

Bilag til diskussionsmøde i FAGLIGT FOKUS

Mandag d. 6. maj 2013 (kl. 13-16) på Vartov.

Udvalgte uddrag fra "Evaluation of Danish support to Civil Society" med relevans for Sydfunding og fremme af bedre fortalervirksomhed.

A. Uddrag 1 (s. 32-35):

Om Multi-donor funds

B. Uddrag 2 (s. 57-60):

Om forskellige støtteformer og fremme af kapacitetsopbygning og fortalervirksomhed

C. Uddrag 3 (85-87):

Tredje hovedanbefaling der omhandler relevans af forskellige støtteformer og mangfoldigheden.

DISCLAIMER: Den endelige evalueringsrapport er endnu offentliggjort, dette er således uddrag fra den seneste DRAFT report.

A.

Multi-donor funds

Danida cooperation with CSOs in partner countries is increasingly channelled through multi-donor funds which are expected to continue grow in number in the future, especially in fragile countries¹⁸. This trend is driven by Denmark's commitment to donor harmonisation; to reach out to more CSOs in the South; and reduce transaction costs. Multi-donor funds typically try to respond to the needs of different contexts, programmes and partners through different funding windows. Most frequently, but by no means exclusively, grants are awarded through a call for proposals, with applications evaluated according to predefined and uniform criteria. The range of civil society actors supported through such funds can be quite diverse including both formal and informal groups, well established NGOs, community based organisations, networks and coalitions.

A recent Danida mapping exercise¹⁹ highlighted some important lessons from the use of multi-donor funds to support civil society in Governance, Democracy and Human Rights i.e.

- *The need for affirmative action to support smaller NGOs.* The principal beneficiaries of the funds tended to be larger and better established organisations, especially in the case of strategic or core funding. Special funding windows such as the Rights, Democracy and Inclusion Fund (RDIF) in Nepal and Independent Development Fund (IDF) in Uganda - or other kinds of affirmative action such as the use of quotas for marginalised groups by the Justice Initiatives Facilitation Fund (JIFF) in Vietnam - are required to ensure that smaller, less experienced CSOs can access funds.
- *The need to invest in civil society expertise and outreach.* There is a risk of achieving 'false economies' in terms of the impact of such funds by under-investing in their capacity to identify and support civil society actors that are capable of making a difference. The effectiveness of multi-donor funds requires an investment in a Secretariat with the professional expertise, not only to administer the grant making process efficiently, but to provide outreach support and capacity development to CSOs.
- *The growing interest in establishing independent funds* i.e. by national partners assuming the leadership of funds in the interest of inclusion, transparency and accountability and

¹⁸ This overview draws heavily from Danida. December 2012. *Danida support to Governance, Democracy and Human Rights through Civil Society Funds*, Danida.

¹⁹ *ibid*

registering them as independent funds, governed by a board or steering committee including civil society representatives. In addition to the IDF in Uganda and the FCS in Tanzania, it cites the Red de Participacion y Justicia in Bolivia which is institutionalised within a network of national NGOs and the process to transfer ownership of the Zambia Governance Foundation to a Board of Zambian CSO representatives.

These lessons are supported by the findings of the evaluation. This section reviews briefly the experience of multi-donor funds in support of governance programmes and in support of smaller NGOs, drawing upon the experiences of Nepal, Uganda and Tanzania.

Support to Governance, Democracy and Human Rights

The FCS in Tanzania is perhaps the best known example of a multi-donor fund established as an independent, 'indigenous' entity. The FCS was established as a limited company in 2002 by a group of donors with the purpose of supporting a vibrant, effective and innovative civil society sector. It has a Group of Members and Board of Directors, all of whom are Tanzanian nationals. The FCS awards four types of grants, from one off registration grants to three year strategic grants. It is possible for individual CSOs to start with a small grant and work towards bigger and bigger grant-types. Capacity building has become increasingly important to the FCS in recent years and the strategy adopted has been to link up to and build the capacity of regional CSO networks. The FCS emerged highest in the area of grantee satisfaction in a survey of eight East African grant-makers conducted by Keystone in 2009. It has become a key player in Tanzanian civil society and is frequently consulted in matters which perhaps should be directed to networks with a formal mandate to represent civil society e.g. Tanzanian Association of NGOs (TANGO).

