants, which are more common, normally fund a predefined set of activities over a shorter period of time.

In either case, the evidence suggests that, unless a fund is specifically designed to reach out to a wide range of civic associations, a results-based approach to development will tend to favour larger, well-established CSOs to deliver demonstrable results, cost-efficiently, in the shortest period of time possible and at least risk. There may, therefore, be a tendency for donors to support the CSOs of *today*, on the basis of *yesterday's* performance at the expense of identifying and supporting *tomorrow's* drivers for change.

This highlights the tension faced by MDFs and other civil society funding modalities, in balancing a commitment to 'effectiveness' i.e. supporting CSOs most capable of delivering development outcomes, with 'diversity' i.e. strengthening the fabric of a strong, independent civil society. It also reaffirms the need for MDFs to offer funding support that fits their purpose and is appropriate to the target groups in order to be effective.

Grant administration needs to be managed transparently and fairly

The process of awarding grants also needs to be - and be seen to be - conducted transparently and fairly in order to mitigate frustration among those who are not successful. MDF's can support this by, for example;

- Ensuring their website clearly communicates eligibility criteria, grant approval and assessment processes, and lists of approved grants.

Civil society funds could be more pro-active in managing the high ratio of unsuccessful CSO applicants e.g. the Manusher Jonno Foundation in Bangladesh, offers generic trainings to unsuccessful applicants which has led in several subsequently gaining grant funding

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- Organising outreach meetings to communicate the objectives of the fund and how grants can be accessed.
 - Offering a 'graduated' process of grant application e.g. submission of concept note to reduce the time wasted on producing unsuccessful proposals.
 - Ensuring there is independent assessment as part of the grant appraisal process e.g. through an independent panel, roster of assessors.
 - Providing feedback to unsuccessful applicants, if possible.

Supporting a diverse civil society requires affirmative action

There is clear evidence that MDFs need to offer special funding windows or other kinds of affirmative action if they want to extend their reach to a wider range of civic actors. It needs to be recognised also that this requires a significant investment in behalf of the MDF. Some examples of affirmative actions to enable MDFs to fund a more diverse partner portfolio include:

- *Geography*: making sure the fund supports CSOs in marginalised districts - for example, by publishing calls in regional newspapers; providing regional briefings; targeting information sessions in those regions previously under-represented in calls; establishing quotas on the number of proposals from different regions; weighting selection criteria in favour of regional applications and "hard to reach" populations; establishing local or regional offices or providing outreach through a network of coaches or mentors.
- *Size*: specifically targeting smaller, less sophisticated CSOs - for example, through small short-term grants or by having lower entry requirements e.g. audited accounts (which may present a challenge in some countries). Targeting smaller CSOs can present a challenge in terms of aggregating impact. It can result in a plethora of activity without achieving synergy or broader impact unless supplemented by capacity development, support to social networking and alliance building.
- *Type*: reaching out to support informal, traditional or emerging actors with the potential to drive change, especially in response to unanticipated events or topical opportunities. There are growing numbers of drivers for change in civil society that may not have formal status as CSOs e.g. faith-based groups, issue-based groups, social movements and trade unions. This is a major challenge for MDFs who nonetheless might be able to support such groups indirectly through intermediary CSOs; networks and through non-funding support such as capacity development; or through 'hubs' for community activists who can collectively access services it would otherwise be difficult or expensive to access.

Capacity development is a vital aspect of support

This emphasises the importance MDF's offering capacity development support in addition to funding. The capacity development support offered to grantees by

MDF's is most frequently focused on the 'compliance needs' of the donors in terms of project cycle and financial management. Some funds invest more broadly in the organisational strengthening of CSOs e.g. in improving their governance; strategic planning and fundraising capacity. An appropriate balance needs to be found between supporting grantees to comply efficiently with a fund's requirements and investing in their sustainability and accountability to other stakeholders, not the least their own constituencies.

Training is not always the most effective form of capacity development. Some funds combine training opportunities with other forms of capacity development support. These include mentoring and accompaniment; brokering collaboration between CSOs, individuals or other organisations; supporting peer learning; and working with local capacity development providers to take on new approaches and methodologies.

While many MDF's offer capacity development support, they tend to have weak systems to measure its effectiveness in terms of improved organisational capacity (like CSOs themselves). The case for appropriate forms of capacity development support to CSOs needs to be supported by robust evidence of the effectiveness of that support in terms of organisational outcomes.

