

Evaluation of Danish Support to Civil Society

Annex L: Learning Review on Danida evaluations

Informal background working paper

April 2013

N.B. Informal background working papers are not intended as complete or polished reports but as notes primarily for use by the consulting to feed into the main evaluation report.

1 Strategy for Danish Support to Civil Society in Developing Countries

1.1 Key lessons from Danida evaluations.

This short review aims to summarise some key lessons learned from recent, relevant Danida evaluations and monitoring reports as they relate to Danish support to civil society in developing countries. The review aims to ensure that Danida's institutional learning contributes to the evaluation of Danish Support to Civil Society 2008-11 and recommendations for the future operationalisation, monitoring and evaluation of the strategy.

The review offers a brief summary of lessons relevant to Strategic Goals 1, 2 and 3 of the Civil Society Strategy, in line with the priority focus of the evaluation (though some of these lessons apply also to other goals); Strategic Goal 9 which focuses on goals and results; and Chapter 6 on Cooperation Modalities which relates to how the strategy has been operationalised e.g. through different funding mechanisms. This is a review of learning rather than achievements so no attempt has been made to catalogue achievements under each of the strategic goals.

It is important to note that this summary draws only on the documentary sources identified in the attached bibliography, and that it must necessarily be selective to some degree. Evidence from other data sources such as the two in-depth country studies; at distance reviews of Somalia and Tanzania; stakeholder survey; stakeholder interviews; comparative review of donor practices; and a review of Danida support for Strategic Goal 1 has not been included in this documentary review, although will contribute to the final synthesis report.

During the Inception phase of the evaluation the OECD launched a booklet *“Partnering with Civil Society: 12 lessons from DAC Peer Reviews”* which provides an excellent summary of key lessons from DAC peer reviews for donors partnering with civil society. Where relevant, these key lessons from the OECD/DAC review preface the lessons from recent Danida evaluations.

The first lesson from this review focuses on the role of a civil society policy. As summarised in the box below, this highlights the importance of high-level ownership of a civil society policy within a broader strategic vision for development cooperation as well as identifying some potential weaknesses of such a policy.

Lesson 1: Have an evidence-based, overarching civil society policy

The policy should spell out key terms, objectives, goals and principles, as well as different co-operation modalities for supporting civil society and CSOs, which then can be translated into operational guidelines. Some areas of potential improvement in CSO policies include:

- Inconsistency in their application across the development cooperation;
- Driven by existence of a budget line for CSOs/NGOs rather than strategic development objectives;
- Disconnected to the reality of aid allocations e.g. to international NGOs.

Civil Society policies can be strengthened by having high-level ownership e.g. at Ministerial level and that *“Support for strengthening civil society should be included in the DAC members’ overarching strategic vision for development co-operation to ensure political attention and support, to point to linkages with geographic and thematic priorities such as fragile states, democratisation and governance, and promoting gender equality and women’s empowerment”*. The policy should set out measurable objectives including the implementation of commitments made in the Busan 4th High-Level Forum on Aid Effectiveness.

- *Civil Society Strategy not central to embassy programming and reporting*

The OECD/DAC review makes a specific, positive reference to the Danish Civil Society Strategy under this lesson. Few Danida evaluations have commented on the status and value of the Civil Society Strategy itself. The Strategy is ‘championed’ by the civil society department in Danida (now HCP) but is intended to cover support to civil society through all Danida departments and embassies. However, there is some evidence that the Strategy does not play a central role in shaping the programming of Danida support to civil society through the embassies. CISU¹ has conducted a number of country studies in recent years reviewing the extent to which embassies referenced or used the Civil Society Strategy at national level. Embassies expressed the view that greater attention would be paid to the strategy if it were more formally prioritised and given a more prominent position in annual reporting and/or mainstreaming into the Aid Management Guidelines at sector programme level. Reference to the Strategy was apparently incorporated into the Guidelines in 2011 but it remains the case that the Strategy does not feature prominently in embassy thinking and programming. This is reflected in the 2011 Cross-Cutting Monitoring Report – *“The conclusion is clearly that 1) the current format for reporting from the embassies is incompatible with methodology of the cross-cutting monitoring system, and 2) the quality and coverage of the report-*

¹ CISU Summary Report Bolivia/Nepal/Tanzania 2009.

ing from the Embassies is insufficient to adequately represent and monitor the support provided under the Civil Society Strategy through the Embassies”².