The DGF in Uganda was recently established in July 2011 following on from HUGGO's earlier administration of the multi-donor funded Deepening Democracy Programme and a Legal Aid basket fund. The DGF has three components - Deepening Democracy, Rights, Justice and Peace and Voice and Accountability. State bodies as well as CSOs are eligible for funding under each component but approximately two thirds of its funding was allocated to CSOs in its first year of operation. DGF funding modalities show the evidence of its HUGGO 'footprint' - strategic partnerships, specific requests for proposals, and a competitive call for proposals²⁰ - as does the composition of its Secretariat of national and international staff.

A range of Ugandan stakeholders engaged in comprehensive consultations on the design of the DGF and particular effort has been exerted to ensure local ownership - for example, by including elected Ugandan resource persons on the Board; including civil society representatives along with government agency representatives and parliamentarians in a "High-Level Stakeholders" group; funding selected state institutions; linking and funding smaller CSOs through the IDF which is seen as an 'indigenised' funding mechanism; operating through Ugandan networks such as the Uganda National NGO Forum and the National District Networks Support Programme; and using indicators relevant to the local context in its reporting systems.

²⁰ DGF. August 2012. *Partnership Approach Paper*. DGF.

In Nepal, Denmark played a key role in the establishment of the Local Government Accountability Facility (LGAF), a multi-donor fund with the aim of supporting citizen engagement in local governance processes. The LGAF provides an illustration of how lack of local ownership can undermine a multi-donor initiative. The LGAF forms part of the Local Governance and Community Development Programme (LGCDP) of the government of Nepal which aims to contribute to poverty reduction through inclusive, accountable local governance and community-led development. It was intended that the LGAF, although a part of LGCDP, would function independently under a Steering Committee. In practice all financial resources have been channelled through the Government of Nepal but even so the initiative has not had government support. It has launched only one out of three anticipated rounds of funding since 2009, the second and third rounds of programming being stalled.. The Nepal country study highlights a number of challenges to the LGAF such as weak capacity development and monitoring of local CSOs but nonetheless describes it as having “a unique relevance” by helping to compensate for the absence of locally elected representatives since 2002.

Table 6: Assessment of role of joint funding for thematic programmes in supporting civil society

Potential or actual strengths	Shortcomings or potential risks
Harmonisation lowers transaction costs for CSOs and donors.	Creation of a funding monopoly enables donors to define the agenda.
Effective if supported by skilled, experienced staff.	Concentration of resources on donor trends restricts funding for civil society’s own priorities.
	Loss of direct relationship and dialogue with individual donors

Support for smaller NGOs

The RDIF in Nepal and IDF in Uganda offer two examples of multi-donor governance funds set up to target smaller NGOs. The RDIF was launched in 2006 and re-launched in June 2009 as a rapid, flexible means to promote human rights and democracy in the fast-changing post-conflict situation. It closed at the end of 2012 though there is donor interest in supporting a new RDIF in the future. The RDF was seen as a mechanism for supporting innovative ideas and projects of higher risk. It provided capacity-development support to grantees - including financial administration, monitoring and evaluation, strategy development and basic governance issues. The RDIF undertook only two calls for proposals between 2009 and 2012 and funded 76 short-term projects out of 962 project proposals. A network of five regional offices enabled RDIF greater geographic reach; it is estimated that RDIF projects have reached an estimated 200,000 direct beneficiaries located in 90 per cent of the districts in Nepal. A 2012 evaluation concluded that The RDIF had been effective in strengthening the capacity of marginalised and excluded communities to organise and access public services and resources but that it would be a challenge to sustain the many community-based structures created by the fund.

The IDF in Uganda was established in 2008 is currently funded by Danida through the DGF. Its mission is to promote a human rights approach in the development of civil society and it focuses on access to information, governance, poverty reduction and local democracy initiatives. The IDF has issued four calls for proposals since 2009 and funded 90 CSOs from more than

1,000 applications received. Grants are for 2-3 year period and do not exceed US\$100,000. The IDF provides close monitoring support to grantees but no systematic capacity building.

The RFE in Tanzania, launched in 2002, offers an example of a multi-donor fund to support smaller NGOs to participate fully in the national multi-sectoral response to the AIDS epidemic. The RFE issues one call for proposals each year and awards grants of one to two years. In 2102 it received c500 concept notes and funded 32 proposals. The RFE claims to fund a wide range of CSOs of different capacities working in regions all over the country. Successful applicants undergo a four day organisational survey to define the capacity development needs which usually focus on leadership, governance, and monitoring & evaluation (M&E).