MDFs can have a broader impact on the sector with some unintended consequences

MDF support to civil society may have unintended, negative consequences in terms of its impact in relation to an independent, diverse, civil society. For example, CSOs often express some concerns about how a convergence of donor priorities in multi-donor funds might

- Create funding monopolies around donor priorities,
- Reduce the sources of funding for many, particularly smaller, CSOs,
- Encourage others to divert from their primary mission to obtain funding
- Restrict funding for a wider range of CSOs and CSO priorities.
- Lead to increased government influence over civil society space when the fund is government-led.
- Reduce CSO access to individual donors;
- Undermine the mediating role donors have played between civil society and governments.

Given these concerns, donor investment in joint civil society funds needs to take into account and anticipate the broader impact of the fund on, and any possible unintended consequences of, the fund on local civil society.

“This policy offers direction on support to civil society across all cooperation modalities with civil society, not only the support provided through Danish CSOs”

Foreword, Policy for Danish Support to Civil Society p3

3 The Policy for Danish Support to Civil Society

A Policy for all modalities

The new Civil Society Policy¹⁰ sets a direction for *all* Danish support to civil society, including MDFs at country level, although it is most frequently associated with Danish CSOs. Much of the good practice outlined in the new Policy refers to Danida support to civil society at country level. A new cycle of designing Danida country programmes is currently taking place but unfortunately the new Civil Society Policy post-dates the Guidelines on Country Programmes issued to Danish embassies in 2013. An opportunity will have been lost in some countries, therefore, for the new Policy to directly inform Danida support to civil society at country level – whether through its bilateral programmes or through support to MDFs.

Civil society as a driver for change

The development and implementation of Danida country programmes will be guided by a:

- Country Policy Paper that describes Denmark’s broader policy objectives in the country, and
- Country Programme Document that specifically describes Denmark’s development cooperation objectives and approaches.

“During the preparation of the country policy paper, the role strengths and capacity of civil society must be analysed.... Drivers of change as well as obstacles for civil society engagementmust be identified”

Policy for Danish Support to Civil Society p30

The new Civil Society Policy states that the role, strengths and capacity of civil society, including its role as a driver for change, should be analysed during the preparation of the Country Policy Paper. As part of a broader contextual analysis, this dynamic analysis of the role of civil society should form an important background to the development of country programmes. Each country programme should consist of no more than three thematic programmes. A thematic programme should consist of a cluster of ‘development engagements’ each of which should have one partner - for example, a joint donor fund in support of civil society. A focus for future Danish CSO engagement with Danida at country level, therefore, could be to monitor to what extent the choice of development engagement partners reflects the analysis of the drivers of change in civil society.

Criteria for supporting multi-donor funds

The new Civil Society Policy¹¹ affirms that Denmark will continue to support joint funding initiatives when relevant and will prioritise those funds:

- Whose purpose and operations aligned with A Right to a Better Life, the Civil Society Policy and a human rights-based approach;

¹⁰ *Policy for Danish Support to Civil Society, (2014)*

¹¹ The following good practice guidelines are themselves derived from a recent Danida *Study on Support to Civil Society through Multi-Donor Funds*

- That have consulted with civil society in its design and have a dynamic analysis of the national context;
- That offer capacity development support in addition to funding;
- In which civil society is adequately represented in its governance structures;
- That have the leadership, skilled staff and delegated decision-making authority to respond flexibly and effectively to civil society needs.
- That are innovative, for example, in their approach to capacity development support; identification and support of emerging drivers of change in civil society; support to cross-sectoral partnerships, and; involvement of new funding partners to jointly support civil society.
- Have sufficient administrative and financial management capacity and systematically monitor risks.

These are sensible criteria for Danish support for joint civil society funds (though they omit to mention that the funding modalities should be appropriate for the civil society target groups and that grant administration procedures be conducted transparently and fairly). The challenge is to ensure that these good practice guidelines are reflected in the design, operation or oversight of MDFs. This presents another opportunity for Danish CSOs and partners to play a monitoring role in relation to joint civil society funds, as described in the next section.

4 Roles and dilemmas for Danish CSOs and partners

There is no escaping that MDFs play an increasing and influential role in the civil society 'landscape' in developing countries. They are too significant to ignore so what are the options for engagement for Danish CSOs and partners? And what dilemmas arise when considering engagement? There are three possible roles for Danish CSOs and partners in relation to joint donor funds for civil society - as a MDF consortium member, grantee or watchdog.

