

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.

Uddrag 1 (s. 38-43):

Afsnit om andre internationale donorerers politikker og praksis ift. støtteformer overfor
Civilsamfundet

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

3.3 Support to Civil Society: Other donor policies and practices

This evaluation of Danish support to civil society comes at time when a number of donors²⁷ are reappraising the role of civil society in development cooperation and, more specifically, the role of direct and indirect funding of civil society in developing countries.

Most donors struggle to provide global figures on their support to civil society due to the multiplicity of budget lines and mechanisms that this support is channelled through.²⁸ An OECD DAC study²⁹ suggests that in 2009 support to civil society ranged from 11% (AusAID, Danida) to 30 and 37% (Netherlands, IrishAid) of bilateral overseas development assistance (ODA). Support for civil society has steadily been increasing since the 1990s but there is evidence that donors are changing the emphasis within it.

²⁵ Danida. 2009. *Danish Organisations' Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*. Danida.

²⁶ Danida. 2011. *Danish Organisations' Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*, Danida, p17

²⁷ This section draws upon a short review of civil society policies and practices of several major donors supplemented by more detailed interviews with Sida, DfID, AusAID and Irish Aid.

²⁸ See Norwegian example in Norad Civil Society Panel. March 2012. *Tracking Impact: An exploratory study of the wider effects of Norwegian civil society support to countries in the South*. Norad, Norad, p.25

²⁹ OECD. 2011. *How DAC Members work with Civil Society Organisations: An Overview*. OECD.

An increased focus on Southern civil society

Historically, a significant percentage of donor support to civil society has been channelled through their own national NGOs.³⁰ In recent years, however, donors have been stating more clearly an end objective of strengthening southern civil society. The Netherlands states that its overall aim is to “*help build a strong and diverse civil society tailored to the local situation. In this connection, strengthening the capacity of local CSOs is an aim in and of itself*”³¹ Norad aims to “*enable southern civil society actors to take the lead in partnership between Norwegian actors and themselves*”³² and Sweden’s overarching objective is a “*vibrant and pluralistic civil society in developing countries*”.³³ This emphasis has been given further impetus by the Aid Effectiveness Agenda with its strong emphasis on local ownership.

A number of donors are now exploring ways of ‘re-balancing’ of support to domestic and Southern civil society. Sida now requires Framework NGOs to focus their programming on supporting Southern CSOs and would like them to provide more core funding to Southern partners³⁴. It questions whether the current focus on results counteracts this since Northern NGO (NNGO) partners feel a greater need to control Southern partner outputs and outcomes.³⁵ Sida also encourages Southern CSOs to apply for funding through creating partnerships with Swedish NGOs, or directly from in-country programmes or thematic funds. Irish Aid from 2013 will require Irish NGOs to provide fuller reports of Irish NGOs grant funding of Southern CSOs including evidence of results. Current co-financing funding arrangements for Dutch NGOs (MFS II) make it clear that the objective of funding is to “*establish and contribute to strengthening civil society in the South as a building block for structural poverty reduction. CSOs should have strategic partnerships with Southern partners and must work efficiently to strengthen civil society.*”³⁶

Norad has gone farthest in questioning the role of Northern NGOs. In a recent discussion paper³⁷ it states that “*it is a goal for Norad to make civil society support more demand driven with the northern based CSOs remaining in the background to a greater extent*”. The paper challenges whether Norad is supporting the right partners. It acknowledges that Norway tends to cooperate with more ‘modern’ local organisations and asks whether it should be more actively considering working with religious movements, traditional organisations, labour associations, ethnic groups and social movements as partners in social change. The paper describes civil society in many countries in the South as becoming more influenced by forces deeply rooted in national traditions. It suggests that the traditional partnership model is changing and that perhaps the number of northern based intermediary organisations and coordination mechanisms should be

³⁰ Ibid p30. In 2009 DAC members provided around five times more aid to NGOs based in their countries (national NGOs) than to international NGOs and local NGOs in developing countries.

³¹ Ministry of Foreign Affairs Netherlands. 2007. *Our Common Concern: Investing in Development in a Changing World: Policy Note Dutch Development Cooperation 2007 – 11*. MFA The Hague.