The three multi-donor funds share some characteristics. They all offer comparatively short-term, project funding which is unlikely to contribute to the longer term sustainability of grantee organisations. The high ratio of applicants to successful grantees (approximately 13 or 11:1) indicates a high level of demand but potentially high transaction costs for both applicants and fund managers. The governance structures of the RDIF and RFE, however, are closely aligned with government and donor mechanisms, whereas the IDF is incorporated in Uganda as a company limited by guarantee with a Board drawn from Ugandan NGO networks and donor representatives.

Table 7: Assessment of role of joint funding for smaller CSOs in supporting civil society

Potential or actual strengths	Shortcomings or potential risks
Harmonisation of donor processes and pooling of resources.	Is not conducive to local ownership; does not support grantee strategies and align with their systems
Provides support to smaller, sub-national CSOs outside the capital through decentralised offices.	Short-term project funding does not contribute to sustainability
Competitive process through call for tenders	Unlikely to make an impact at mezzo or macro level
Provision of basic capacity building support.	High transaction costs associated with high ratio of applicants to grantees.

B

Strategic Goal 3: Capacity development, advocacy and networking

This strategic goal focuses on Danida support for the capacity development of Southern CSOs, their involvement in advocacy work; and their participation in national, regional and international networks. This goal identifies the pathways to change that contribute to the first two strategic goals. It is also perhaps the goal most relevant to Danish NGOs demonstrating their added value to Southern civil society.

Capacity development

Embassy support to capacity development was rated higher (82%) than other modalities overall (see below) and also scored higher across all dimensions of capacity building - internal systems, leadership and governance, M&E, accountability mechanisms, technical skills, organisational sustainability. The exception was learning and sharing with peers where pooled funds scored highest. This is mostly likely a reflection of the bias in the survey due to the high number of

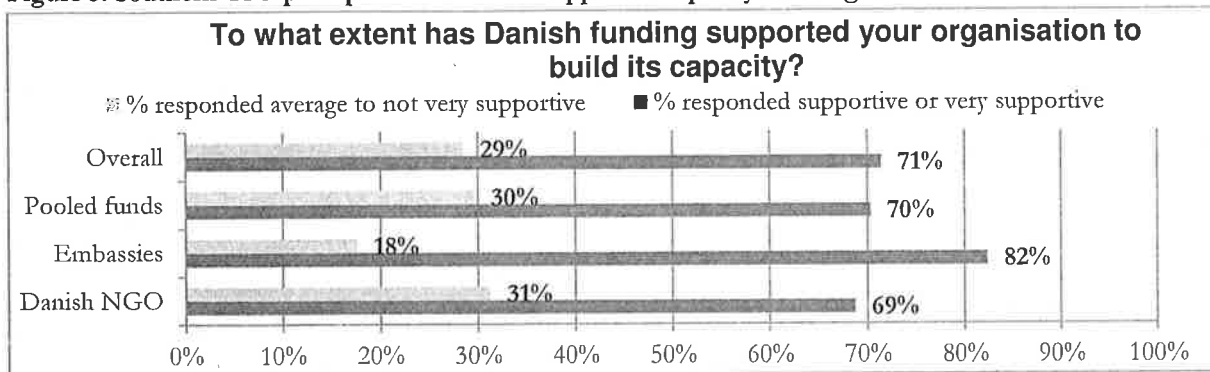
⁸³ Danida. 2011. *Danish Organisations' Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*, Danida, p11

⁸⁴ Danida. 2010. *Guidelines for the Development of Policy Papers for Denmark's Relations with Priority Countries*. Danida, p32

⁸⁵ CISU. 2009. *CISU Synthesis Report on Bolivia/Nepal/Tanzania 2009*. CISU

respondents from Uganda and Nepal. Support to organisational sustainability scores lowest among dimensions of capacity development.

Figure 5: Southern CSO perceptions of Danish support to capacity building



Source: INTRAC Survey of Southern CSOs, January 2012

‘Before the capacity building, the board and management was in constant conflict because of lack of clear roles. Through capacity building these roles have been clearly defined. Business was based on mutual understanding and trust. Now business is carried out based on signed contracts, signed written agreements. Programmes are planned and budgeted for and budget outlines are followed. Our role in advocacy for rights and services from the local and national government has been aroused.’⁸⁶

Both country studies confirmed that capacity development had been an important component of the combined Danish support. CSOs reported a high level of satisfaction with the support provided, though it has not been possible to assess the quality of the support provided.