² *Danish Organisations’ Cross-Cutting Monitoring of the Implementation of the CSS, 2011 p. 17.*

2 Strategic Goal 1: Promotion of a vibrant and open debate, nationally and internationally

This goal focuses on the role civil society's contribution to public debate on poverty reduction; the importance of an enabling environment for civil society's work; and civil society involvement in the furtherance of the Paris Declaration.

Lesson 3: Promote and support public awareness raising.

Partnering with and supporting CSOs to build public awareness and understanding of development issues in donor and developing countries should be a priority. This needs to be done more strategically and with greater predictability. The awareness-raising strategy should be backed by a dedicated budget to meet clearly defined results.

Lesson 5: Make policy dialogue meaningful.

Donors should tap into the knowledge, experience and expertise of CSOs when preparing policies with a view to making the policies more relevant and development-friendly, demand-driven and focused on results.

Donors should improve how they conduct dialogue and consultation with CSOs to make it more strategic, useful and meaningful. The type and purpose of consultation should be clear; the guidelines for consultation transparent; consultations should be held regularly with adequate preparation time; and follow up to the meeting is critical to maintaining CSO interest in participation.

The OECD/DAC lessons highlight the importance of public awareness work; of donors drawing on the knowledge of CSOs in policy work; and improving their strategic dialogue with CSOs.

The most relevant recent Danida evaluation with reference to Strategic Goal 1 is a recent joint evaluation³ of the support offered by six donors, including Danida, to civil society engagement in policy dialogue in three countries. As a joint evaluation, the conclusions may not all be applicable to Danida. Nonetheless, a number of potentially relevant conclusions were made.

- *Emergence of new civil society actors requires new support mechanisms*

The evaluation draws attention to the impact of the rapid spread of communication technologies on popular mobilisation e.g. convened through mobile phones or social network sites. It argues

³ Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.

that this has implications for donor support for civil society advocacy suggesting a shift from support to traditional CSO actors to support that facilitates citizen and community activism. It highlights how heterogeneous, non-traditional civil society actors may successfully forge unconventional strategic alliances wide to generate public demand for policy change. If donors wish to support such emerging movements for change in civil society they will need to explore new forms of cooperation modalities (see Cooperation Modalities).

- *CSOs and donors critical of each others' defence of enabling environment*

The same evaluation confirms that CSO freedoms in the countries studied are often under threat when they are perceived as critical of governments, and that the **CSO regulatory bodies** seemed to function to limit CSO activities rather than to support them. This concern is echoed by the Task Team on Civil Society Effectiveness⁴. The evaluation suggested, although donors had made some efforts to support enabling environments – particularly by providing support to oversight bodies – they are sometimes too cautious in challenging diminishing freedoms. CSOs are reported to be critical of donors of not speaking out on behalf of civil society in such circumstances and, conversely, donors criticised CSOs for not being outspoken enough in *invited spaces*.

A thematic evaluation of Danish NGOs⁵ conducted in 2009 made a similar point that they had not challenged power relations between state and citizens, describing Danish NGOs and partners as adopting a more collaborative than confrontational approach, operating in 'invited space'. The evaluation suggested that this may be explained by two factors. First, that the Civil Society Strategy assumes that development is long process in which capacity building is a corner stone. Second, funding is made available to long-term partnerships and engagement, so there are possibilities to engage in the long haul rather than short-term activist approaches.

- *Loss of opportunity to facilitate learning to promote advocacy*

The evaluation of the ROI initiative in Afghanistan⁶ develops the point about the importance of e.g. embassies drawing upon CSO knowledge in their policy work, suggesting that the embassy had made no attempt to promote cross-learning between the agencies and to capitalise on the knowledge of ROI partners for advocacy on refugee and IDP issues with the government and other development actors. There were significant opportunities for partners to learn lessons from each other and for the embassy to promote greater donor coherence on returnee and IDP issues. The evaluation found that ROI adds less value that it could because of this lack of cross-learning and broader advocacy though it also recognised that limited staff resources constrain the ability of the embassy to engage with other donors or to advocate on returnee and IDP issues.

⁴ *CSO Development Effectiveness and Enabling Environment: A review of the Evidence, Sida 2011 p. 10.*

⁵ *Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia, 2009.*

⁶ *Evaluation of the Danish Region of Origin Initiative in Afghanistan, August 2012.*

- *How donors can better support an enabling environment*

The Joint Evaluation on Policy Dialogue⁷ described how donors can successfully provide non-financial support to CSOs – for example, by reminding signatory governments of their responsibility to the commitments of international conventions; by brokering international civil society exchange, knowledge sharing and collaborative action; and promoting the role of CSOs to the public.