▪ **CSOs as consortium members**

Northern CSOs have sometimes acted as the 'midwives' of joint-donor civil society funds in developing countries by acting as the management agency of the fund in an early stage of its development. This should not be surprising since Northern CSOs often have good local knowledge, experienced staff and core competences in partnership, capacity development and grant administration. In the case of Denmark, MDFs in Tanzania and Ghana, for example, have cooperated with CISU, an independent association of Danish CSOs, on good practice in grant funding of civil society.

As donors reduce their institutional presence in developing countries e.g. as part of a phasing out strategy, they sometimes look to maintain funding support through a MDF. There may be a continuing role for Danish CSOs in this area - for example, in managing bilateral programmes or joint donor funds for civil society in countries where Danida is withdrawing its mission.

CSOs as 'midwives' to MDFs

Trócaire played a critical role in creating and managing the ACI-ERP joint fund in Honduras in 2003. CARE managed the initial phase of the Manusher Jonno Foundation in Bangladesh and the Foundation for Civil Society in Tanzania. Hivos is playing a similar role with the Tanzania Media Fund.

Danish CSOs also have the option of forming or joining a consortium to as part of a bid to manage a joint civil society funds The attractiveness of such a role may depend on the degree to the CSO can influence the approach of the joint fund e.g. the target groups, funding modalities and type of capacity development support on offer, rather than be confined to play a predefined, technical role in the fund.

Dilemma: Joining a consortium - exporting good practice or diluting mission?

Would Danish CSOs dilute their mission by being part of a consortium managing a joint donor civil society fund? Or would it be an opportunity for them to export their good practice, contribute to the transparency and effectiveness of a large-scale civil society initiative, and maximise their impact? Is it not better they use their historical competencies to channel joint donor funds effectively rather than leave it, for example, to predominantly private sector consultancy consortia?

Three good practice¹² suggestions for joining a managing consortium

- Ensure your values and approach are compatible with the vision of the donors that fund the MDF and with other members of the consortium.
- Check that your contribution to the consortium draws upon your strengths and competencies as an organisation, including your skills base, systems and knowledge of the country/region and local civil society.
- Make sure you have the experienced personnel to spare to contribute to the consortium, and that they have the skills and expertise to influence the consortium and enhance your reputation with civil society partners and the donors.

▪ **CSOs as MDF grantees**

Multi-donor funds in developing countries tend to restrict their grant funding to national CSOs though this is not universal. Some funds e.g. Shirree in Bangladesh, take a meritocratic approach to grant funding and are prepared to fund national or international CSOs that are likely to make the biggest impact.

The issue of whether international NGOs should seek funding from joint donor civil society funds in developing countries raises the issue of 'global' Danish CSOs with national affiliates in the developing country e.g. ActionAid and Red Cross. There is some debate as to whether such national affiliates, registered as national CSOs, are genuinely representative of local civil society since they are governed by and operate within the standards, policies and procedures of the

¹² See annex for a more detailed check list of guiding questions regarding MDFs from Danida Guidelines.

global federation. A further controversy is whether the advantages of the global 'brand' gives them an unfair advantage over national CSOs in accessing multi-donor civil society funds.

Danish CSOs and partners may decide to work together to access multi-donor funds in a developing country. This could take a variety of forms e.g.

The shape of things to come?

The Ministry of Foreign Trade and Development Cooperation in the Netherlands recently issued a call for applications from CSOs for strategic partnerships during the period 2016-20 on advocacy. In an attempt to encourage greater collaboration between Dutch CSOs and partners, applications are encouraged from consortia including Dutch, Southern and international CSOs. Southern CSOs are the lead agency in six of the consortium applications

- *Joint bidding.* There may be opportunities for a Danish CSO and partner/s to jointly bid for e.g. project or programme funding. This could allow either the Danish CSO or national CSO to be the grant holder. The latter introduces the concept of the national CSO 'contracting' the Danish CSO for added value services (that presumably cannot be found locally).
- *Sole bidding.* Both a Danish CSO and national partner might be in a position to bid for funding on its own. If funding is open to both national and international CSOs this raises the potential dilemma of a Danish CSO competing directly against national CSOs and potentially their own partners.
- *Support to a bid.* A Danish CSOs might play a useful role in helping a partner to access funding. This could happen in two ways. First, it could help a partner become aware of funding opportunities. This might be particularly important for civil society actors groups outside traditional aid circles such as trade unions or church groups. Secondly, they could provide support on proposal development and implementation. This could contribute to the organisational sustainability of the partner by diversifying its funding. It could also help supplement/scale up

Dilemma : Seeking funds from MDFs - partnership or competition?