The CSO strategic partners of Danida in Nepal recorded the highest level of satisfaction with the support offered, highlighting the on-going dialogue that they have enjoyed with Danida HUGOU, the respectful relationship and the responsiveness to their needs. Similarly, CSO partners valued highly the contribution of Danida HUGGO/DGF to their capacity development, not only through funding but through their engagement and advice e.g. on strategies and plans. This was seen as a constructive and positive contribution, and not as a wish to unduly influence the content of plans. Smaller CSOs in Uganda acknowledged the contribution of the joint donor fund IDF to their capacity development through on-going monitoring, advice and support. The CSF also provides close monitoring and capacity development of weaker organisations.

Although the capacity development efforts of Danish NGOs are not highlighted in the survey results, a 2009 thematic evaluation⁸⁷ of Danish NGOs in 2009 was more positive. It found that the 'Danish approach' to capacity development through partnership was much valued by partners and that all Danish NGOs had engaged comprehensively in enhancing capacities of partner organisations. This evaluation found that Danish NGOs frequently quoted the quality of partnership as a distinctive added value they offer Southern CSOs.

However, the 2010 Cross-Cutting Monitoring Report commented that Danish NGOs/CSO vary in terms of the level of reciprocity that characterises their partnership relationships. It was also

⁸⁶ Survey respondent. Programme NGO partner

⁸⁷ Danida. 2009. *Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia*. Danida.

critical of the lack of reflection on how the power inequalities arising out of the funding relationship might be addressed⁸⁸. It quoted an exception in the 'Moshi Dialogue' the Danish Mission Council Development Department had with partners which resulted in joint partnership policy with a clear formulation of roles and rights⁸⁹. It commented also on the scarcity of confidential feedback mechanisms from partners, highlighting an exception in a web-based complaint handling system introduced for all Dan Church Aid stakeholders in Asia⁹⁰.

Most Danish NGOs offer organisational support to at least some of their partners. CARE, for example, supports the organisational development of some partners through the Community Development Resource network (CDRN) in Uganda. ActionAid Denmark has also provided people-to-people capacity development support to CSOs in Uganda through their programme of Development Workers, Inspirators (development practitioners placed as volunteers) and Advisors. In Nepal, it has sought to strengthen Nepalese NGOs internal governance and accountability through social audits, community score card and REFLECT processes.

Some Danish NGOs also offer formal training in their specialised area of competence. ActionAid Denmark, for example, has provided training on governance-related topics in both Uganda and through its Global Platform in Nepal. In the latter case, its materials on governance have been 'scaled up' and used throughout Nepal at district and village level through the nationwide LGCDP programme.

It has not been possible to conduct a more detailed comparative analysis of the capacity development support offered by Danish NGO/CSOs. This would be assisted by Danish NGOs continuing to improve the monitoring and reporting of capacity development activities and outcomes. The thematic evaluation⁹¹ recommended that Danish NGOs should be more systematic in documenting outcomes of capacity development efforts. The most recent Cross-Cutting Monitoring Report⁹² continues to develop this point, identifying capacity development as weak spot in its reporting. The report points out that capacity development for Danish NGOs tend to be restricted to training and workshops and that no evidence was provided of more innovative approaches. It also commented that the capacity development of partners tends to focus on programme/project management tools i.e. capacity to manage resources rather than, for example, advocacy tools i.e. capacity to influence policy and practice

Advocacy

On average 69% of respondents thought Danish support to advocacy supportive or very supportive. Pooled funds scored lowest at 57%, as illustrated below.

⁸⁸ Danida. 2010. *Danish Organisations' Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*. Danida, p11