The evaluation also identifies ways in which DPs, in dialogue with national governments, can help to improve the regulatory environment in which CSOs operate, for example:

- Directly promote the establishment of *invited spaces* for CS and CSO engagement in all sectors including consultation spaces within development programmes (e.g. planning, annual reviews), in statutory oversight bodies, parliamentary standing committees, commissions (e.g. for human rights, information etc.) and local level planning and budget review meetings
- Enhance freedom of speech and access to information through legislative change and compliance with legislation
- Provide support to government CSO regulatory bodies so that they promote and encourage rather than control and restrict third-sector participation
- Provide resources, training and exposure to contemporary platforms for engagement e.g. use of social network and other internet based forms of CS-state interface.

⁷ *Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.*

3 Strategic Goal 2: Promotion of a representative, legitimate and locally-based civil society

This focuses on the application of the principles from the Paris Declaration such as local ownership; harmonisation and results-orientation, and the representivity and diversity of Southern civil society.

Lesson 4: Choose partners to meet objectives

Donors should build partnerships with civil society that enable them to achieve the objectives of the civil society policy. donors may have to find new civil society partners and build-up trust with them while long-standing partners may see their partnerships being transformed. Donors often do not invest sufficiently in finding the most relevant partners. Regulatory and administrative requirements and aversion to riskmay also restrict choice of partners. *“Additionally, DAC members fear negative, public reactions by CSOs in their countries when their perceived right to official support is being challenged by the civil society policy. As a result, DAC members often continue to work with the same partners.”*

It emphasises *“the form of cooperation should follow the function. Strategic objectives rather than donor funding mechanisms should drive and determine the choice of partners”*, and highlights that *“in the absence of strategies, donors typically seek out organisations with which they are familiar...”*

Lesson 2: Strengthen civil society in developing countries.

As civil society is facing increasingly restrictive environments and shrinking political space, DAC members should promote an enabling environment and have incentives for national and international NGOs to strengthen the capacity of civil society in developing countries. However, *“procedures and mechanisms for channelling funds to these organisations can be overly complex and demanding.”* It recommends:

- A good contextual understanding so as to identify representative CSOs with local support.
- Ensure CSOs – including smaller, rural CSOs – are engaged in dialogue e.g. through networks.
- Include the enabling environment in policy dialogue with partner governments.
- Financing mechanisms should be in line with commitments made in Busan. *“DAC members should strive to increase the share of core funding to strengthen CSO ownership, and make capacity development of civil society in developing countries a key condition. DAC members and civil society partners need to agree appropriate means of tracking progress with regards to civil society capacity development. Moreover, donors should avoid putting international and developing country CSOs in competition for funding.”*

The OECD/DAC lessons highlight the importance of a good contextual understanding of civil society; the importance of ensuring a wide range of CSOs are involved in dialogue; and the adaptability of funding mechanisms in line with Busan.

- *The importance of dynamic, contextual analysis of civil society*

A number of evaluations highlight the importance of a good contextual analysis of civil society as a pre-condition to promoting an independent, representative, diverse civil society and choosing the right partners.

A synthesis of short studies carried out by CISU in 2009 reported that civil society analyses available to embassies are “of varying quality, often outdated and generally of limited use in adjusting civil society aid modalities”⁸ The report recommended that embassies make better use of available studies rather than carry out their own research. As a result embassies make limited use of civil society analyses in the cooperation with CSOs. While there is some mapping exercises in relation to sector programmes these tend to focused on an isolated civil society component to the programme rather than on mainstreaming CSO participation at all levels of the programme.

The thematic evaluation of Danish NGOs⁹ made a similar point emphasising the importance of a more dynamic, political economy analysis rather than a situational analysis of civil society.

“Danish NGOs need to conduct more of a political economy analysis of power relationships in society as basis for programming and a more upfront assessment of assumptions e.g. re. role of state, if interventions are to be poverty-reducing rather than just poverty-oriented.” A political economy analysis would result in a better assessment of options and routes of engagement and consideration of strengths and weaknesses of different alternatives and avenues to achieve results.