Seeking to access joint donor funds in the global South presents a dilemma to Danish CSOs if they subscribe to the aim of strengthening a diverse, independent civil society in developing countries (a stated objective of Danida from whom many receive much of their funding). Working together with partners to jointly access a MDF should be mutually beneficial. Would not competing directly with national CSOs to access MDF funds, even if using these funds to support partners, only inhibit rather than encourage the efforts of national CSOs to achieve sustainability and increase their impact on poverty?

Three good practice suggestions when considering applying to a MDF.

- Do not compete directly with national CSOs for access to a MDF. The guiding principle should be to strengthen local CSOs as independent actors as part of strengthening civil society more generally.
- Look for ways in which you can support local CSOs to gain access to and implement programmes supported by a MDF. This could be part of your partnership agreement to improve their sustainability.

- If jointly applying to a MDF, the national CSO should assume the role of lead agency wherever possible, with the Danish CSO providing technical and/or capacity development support.

▪ **CSOs as MDF watchdogs**

MDFs in support of civil society are significant funding channels for donors and frequently influential actors in the national context. Their scale and approach, for example, can have a significant influence on sectoral policy and on the fabric of national civil society. Some MDF's are closely associated with government priorities and susceptible to political influence. On the other hand, there is a growing interest among donors in establishing independent civil society funds, governed by boards of national civil society representatives, in the interests of inclusion, transparency and accountability. These independent funds e.g. the Foundation for Civil Society in Tanzania, can be influential actors in the national civil society landscape.

MDFs are not always paradigms of transparency and accountability. For example, reviews have commented on their inadequate systems of monitoring and reporting. Grants lists and financial data are not always publicly available on their websites. They can sometimes be the focus for patronage and corruption. Danish CSOs and partners have a potential role to play in monitoring the transparency and accountability of MDFs supporting civil society and their broader social impact. .

CSOs as watchdogs

In 2012 a number of environmental networks and CSOs publicly criticised the Bangladesh Climate Resilience Fund (BCCRF) and the Bangladesh Climate Change Trust Fund (BCCTF) alleging corruption and a lack of transparency in funding of CSOs. In the same year the Independent Commission for Aid Impact (ICAI), an independent watchdog set up to oversee the quality of UK aid, recommended that DFID should support local and international CSOs to monitor the performance of the two funds. DFID is committed to take this forward.

Dilemma: CSOs monitoring MDF performance - biting the hand that feeds them?

The Danish Civil Society Policy provides some clear criteria for prioritising MDFs. This provide an initial framework for Danish CSOs and partners to hold Danida to account with regard to how it channels aid in developing countries. At a national level this oversight function of MDFs should and sometimes is exercised by a national coordinating body of CSOs, if one exists. It may even be an option to lobby for the establishment of a civil society oversight body, with donor support, to monitor the activities of a MDF. Can Danish CSOs hold Danida to account with regard to the implementation of its own policy while being so dependent on it funding?

Three good practice suggestions when monitoring MSFs

- Work in coordination with other like-minded CSOs through a national civil society network or CSO Coordination body.
- Track the performance of the MDF by doing longitudinal research with CSO partners and others on the impact of the fund in order to move beyond the anecdotal.

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- Consult more broadly on the broader impact of the MDF on national civil society - intentional or unintentional.

Summary

Most Northern European donors are reviewing their traditional funding relationships with their national CSOs. Donor collaboration on joint initiatives in support of civil society in developing countries is likely to continue for some time, if not increase. Danish CSOs will need to anticipate a trend towards further decentralisation of donor support to civil society, increased competition for donor funding and the entry of new civic, private and public actors in the development sector. This will require them to experiment with new roles, partnerships and forms of constructive engagement with, for example, multi-donor funds in support of civil society.

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Annex B: Guiding questions for multi-donor funds for civil society.

Context and Design

- Is there a clear purpose for the fund from which operational choices can be deduced? Is it consistent with Danida strategy and Civil Society Policy
- Is the fund based on a contextual analysis of civil society e.g. EU roadmap?
- How has civil society been consulted in the design?
- Is there opportunity in the inception period to consult on operational process and systems with stakeholders?
- Does the fund have an exit or transition strategy?
- Is the fund in line with the Paris Declaration principles – ownership, alignment and harmonisation?