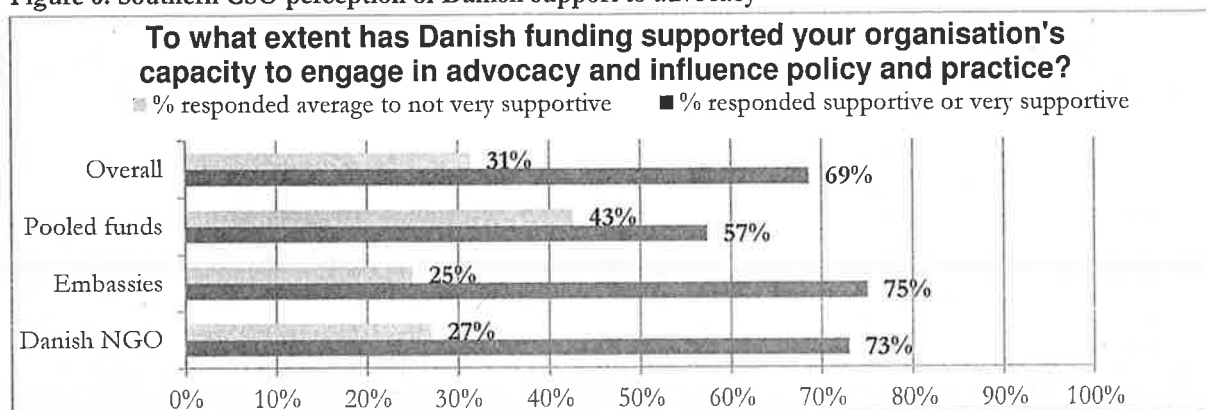
⁸⁹ Ibid p37

⁹⁰ Ibid p36

⁹¹ Danida. 2009. *Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia*. Danida.

⁹² Danida. 2011. *Danish Organisations' Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*, Danida, p13

Figure 6: Southern CSO perception of Danish support to advocacy



Source: INTRAC Survey of Southern CSOs, January 2012

Southern CSOs felt they had received most support to raise awareness of issues but also rated Danida support highly in increasing their support to action by poor and excluded groups, their engagement and influence with local government; and their own profile and influence at national level.

Most examples of advocacy/influencing success are at local or district level. The Nepal country study reported a number of examples of Danish support to CSO advocacy contributing to positive changes despite a difficult political environment (a constitution pending since 2007 and no legislature since May 2012). The acquisition of land certificates and access to land by poor families has had a significant effect on local livelihoods. The access of disadvantaged groups to earmarked resources at local level has significantly enhanced the income of poor families. Further examples include raising the minimum wage; passing legislation to fight impunity and promote ethnic inclusion; and, establishing social security schemes for single/widowed women.

Many of the examples of NGO/CSO advocacy confirm that the point that successful locally-based advocacy can take several years of support. For example:

- CARE has invested nearly ten years of support to build a coalition of CSOs working in forestry sector (Forest Watch Ghana) to hold the government and the private sector to account for sustainable forest management. Forest Watch Ghana is the only civil society voice in the forest sector acknowledged by the Government.
- Save the Children in Bangladesh has supported the network 'Together Working with Children' since 2005 in its advocacy for the legal abolition of child labour, working with the Ministry of Labour and other stakeholders. The relevant legislation was passed in 2010.
- LO/FTF Council has worked with two national trade union centres in Nepal since 2000 in their advocacy for the development of social security system. An agreement was reached in 2011 with the employers' organisations and Labour Department on establishing a social security fund that will benefit an estimated 1-2 million workers.



6.3 A mix of funding modalities that reflects the diversity of civil society

Draw upon good practice in the sector: the need for a mix of funding approaches

The Right to a Better Life anticipates increased direct funding of Southern Civil Society. This recognizes the maturing development of the civil society sector in many developing countries and is in line with Denmark's commitment to the Paris Declaration and its promotion of local ownership of development.

Danida is held in high esteem as a flexible development partner of civil society in developing countries. Two recent evaluations comment on Danida's flexible use of humanitarian funding in fragile or complex settings - for example as a "key strength" in Somalia¹²⁹ where Danida is described as "*maintaining its reputation for being flexible, risk-taking and un-bureaucratic*". Danida's management of the Regions of Origin Initiative (ROI) in Afghanistan¹³⁰ is also positively referred to as '*flexible*'. To increase the relevance and effectiveness of increased direct support to Southern civil society Danida should ensure that it both builds on and draws on the lessons of this and other evaluations to further its reputation as a flexible donor.

¹²⁶ See, for example, SNV Local Capacity Development facilities that provide advisory services for small enterprise and market development. <http://www.snvworld.org/en/regions/world/our-work/services>

¹²⁷ See, for example, The Future of Civil Society World Economic Forum 2013.

¹²⁸ The DFID funded States Accountability and Voice Initiative (SAVI) in Nigeria focuses funding not on individual organisations but on partnerships and strategic alliances between CSOs and other actors to improve voice and accountability at a local level. http://www.grminternational.com/projects/state_accountability_and_voice_initiative

¹²⁹ Danida. May 2011. *Evaluation of the Danish Engagement in and around Somalia 2006-10*. Danida.

¹³⁰ Danida. August 2012. *Evaluation of the Danish Regions of Origin Initiative in Afghanistan*. Danida.