- *The challenge of balancing effectiveness and diversity*

Since 2009 CISU has conducted a number of brief country studies on how embassy operationalise the Civil Society Strategy (see bibliography). These describe a trend for embassy support to increasingly focus on the ‘capable few’ among local NGOs/CSOs rather than smaller, emerging CSOs. This analysis is supported by a number of observations¹⁰ :

- The use of the LGA is increasingly determined by a concern to reduce transaction costs and there is a trend towards making fewer, larger grants. There is little incentive to use the facility strategically since it would increase workload. The use of the LGA is largely discretionary and there is a lack of transparency regarding eligibility criteria. As a result the use of the LGA varies widely both in terms of procedures and clarity of purpose.

⁸ CISU Summary Report Bolivia/Nepal/Tanzania 2009 p. 5.

⁹ Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia, 2009.

¹⁰ CISU Summary Report Bolivia/Nepal/Tanzania 2009.

- The donor trend to prioritise advocacy and governance work could work contrary to building a broad-based civil society since it limits the number of eligible CSOs with the requisite capacity. There is a growing gap in some countries e.g. Tanzania, between capable national CSOs and small, rural CSOs/CBOs. Access to policy spaces is still restricted to the ‘capable few’.
- The emphasis on advocacy work also means that local CSOs have less opportunity to build their capacity and legitimacy with their own communities through project work.
- There is some concern also that INGOs e.g. registered as national NGOs, might have a competitive advantage over local CSOs in accessing e.g. governance funds, though it also recognised that INGOs could have an important role to play in building capacity of local CSOs and helping them access new funding modalities.
- This important role in facilitating the direct access of Southern CSOs to Danida support has been recognised by CISU, for example – *“The trends towards introducing more direct funding mechanisms does not pose a threat to North-South partnerships. Instead, it should be seen as a challenge for the Northern organisations, which will henceforth have to focus their capacity building on their partners’ ability to access this type of financing”*¹¹

¹¹ *Ibid p. 8.*

4 Strategic Goal 3: Promotion of capacity development, advocacy work and networking opportunities.

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 the means by which Danish NGOs can demonstrate their added value to Danida support for civil society in developing countries. Danish NGOs feature prominently in other goals. Strategic Goal 5 emphasising cooperation with local, Danish and international CSOs to enable civil society support adapt to fragile conditions; and to enable a better transition between short-term humanitarian action and long-term development assistance. It commits in the future to create opportunities for “civil society support to combine better with and complement efforts and activities presently financed through humanitarian assistance”¹² Strategic Goal 7 refers to the contribution of Danish CSOs and their need to be able to promote and measure local ownership of their Southern partners; set clear priorities for their interventions; strengthen their results orientation; and their popular networks in Denmark

The 2009 thematic evaluation¹³ of Danish NGOs found that:

- *Danish NGOs effective at a local rather than a national level*

While Danish NGOs can demonstrate results at lower end of results chain e.g. capacity development, it is harder to assess their contribution to development outcomes. The 'value added' of Danish NGOs through their partners is particularly found at local level. In Ethiopia, marginalised and powerless groups targeted began to see themselves as social actors and to act as change agents in their communities. In Ghana there was also increased CBO involvement in planning processes although it was not clear that this had led to changes of policies and power relations. Measurable contributions to direct poverty reduction and contribution to broader development outcomes were difficult to trace. The interventions are often on so low a scale or confined to such a limited geographical area that it is difficult to link the interventions to reduced poverty beyond the local level.

- *Danish approach to capacity development valued but not well documented*

Nonetheless, the evaluation found that the 'Danish approach' to capacity development through partnership was much valued by partners and that all Danish NGOs have engaged comprehensively in enhancing capacities of partner organisations. It recommended, however, that they

¹² *Strategy for Danish Support to Civil Society in Developing Countries, 2008 p. 14.*

¹³ *Ibid.*

should be more systematic in documenting outcomes of capacity development efforts. The most recent Cross-Cutting Monitoring Report¹⁴ develops this point, identifying capacity development as weak spot in its reporting. The report points out that capacity development for Danish NGOs tends to be restricted to training and workshops and no evidence was provided of more innovative approaches. Moreover, the capacity building 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.

- *Little evidence of networking promoting democracy*

Similarly, Danish NGOs had made considerable 'investments' in building up networks and in supporting partners' advocacy in both countries. This is a growing trend "*there is a strong tendency towards partners joining networks and umbrella organisations in order to increase their capacity to exert influence*"¹⁵. However, the evaluation found little evidence that strengthened networks had an impact on promoting popular participation and democracy e.g. in Ethiopia. The evaluation also offered a view that local involvement in such popular participation will not be sustainable if not translated in some part into tangible results e.g. re poverty reduction, service delivery. Service delivery programmes play an important role in legitimising the programmes for some organisations, particularly in Ethiopia.