³² Norad ,February 2013 *A need to reform Norad’s support scheme for civil society? Notes for Discussion* Norad .

³³ Giffen, J. And Judge, R. 2010. *Civil Society Policy and Practice in Donor Agencies*. INTRAC for DfID, p8

³⁴ SIDA 2010 *Sida’s Instructions for Grants from the Appropriation Item Support via Swedish Civil Society Organisations*. Sida, p8

³⁵ Personal interview

³⁶ See EuroResources website. “*Co-financing (MFS II)*”. Dutch Foreign Ministry. Accessed 8 April 2013.

http://www.euroresources.org/guide/funding_programmes_open_to_national_applicants/nl_1_co_financing_system_mfs_ii.html

³⁷ Norad ,February 2013 *A need to reform Norad’s support scheme for civil society? Notes for Discussion* Norad .

reduced. The paper is intended as a reference document for the ongoing dialogue between Norwegian stakeholders in civil society, and Norad continues to review its position on these issues.

Changes in support to Domestic NGOs

Most donors, however, continue to rely on their domestic national NGOs as a major channel for providing support to southern CSOs. They recognise that national development NGOs continue to play a prominent public role in their domestic contexts - AusAID and Irish Aid, for example, cite their public fundraising; development education work; and public awareness work on development issues. They also recognise the role that NNGOs can play in supporting the capacity development or advocacy of southern organisations. Some recent donor reports highlight that, in general, this is an area that is insufficiently documented.³⁸ Support tends to focus on strengthening the capacity of Southern CSOs to respond to the demands of funding rather than their institutional capacities.³⁹ It is also not clear how far support for individual organisations strengthens civil society as a whole. Many donors are pushing NNGOs to define more clearly what their “value added” is in the development chain and how they will measure it.

Most donors still provide multi-annual, strategic funding for domestic NGOs, often known as framework agreements, in addition to project funding windows. Several of these framework schemes are likely to be modified in the near future. DfID’s current Partnership Programme Agreements (PPAs) have recently been reviewed and will cease in March 2014. There is no fixed commitment to continue them in their current form. A recent review of Sida’s framework funding scheme recommends opening the scheme to non-Swedish CSOs; providing more funding directly to the South; and providing core funding to consortia of CSOs⁴⁰ The revised Dutch framework scheme MFS II, currently funding 20 consortia over the period 2011-15, is unlikely to continue in its present form.⁴¹ NORAD is also rethinking roles for Northern NGOs, questioning their added value as providers of capacity building and exploring options for them to administer and monitor the funding of Southern CSOs. AusAID, in contrast, wants to increase its collaboration with Australian NGOs as key partners in the development of AusAID country strategies and contributors to policy debate in Australia.

Global NGO con/federations such as ActionAid, and Save the Children have continued to grow in recent years, most often as a result of an explicit strategy to grow their membership in middle income and developing countries. ‘Global’ NGOs continue to benefit from domestic framework agreements although they present a challenge to donors as it becomes more difficult to isolate the added value of the domestic member or affiliate at the higher level of the results chain.⁴² Donors are aware of the trend and the issues it raises - for example, whether Southern affiliates constitute ‘indigenous’ CSOs and can apply directly to Southern funds - but there is no consensus on how to address these.

³⁸ Norad Civil Society Panel. March 2012. *Tracking Impact: An exploratory study of the wider effects of Norwegian civil society support to countries in the South*. Norad; and Danida. 2010/ 2011. *Danish Organisations’ Cross-Cutting Monitoring of the Implementation of the Civil Society Strategy*. Danida.

³⁹ OECD. 2011. *How DAC Members work with Civil Society Organisations: An Overview*. OEDC.

⁴⁰ Interview

⁴¹ Personal communication

⁴² See Danida. 2009. “*Thematic Evaluation of Support by Danish NGOs to Civil Society in Ghana and Ethiopia*”, Danida.