Harmonisation

Does the fund deliver:

- Greater outreach i.e. to a greater number and wider range of CSOs?
- Greater scale of impact e.g. more beneficiaries, more widely across the country?
- Reduced transaction costs i.e. less financial and human resources?

Does the fund avoid:

- Reduce funding opportunity for smaller, emerging CSOs?
- Retain different donor reporting requirements?
- Retain different funding cycles. If so, how is this dealt with?
- Do donors agree on the purpose of the fund its operational procedures?
- Are they informed and engaged with its operations and partners?
- Is a lead donor approach in place? If so, is it satisfactory to the Board? Is there adequate support to the lead donor?
- Have non-traditional donors to the fund been explored?

Governance

- Is the form of governance appropriate to the purpose of the fund?
- Are roles and responsibilities of Board, steering and advisory committees clearly defined and a clear system of authority, accountability, and transparency in place?
- Is there broad stakeholder representation and transparent decision-making in governance structures?
- Are CSOs adequately and effectively represented? How have they been chosen? Is their role clearly defined?
- Has the governance structures of the fund been recently reviewed? Is there a need?
- Is there a scenario plan for the future governance of the fund e.g. as an independent foundation? Has the issue of sustainability been addressed?

Management

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- Is the choice of management agency appropriate to the purpose and target groups of the fund?
 - Was the management agent selected in an open competitive process? Was civil society consulted in the appointment?
 - Does the management agent have in-depth experience and professional expertise in civil society funding and support, and understanding of the characteristics of civil society in national context?
 - Does it have a clear MoU or service level agreement with the fund defining deliverables and how they will be measured and reported on?
 - Does it have delegated powers of decision-making in situ?
 - Does it have experienced leadership with the appropriate skills, authority and understanding of the context?
 - Do the staff have the right mix of behavioural and technical skills to support and facilitate civil society development?
 - Does it have administrative systems and processes appropriate to the objectives of the fund and the capacities of the target group?

Funding modalities

- Are the CSOs targeted appropriate to the fund's anticipated outputs and activities?
- Are the funding modalities e.g. calls for proposals, direct award etc., appropriate to the purpose and target groups of the fund?
- Are there mechanisms to extend the reach of the fund to a wider range of CSOs e.g. outreach mechanisms, affirmative actions?
- Is there a strategy to support civic associations e.g. TUs, faith-based groups that are not formally registered?
- Do funding windows enable grantees to 'graduate' to more flexible, strategic funding?

Is the assessment and approval process transparent and fair?

- Does the website clearly communicate eligibility criteria, grant approval and assessment processes?
- Are there outreach meetings to communicate the objectives of the fund and how grants can be accessed?
- Does the fund offer a 'graduated' process of grant application e.g. concept note before invitation to submit a proposal?
- Are independent assessors or an independent assessment panel involved as part of the grant appraisal process?
- Does the fund offer feedback to unsuccessful applicants, including the written comments of assessors?
- Does the fund publish its grants lists on its website?
- Does the fund encourage feedback on its operational procedures e.g. through grantee meetings?
- Do grant agreements clearly define reciprocal obligations?

Capacity Development

- Does the fund offer capacity development support to applicants and/or grantees?

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- Is the support offered appropriate to fund partners e.g.
 - Is the capacity development support technical e.g. PCM-related disciplines, or organisational?
 - Is it demand i.e. the result of a capacity needs assessment, or supply driven?
 - Does the fund offer alternative forms of capacity development support e.g. mentoring, peer learning etc.?
 - How does the fund monitor and evaluate the effectiveness of the support offered?

Monitoring, Accountability and Learning

Internal accountability

- Are the outcomes and outputs of the fund appropriate to its anticipated period of funding?
- Does the fund have unitary systems of financial and narrative reporting for grantees, or does it draw upon grantees financial and reporting systems?
- How does the fund monitor and report on results at portfolio level e.g. aggregation; tabulation; summarisation; mixed quantitative and qualitative indicators; and/or other methods?
- Do grantees perceive reporting demands of the fund appropriate and proportionate?

External accountability

- How does the fund demonstrate its wider accountability e.g. through independent reviews; grant-making performance surveys; grantee meetings etc.

Learning

- How does the M&E system contribute to internal learning? e.g. communities of practice among grantees; internal newsletters?
- How does the M&E system contribute to external learning? e.g. through website; learning events in the sector etc?