- *Importance of Danish NGOs in fragile contexts*

The Somalia evaluation¹⁶ identified that Danida was highly reliant on its relationship with a few Danish NGOs in the context of Somalia. This close partnership was seen as adding value in terms of flexibility, knowledge, and competency, local partners were yet to be empowered to take on more responsibility, whereas management of community-driven projects remained firmly in the hands of the implementing partners.

¹⁴ Danish Organisations' Cross-Cutting Monitoring of the Implementation of the CSS, 2011 p.13.

¹⁵ Danish Organisations' Cross-Cutting Monitoring of the Implementation of the CSS, 2011 p. 9.

¹⁶ Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.

5 Strategic Goal 9: Goals and Results

The goal focuses on a strengthened results-orientation in support of civil society development and in Danida reporting.

The OECD/DAC lessons confirm the importance of demonstrating results but emphasise that CSO reporting should be relevant and appropriate rather than exercise in compliance; and that both donors and CSOs must become more transparent to enhance accountability.

Lesson 10: Focus reporting on results and learning.

Increased parliamentary and public pressure for governments to demonstrate the results of development cooperation has led to an increase in the reporting and accountability requirements of CSOs. *"Reporting must meet the DAC member's accountability needs while also being relevant, useful and not too burdensome for CSOs"*. Reporting should be seen as an opportunity for learning that can feed into strategic decision-making on programme design and implementation, rather than simply a compliance tool. Reporting by CSOs should be directly related to objectives and allow the CSO to link what the activities implemented have achieved with the desired results. DAC members should have reasonable expectations about the timeframe needed to achieve development results.

Some specific suggestions to improve a focus on results and learning include:

- Set an overall goal and identify with CSOs the objectives, indicators for assessing achievements and realistic outcomes.
- Get CSOs to give critical assessments on risks to achieving objectives and short-term difficulties without losing sight of effectiveness and long-term impact.
- Use CSOs' own results indicators and request CSOs to complete results-frameworks when reporting their activities.

Lesson 11: Increase Transparency and Accountability

Public confidence in government spending on development co-operation can wane if funding is perceived as being opaque or badly managed. Both DAC members and CSOs must become more transparent about the money they spend on development and humanitarian assistance. To enhance accountability there should be transparency about policies, budget allocations, recipients, conditions, progress and results. DAC members can make their work with CSOs more transparent in several ways, including:

- Work with CSOs that have strong monitoring and evaluation policy and capacity.
- Help strengthen the capacity of developing country CSOs to be more transparent and accountable through capacity development programmes.
- Adopt a differentiated risk-based approach that requests more accountability from high-risk organisations e.g. new organisations.

Lesson 12: Commission evaluations for learning and accountability.

DAC members need to move away from ‘automatic’ evaluations of their support to and through CSOs, particularly those that involve high transaction costs for donors and CSOs DAC members should commission evaluations in response to clearly identified learning or accountability needs. By taking this approach, evaluations will be more useful, including for learning.

A number of evaluations have highlighted the challenges facing Danida in monitoring and measuring the impact of its support to civil society in developing countries. For example:

- *The need for baseline data and appropriate indicators*

Themes to be benchmarked or evaluated should be agreed on between partners and Danida as part of the overall monitoring of the updated civil society strategy. This will ensure the availability of baseline information and commonly agreed indicators with which to measure the results of the strategy. Partners need to formulate appropriate, qualitative impact indicators disaggregated by gender and age, and develop appropriate long term monitoring systems informing such indicators¹⁷.

However, M&E systems need to be applied in practice. The women in Africa evaluation found that, although relatively well-designed programme documents had targets and indicators, these were rarely monitored or tracked and connected to the organisational planning process. Reporting was instead largely undertaken to fulfil Danida’s requirements. Many grantees carried out work based on huge assumptions that remained untested. Progress reports were also largely uncritical to their own performance¹⁸.