More generally, all bilateral donors examined are introducing changes to the funding mechanisms for NNGOs For example:

- *Broadening out of framework agreement and transparent selection processes.* There has been some broadening out of the framework funding to enable more organisations to access this, based on transparent processes (Irish Aid, Sida, Netherlands, and DFID). Donors such as Irish Aid and Sida acknowledge that, in the past, framework funding for a few of the larger domestic development NGOs was often based on historical relationships rather than a transparent selection process.
- *Establishment of due diligence procedures.* AusAID has required Australian NGOs to undertake an accreditation process since 1974 as a requirement for accessing AusAID funding. DFID's Civil Society Department recently introduced pre-contract due diligence procedures as a requirement for the PPA grants and states that due diligence processes will become mainstream for all funds. Irish Aid new Programme Funding mechanism includes due diligence and Sida introduced a new two stage selection process for framework organisations in 2011.
- *Introduction of competitive bidding processes and scoring for resource allocation.* Irish Aid and DFID have introduced resource allocation models (RAM) for their framework/ programme funding based on scoring processes. The Dutch MFS II granting process, which is project based, allocates resources according to the scoring of successful applications.⁴³
- *A focus on results.* All of the selected donors are focusing more on provision of evidence of results, or management for results. DFID funding is primarily about the delivery of 'tangible' outcomes and is evident in the processes involved in the funding application processes.⁴⁴ All DFID PPA applicants are asked to outline their Theory of Change and Theory of Action in addition to providing log frames with targets and milestones. AusAID has replaced the logframe by requiring all grantees to develop a theory of change. Irish Aid focuses on management for results rather than the measurement of results i.e. an organisation's ability to plan for results, ensure systems are in place for delivery etc. rather than quantifying outputs and outcomes. Sida also is putting more emphasis on reporting against results. It has recently established an online 'Contribution management system' which includes a database to enable better monitoring and management of organisations. Both DFID and AusAID make specific mention of the need for value for money and require some evidence about how this is built into planning processes and organisational systems.
- *Monitoring and evaluation.* AusAID is piloting a new M&E and Learning Framework to be used by all NGOs built around 50 indicators based on the DAC codes. Irish Aid has also asked programme-funded NGOs to relate their results to specific DAC codes to enable it to aggregate results although it does not have a prescribed reporting framework.

⁴³ There is no core funding under this scheme and programmes are focused on specific results. There is no expectation that consortia funded under previous rounds will continue to receive funding in later rounds.

⁴⁴ DFID admits that its focus on 'tangible outcomes' means that there is less tendency to fund advocacy and campaign work, especially at global level.

DFID requires Annual Reports against the log-frame for PPA holders and assesses results through weighting the DAC evaluation criteria.⁴⁵ A ‘traffic lights’ system then gives an overall assessment of the performance of the organisation which can affect the volume of the next tranche of funds. Sida will score framework organisations against standard indicators (currently being developed) and those that score poorly may have subsequent funding reduced until problems are rectified.

A brief summary of these trends in relation to framework funding is found below:

Table 8: Framework funding trends

	AusAID	Irish Aid	Sida	DfID
Open to other INGOs	No	No	No	Yes
Number of years	5	4	4	3
Competitive bidding	No	No	No	Yes
Due diligence checks	Yes	Yes	Yes	Yes
Intervention logic required	Yes	Yes	Yes	Yes
Resource allocation model	No	Yes	no	Yes
Performance related funding	No	No	Yes	Yes
Use of standard indicators	Yes	No	Yes	No

In-country funding for Southern CSOs

Donors are funding Southern CSOs in-country through a variety of mechanisms ranging from small grant funds, strategic partnerships, via international NGOs, and increasingly through joint donor mechanisms. Donors face similar challenges about how best to support civil society when their own human resources are constrained. This, combined with a commitment to donor harmonisation, has been a factor in driving the growth of multi-donor funds for civil society. There appears to be some debate amongst donors about the pros and cons of pooled funds⁴⁶. There have been few evaluations of the strengths and weaknesses of pooled funds as a cooperation modality compared to others, although individual funds have been evaluated. On the positive side, individual donors see them as an opportunity to reach more CSOs while reducing transaction costs; as a means to bring funding more directly to southern organisations; and to increase ownership by developing them into locally owned institutions. There is some evidence that they are often not the cooperation modality favoured by Southern CSOs themselves, who express concern that they tend to favour more capable organisations. A Sida study⁴⁷ on support to civil society in Zambia found that local organisations preferred funding by individual donors. They expressed concern that, under joint funding mechanisms, there would be less space for dialogue with individual donors and that a disagreement with one donor could jeopardise support from all donors. This echoes issues raised in earlier studies⁴⁸. More research would be needed, however, to produce clearer conclusions.