The OECD recently published a review¹³¹ summarising the key lessons of DAC evaluations on partnering with civil society. The review highlights a number of lessons with regard to the operationalisation of a civil society policy - for example, the need to balance a results-orientation with the virtues of partnership; provide a mix of cooperation modalities that take into account the diversity of civil society; and reduce the transaction costs associated with donor reporting e.g. through harmonising support and providing more strategic and programmatic funding.

The value of a range of funding modalities was emphasised throughout the review. Donors should *“have a mix of funding modalities that take into account the diversity of CSO roles, capacities, constituencies and approaches and which enable donors to finance, when it is a priority, development activities initiated by CSOs.”*¹³² It also argues for cost-efficiency to CSOs of multi-donor initiatives *“While there are advantages for CSOs in having access to diverse sources of donor financing... donors should strive to harmonise their support to international CSOs and CSOs in developing countries to reduce the burden of responding to multiple donor requirements.”*¹³³

A recent joint evaluation on policy work¹³⁴ also highlighted the need for a mix of funding approaches. It identified three types of support required:

- *Long-term support* e.g. core funding to trusted CSOs should be continued (and expanded where appropriate) for long-term advocacy support.
- *Specific targeted support* i.e. to support well-orchestrated action around policy change outcomes e.g. a single legislative objective.
- *Opportunistic right moments* i.e. to quickly to respond to seizing ‘right moments’ to raise issues in the public domain or influence decision makers.

The need to retain a capacity to innovate

Danida will continue to play a distinctive role in supporting Southern civil society if it can invest in the design, development and administration of bilateral and multi-donor support mechanisms that enable CSOs of diverse sizes, approaches and capabilities to access funding. A critical issue, in light of financial and human resource constraints, is how Danida can retain a programming capacity that draws upon learning, innovation and good practice in the sector to design and develop cooperation modalities that respond to the changing needs of a diverse civil society. Two possibilities arise if additional programming capacity is not to be made available to embassies:

- Invest in a ‘mobile’ programming capacity in Danida centrally that could support a number of countries.
- Contract in additional programming capacity to work on specific projects or to provide specific elements of support.

¹³¹ OECD. 2012. *Partnering with Civil Society: 12 lessons from DAC Peer Reviews*. OECD.

¹³² *ibid*

¹³³ *ibid*

¹³⁴ ITAD and COWI. November 2012. *Joint Evaluation of Support to Civil Society Engagement in Policy Dialogue*. Danida.

By maintaining a programming capacity Danida can draw upon the expertise and credibility it has derived from decades of support to civil society to scale up its impact on civil society funds by, for example, influencing multi-donor initiatives.

Some positive features of direct funding to Southern civil society

The evaluation suggests that a mix of funding approaches should take into account the following features:

- *Include a variety of support mechanisms in multi donor initiatives.* There may be a tendency to concentrate resources in very large multi-donor thematic or sector funding mechanisms. The evaluation has noted CSO concerns about such large funds might distort the 'market' e.g. by reducing funding for other priorities; encouraging CSOs to adjust their missions and approach to access funds; and create a culture of insiders and outsiders in civil society. This concern might be allayed by ensuring CSOs of different sizes and capacity can access funding through variety of 'windows in the same initiative. However, a plurality of funding mechanisms of different sizes would more actively avoid the distortions mentioned above.
- *Research and understand what makes multi-donor initiatives successful.* Civil society funds are administered through a variety of management arrangements and include a variety of practices and approaches. There is little comparative research about the relative cost-effectiveness of different multi-donor funds. Further research is needed, on how the management capacity and governance systems of multi-donor funds contribute to their effectiveness and promote local ownership, and on how different practices and approaches have been more or less successful at supporting capacity development and encouraging diversity. This could be done relatively easily by building on the initial Danida mapping of pooled funds in support of good governance but should eventually include more in-depth longitudinal studies funded jointly with other donors.
- *Incorporate a capacity and/or organisational development element.* Support for smaller organisations is likely to be critical to the success of most cooperation modalities other than those that target the 'capable few'. It is important to recognise that this will be labour and resource intensive.
- *Identify how to support emerging civil society actors as drivers of change¹³⁵.* This will require an admission of a higher level of risk.
- *Enable Southern CSOs to 'progress' through modalities.* A mix of funding approaches should allow for CSOs to 'progress' through different modalities e.g. from project funding to strategic partnership, with the appropriate organisational and programme management support.

¹³⁵ For example, the Danish Arab-Partnership Programme describes itself as being '*designed to address complex reform-dynamics in a swift and flexible manner*'. While typically a Danish organisation is the contract holder a partnership programme can include a 'mini pool' that can support minor projects.