- *Difficulties in measuring the contribution of NGOs to development outcomes*

The 2009 thematic evaluation of Danish NGOs¹⁹ indicated the weakness of the intervention logics Danish NGOs. The link between activities and poverty reduction were often in-built assumptions and the interventions therefore poverty oriented rather than poverty reducing. The evaluation pointed out that there was no reporting by Danish NGOs to Danida on the themes of the Civil Society Strategy, although at organisational level, Danish NGOs have good quality M&E systems of high quality. (This was subsequently addressed through the Cross-Cutting Monitoring Reports)

¹⁷ *Evaluation of the Danish Region of Origin Initiative in Afghanistan, May 2012.*

¹⁸ *Evaluation of Danida’s “Women in Africa” Regional Support Initiative, March 2011.*

¹⁹ *Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia, 2009.*

It also reported that efficiency of Danish NGO operations has not been part of ongoing monitoring and assessments of programmes by Danida and recommended that Danida should consider efficiency measures of partnership relations, capacity enhancement, target group coverage etc. in the monitoring dialogue between Danida and the organisations.

The same evaluation highlighted the issue of several Danish NGOs belonging to global con/federations. As Danish NGOs contribute to development changes as a global INGOs it becomes more difficult to isolate the added value of the Danish 'member' of 'affiliate' at the higher level of the results chain. Danida needs to develop a common framework for measuring process results of Danish NGOs that takes their global identity into account.

- *Managing risk*

Linked to the weakness of intervention logics is the issue of reviewing assumptions and managing risk. The thematic evaluation of Danish NGOs²⁰ recommended that NGOs should better monitor external risks and assumptions, especially regarding the capability of state to deliver. Similar points were made by other evaluations e.g. that achieving strategic coherence can be achieved by making assumptions explicit and regularly reviewing the context²¹ and the need to regularly review of evidence, risk and assumptions²².

- *The challenge of demonstrating results of advocacy*

The Joint Evaluation on Policy Dialogue²³ identified that the demand for results ends up in valuing service delivery over processes of change which take longer and are more difficult to measure. The measurements methods generally used for civil society engagement in policy dialogue are more suited to logic-driven, service delivery-type programmes. There is a need to measure 'value added' rather than value for money for processes which are subject to unpredictability outside the control of CSOs. The evaluation suggests donors take some steps to be better able to measure the impact of non-financial support to civil society policy work e.g.:

- Identify and use outcome and results indicators which measure CSO contributions to a vibrant civil society.
- Develop good-quality process tracking tools which CSOs can use to demonstrate their direct contributions to policy dialogue.
- Draw up and disseminate standards of good practice for measuring these changes including standards for robust and quantifiable perception studies as well as for qualitative evaluations.
- Develop good knowledge management systems within CSOs and donors using

²⁰ *Thematic Evaluation of Support by Danish NGO's to Civil Society in Ghana and Ethiopia, 2009.*

²¹ *Evaluation of Danida's "Women in Africa" Regional Support Initiative, March 2011.*

²² *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

²³ *Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.*

web/cloud-based storage systems.

- *Promoting transparency*

The issue of transparency has emerged in a number of evaluations. The Women in Africa evaluation²⁴ recommended opening up supplementary thematic funds to a wider number of grantees through more transparent application and selection processes where organisations are allowed to submit parts of their strategic plans for funding. This would also help to align funding to clearly identified strategic objectives rather than be organisation driven. With regard to donors the Joint Evaluation on Policy Dialogue²⁵ commented that information about donor policies and practice regarding CSO support is not publicly available and /or accessible in sufficient detail in country.

6 Cooperation Modalities

This section of the Strategy describes the different cooperation modalities by which the strategic goals will be achieved – focusing in particular on those managed through Danish NGOs and those managed by embassies.

The OECD/DAC review highlights a number of lessons with regard to the operationalisation of a civil society policy. These emphasise focus on balancing a results-orientation with the virtues of partnership; providing a mix of cooperation modalities that take into account the diversity of civil society; and reducing the transaction costs associated with donor reporting e.g. through harmonising support and providing more strategic and programmatic funding.

Lesson 6: Respect independence while giving direction.

CSOs report that heavy donor conditionality is a major challenge to partnerships. Donors should strike a balance between the conditions they attach to funding for CSOs and respecting the role of CSOs as independent development actors. Donors should focus on having effective results-oriented partnerships with CSOs that are built on trust, foster synergiesin order to have balanced, mutually reinforcing partnerships in the spirit of Busan. 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.*”

²⁴ Evaluation of Danida’s “Women in Africa” Regional Support Initiative, March 2011.

²⁵ Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.

Lesson 7: Match funding mechanism with purpose.