An emerging debate, fueled in part by recent developments such as the Arab Spring, is also how far donor funding is capable of reaching beyond ‘traditional’ NGOs to different types of civil

⁴⁵ These categories include sub sections, thus effectiveness includes: added value; learning; innovation; partnership approach and M&E

⁴⁶ Interviews

⁴⁷ Fällman, 2010 in OECD 2011, p30

⁴⁸ Norad. 2008. *Support Models for CSOs at Country level*. Scanteam

society actors. Norad⁴⁹ talks of the need to fund “the organisations that you have, not the ones you wish you had” and is looking to pilot a process of in-depth analysis of civil society at a country level to identify potential new partnerships.⁵⁰

The impact of wider trends in development cooperation on civil society funding

Donors are currently taking stock on different aspects of their development cooperation in preparation for 2015 when the Millennium Development Goals (MDG) framework will be re-assessed. Key to these discussions is the changing geography of global poverty⁵¹ characterised by a significant decrease in the number of poor countries and a concentration of the world’s poor (around three quarters) in middle-income countries (MICs). It is anticipated there may be as few as 20 remaining low income countries (LICs) in the foreseeable future, most of which will be classified as fragile or conflict-affected and found in sub-Saharan Africa. Many MICs will no longer require ODA resource transfers, indeed may be new donors themselves. The European Report on Development (ERD), for example, suggests that new forms of ‘differentiated funding’, responding to the different needs of different countries, will be more common in the future. Countries with sufficient resources to ensure their own development will no longer receive bilateral grant aid and will instead benefit from new forms of partnership,⁵² including innovative cooperation modalities such as the blending of grants and loans.

The prevailing paradigm of support to civil society from the mid-1990s, focusing on the importance of strengthening Southern civil society as a pathway for broader pro-poor outcomes, is under review in a number of countries. While it is generally thought that work through CSOs in fragile and weak states will continue to be a focus, the future role of support to CSOs in MICs is more open to debate. There is increasing talk of support to a wider range of actors who can be involved in the delivery of development outcomes. Both DfID⁵³ and AusAID speak of support to civil society as part of a more general approach that involves a range of other actors e.g. private sector and philanthropic groups, and of the application of models of social partnership or social compacts in development work. A recent publication by the World Economic Forum on the Future Role of Civil Society also argues that, “more effective ways of tackling societal challenges are required, which by necessity will transcend traditional sector barriers.” It argues for a new role for civil society as an enabler of partnerships and trust amongst different stakeholders.⁵⁴ This type of role is one that some CSOs are actively seeking⁵⁵ although others argue that there is a danger of civil society losing its independence or ceasing to support the real voice of the poor and marginalised. In contrast as strong commitment to promote an independent, diverse civil society as a public good in itself continues to feature in Nordic countries.

⁴⁹ Norad, February 2013 *A need to reform Norad’s support scheme for civil society? Notes for Discussion*. Norad

⁵⁰ Suggested pilot countries are Myanmar, Uganda, S Sudan, Tanzania and Vietnam. Interview.

⁵¹ Sumner, Andy and Mallet, Richard. 2012. *The Future of Foreign Aid: Development Cooperation and the New Geography of Global Poverty*.

⁵² It is proposed that 17 Upper Middle Income Countries and 2 large Lower Middle Income Countries (India, Indonesia) graduate to new partnerships that are not based on bilateral aid.

⁵³ The DFID website information on funding opportunities for Northern and Southern CSOs shows a new emphasis on availability of funds which are not exclusively for the CSO sector.

⁵⁴ World Economic Forum. 2013. *The Future Role of Civil Society*. World Scenario Series. World Economic Forum in collaboration with KPMG International.

⁵⁵ Green, Duncan. January 2013. “From Poverty to Power – Why people in power don’t do the right thing, supply, demand or collective action problem and what we do about it”. <http://www.oxfamblogs/fp2p>