CSOs report challenges in relation to donor funding – unpredictability of funding; lack of funding for management costs; one-off project funding; unclear guidelines; inconsistent processes; and complex, overly detailed requirements. Donors should have a mix of funding mechanisms that allow a range of actors of different sizes, capabilities and interests to access funding which contributes to supporting a diverse civil society.

Lesson 8: Minimise transaction costs

Most donors have complex, detailed requirements associated with CSO funding which consume a great deal of time and resources of both donors and CSOs. Reporting should be focused on achieving development results. *“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.”* Donors should seek to reduce transaction costs, freeing up resources for programme quality, knowledge sharing etc by e.g.:

- Providing multi-year programme or core funding for strategic partners.
- Providing programmatic rather than small project funding (while creating and outsourcing the management of a small-grants mechanism).
- Adapting reporting requirements to the size of grants and risk level associated with the CSO partner or project/programme.

Lesson 9: Build strong partnerships with humanitarian NGOs

Recognise and support the interdependence of the humanitarian and development communities.....to strive to achieve predictability and flexibility in funding and to work towards reducing earmarking and introducing longer-term funding arrangements.

DAC members should streamline procedures, align funding streams and reduce the administration burden for NGO partners. The benefits of multi-annual funding partnerships are uncontested yet few members are taking up this option for funding NGOs. Most DAC members are also wary of entering into direct partnerships with NGOs and other local organisations in affected countries, although many do encourage their international partners to work in close co-operation with local organisations. It encourages DAC members to increasingly use multi-annual partnership agreements, allowing all parties to reduce their administrative burden and shift focus from individual projects to shared strategic goals.

- *Decentralisation of authority to embassies the right approach*

Danida rolled out a policy in 2003 decentralising authorities to sixteen embassies in countries where Denmark supported large cooperation programmes. Substantial funds are disbursed and

managed directly or indirectly through embassies. The decentralisation process was subsequently evaluated²⁶ in 2007. The evaluation concluded that key stakeholders e.g. embassy staff, government and development partners, thought that generally the decentralisation of Danish aid management had been the right approach. However, the evaluation also identified a couple features of the decentralised model that it considered not to be supportive of the principles of the Paris Declaration.

- *But reporting to Copenhagen on cross-cutting issues a burden*

One of these was the continuing requirement of embassies to address cross-cutting issues and priority themes identified by Danida in Copenhagen. These were reported to present an additional challenge to embassies that were at the same time being encouraged to focus more their programmes. The evaluation recommended that the Aid Management Guidelines be revised in a number of ways including the reduction in reporting requirements on cross-cutting issues and priority themes.

- *And programme indicators need reviewing*

Embassy staff are required to report on selected programme or VPA indicators that are incorporated in Danida corporate reporting. Some staff were critical of the appropriateness of the indicators and it was recommended that they be reassessed in order to improve Danida's reporting on development results.

- *Human resource implications of decentralisation need to be addressed*

The evaluation also highlighted the human resource implications of decentralisation for the embassies and the need to strengthen embassy staffing in order to meet the challenges of the Paris Declaration and to manage large, complex decentralised programmes. It points out that this requires the development of a human resource development strategy, including clarification of the roles and responsibilities of HQ and the embassies and a different profile of embassy staff.

A number of evaluations have also commented on the implications of the limited human capacity of embassies e.g. policy and programming capacity in line with a decentralised portfolio. The Somalia evaluation²⁷ pointed out that the expansion of the programme portfolio and need for donor coordination had not been met by increased resources in the embassy. The evaluation of the ROI programme in Afghanistan²⁸ highlighted that the embassy had not been able to capitalise on the knowledge of ROI partners to advocate on refugee and IDP issues with the government and other development actors. Limited staff resources constrained the ability of the embassy to

²⁶ *Evaluation of the Decentralisation of Danish Aid Management, March 2009.*

²⁷ *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

²⁸ *Evaluation of the Danish Region of Origin Initiative in Afghanistan, May 2012.*

facilitate important opportunities for knowledge-sharing between implementing partners; to engage with other donors or to advocate on returnee and IDP issues. ROI recommended at least two meetings with partners each year to share lessons. The recent Joint Evaluation on Policy Engagement²⁹ also noted that DP staff are less likely to visit projects and ordinary people than in the past although they need to understand the dynamics of the wider civil society in order to advocate on their behalf.

- *Ongoing need for communication and coordination between Copenhagen and embassies.*

While much of aid management has been decentralised for several years there is some evidence that lines of communication and responsibility may benefit from further clarification. The Somalia evaluation³⁰ noted that the division of responsibility, and with it, accountability, between Copenhagen and Nairobi lacked clarity and recommended more effective communication between Danida and embassies regarding their respective roles. The Women in Africa evaluation³¹ noted that cooperation with embassies and the civil society department should be further encouraged to explore and benefit from synergies with other initiatives. It also suggested that support that involves Danida programme countries should include embassies input more actively.

- *Danida's flexibility as a donor recognised*

A number of evaluations comment on Danida's flexible use of funding particularly in fragile or complex settings – for example as a “key strength” in the case of Somalia³² where Danida is described as “*maintaining its reputation for being flexible, risk-taking and un-bureaucratic*”. Danida's management of the ROI in Afghanistan³³ is also positively referred to as ‘*flexible*’.

- *but a lack of strategic coherence can have some drawbacks*

A downside perhaps to the virtue of ‘flexibility’ is the degree of ‘strategic coherence’ to Danida support. This is referred to in a number of evaluations. The ROI³⁴ refers to the “*lack of a single overarching goal and intervention logic*” and the Somalia evaluation to the “*lack of an overarching strategy*”, although there is evidence that this has since been rectified. The Women in Africa evaluation³⁵ refers to a “*lack of clear strategic orientation*”.

A lack of strategic overview has contributed to a number of observations about how Danida operationalises its support e.g.:

²⁹ *Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.*

³⁰ *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

³¹ *Evaluation of Danida's “Women in Africa” Regional Support Initiative, March 2011.*

³² *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

³³ *Evaluation of the Danish Region of Origin Initiative in Afghanistan, May 2012.*

³⁴ *Ibid.*

³⁵ *Evaluation of Danida's “Women in Africa” Regional Support Initiative, March 2011.*

- The under-utilisation of opportunities for programme linkages and synergies³⁶ and conversely the possibility of double funding through lack of coordination³⁷.
- The lack of an explicit impact framework “including targets, benchmarks and selection criteria”³⁸.
- The perception sometimes of a lack of transparency on Danida’s part as a donor e.g. in terms of its relationship with Danish NGOs³⁹.
- *Some limitations of current funding mechanisms*

The Joint Evaluation on Policy Engagement⁴⁰ highlighted a number of limitations of current funding mechanisms for civil society engagement in policy work due to the pressures to scale-up disbursements, reduce transaction costs and produce short-term development results e.g.

- The short-term nature of most forms of donor funding is an impediment to building the capacity and social and political capital needed by CSOs to effectively engage in long-term policy dialogue. The criticism of short-term funding is not restricted to CSO policy work. It also applies to fragile contexts. The Afghanistan evaluation⁴¹ noted that ROI funding is on a two-year cycle. This is too short for the type of intervention undertaken by the ROI and discourages attention to sustainability. A recent review of evaluations in fragile contexts⁴² also suggested that Danida acknowledge the long-term nature of development outcomes and either extend projects to at least five years or include shorter-run objectives.
- The dominance of donor agenda in the civil society support seen as a threat to civil society independence and runs counter to the concept of vibrant civil society being a public good or '*end in itself*'.
- With the increasing move joint donor funding arrangements, there is overlap in DP support around a rather small range of themes with other key issues marginalised or ignored.
- Many donors require CSOs to adopt their own requirements with regard to proposals, monitoring and evaluation and reporting. Even in joint-funded arrangements, CSOs are still often required to report separately which leads to high transaction costs. Demands are made of small, informal organisations which are inappropriate and time-consuming.

³⁶ *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

³⁷ *Evaluation of Danida’s “Women in Africa” Regional Support Initiative, March 2011.*

³⁸ *Ibid.*

³⁹ *Evaluation of the Danish Engagement in and around Somalia 2006-10, May 2011.*

⁴⁰ *Joint donor evaluation of CSO effectiveness in Policy Dialogue, October 2012.*

⁴¹ *Evaluation of the Danish Region of Origin Initiative in Afghanistan, May 2012.*

⁴² *Effective state-building? A review of evaluations of international state-building support in fragile contexts, March 2012.*

The Joint Evaluation recommended donors undertake a radical re-think of funding approaches to CSOs to include small funds, unrestricted funds, flexible and agile response funds, funds for processes and funds which support the right for CSOs to identify their agenda and modus operandi independently of donor policy, priorities and strategy. 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 respond to seizing 'right moments' to raise issues in the public domain or influence decision makers.

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