

Evaluation of Danish Support to Civil Society

Annex M: Study on other donor civil society policies

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Abbreviations

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| AUD | Australian Dollars |
| AusAID | Australian Government Overseas Aid Program |
| CIDA | Canadian International Development Agency |
| CSO | Civil Society Organisation |
| DAC | Development Assistance Committee |
| Danida | Denmark's development cooperation, which is an area of activity under the Ministry of Foreign Affairs of Denmark. |
| DfID | Department for International Development, UK |
| ERD | European Report on Development |
| EU | European Union |
| EUR | Euro |
| GBP | Great British Pounds |
| GPAF | Global Poverty Action Fund |
| Irish Aid | Irish Government's programme for overseas development and is a division of the Department of Foreign Affairs and Trade. |
| LIC | Low-Income Country |
| MDG | Millennium Development Goals |
| MFS II | Dutch policy statement on the current co-financing funding arrangement for Dutch NGOs |
| MIC | Middle-Income Country |
| NGO | Non-Governmental Organisations |
| Norad | Norwegian Agency for Development Cooperation |
| ODA | Official Development Assistance |
| PPA | Programme Partnership Agreements |
| RAM | Resource Allocation Model |
| Sida | Swedish International Development Cooperation Agency |

1 Introduction

The recent harmonised and aligned approach of focusing on Millennium Development Goals (MDG) achievement by 2015 means that, as we approach that date, many donor Official Development Assistance (ODA) policies are up for review. This includes donor approaches to support for non-governmental organisations (NGOs) and civil society. The prevailing paradigm, which arose in the mid-1990s, broadened traditional ODA support to include more of a focus on the nature of and role played by civil society in Southern/Eastern countries. Support to civil society, both the NGOs in the north and the broader organisational forms in the south, has since been seen as an important part of ODA. By 2009, considerable proportions of some donors' bilateral ODA was channelled to and through NGOs¹, ranging from 30% of the Netherlands' considerable ODA budget, 37% of Irish Aid's smaller ODA budget, to 11% of Danida² and CIDA's bilateral aid.

Most donors seem to be in various stages of taking stock on different aspects of their ODA in preparation for the post 2015 world. The recent radical changes in global trends, politics and power bases, and the fiscal difficulties faced in the traditional donor world, will all have influence on the future frameworks. It is possible that the current paradigm for thinking about civil society may also be about to shift. Whilst few donors are being very explicit about this, examining the focus of current thinking and changes within funding mechanisms can provide a pointer for future thinking.

All donors examined³ have been working within the focus of the new aid architecture which has been developing since the 2002 Paris Declaration, and this together with the focus on the MDGs has led some donors to focus more on the delivery of basic services, and thus a more instrumental approach to funding for civil society. However, at the same time, the most recent strategy papers relating to civil society⁴ – especially those from the Scandinavian donors – focus on the need for strengthening Southern civil society in its own right – both for service delivery and in holding governments to account. The question is, as 2015 approaches, what implications the likely new thinking about development assistance will have on donor thinking about support for civil society – both national northern based INGOs and Southern civil society itself.

¹ See table in Annex A.

² This figure may underestimate Danida's assistance to civil society as it does not capture adequately support through intermediaries such as Danida country programmes and multilaterals. The pre-study found support to civil society to be 21.5% of Danish bilateral assistance in 2009 (14.8% of total ODA) and 22.3% of Danish bilateral assistance in 2010 (16% of total ODA). Watson, Olsen, Gaynor and Gayfer. Pre-study for the Evaluation of the Strategy for Danish support to Civil Society: Final Report. IOD/PARC. (2012).

³ This study draws from overviews of strategies and policies of several Northern donors and detailed interviews with key informants from AusAid, DfID, Irish Aid, Norad and Sida.

⁴ Details of current strategy and policy papers, funding mechanisms and thinking around the future for selected donors are provided in Annex B.

2 Trends in Development Assistance

Discussions about the post 2015 framework for ODA are informed by a variety of issues: the learning from the MDG approach has been important, and the new framework will address these. In addition, the changing global context, the rise of the BRIC countries and the G20 world suggest declining influence of the traditional western donors in the longer run. More immediate is the discussion around the movement of countries from Low Income to Middle Income status, and the changing patterns of poverty in the world. Many discussions focus on the fact that since the year 2000, 26 low-income countries (LICs) have graduated to the middle-income country (MIC) status and the implications this has for traditional approaches to ODA.⁵ It is recognised that several of these emerging economies still have large pockets of poverty,⁶ but that other forms of assistance will be more appropriate in such countries.

The European Report on Development (ERD), a think piece produced regularly and currently linked to the consultation on Europe's Agenda for Change, suggests that thinking about ODA will be changing considerable in the future and that new forms of 'differentiated funding', according to the different needs of different countries, will be more common. Europe's new approach, outlined in its Agenda for Change (2011) will focus European Union (EU) aid in fewer sectors supporting democracy, human rights and good governance and creating inclusive and sustainable growth. The 'differentiated' approach to funding is aimed at assisting the transition of countries to higher income levels (crudely from LIC to MIC status)⁷. Countries that can generate enough resources to ensure their own development will no longer receive bilateral grant aid and will instead benefit from new forms of partnership.⁸ This will be complemented by different innovative cooperation modalities such as the blending of grants and loans. The ERD discussion document illustrates this thinking through the following (modified) matrix.

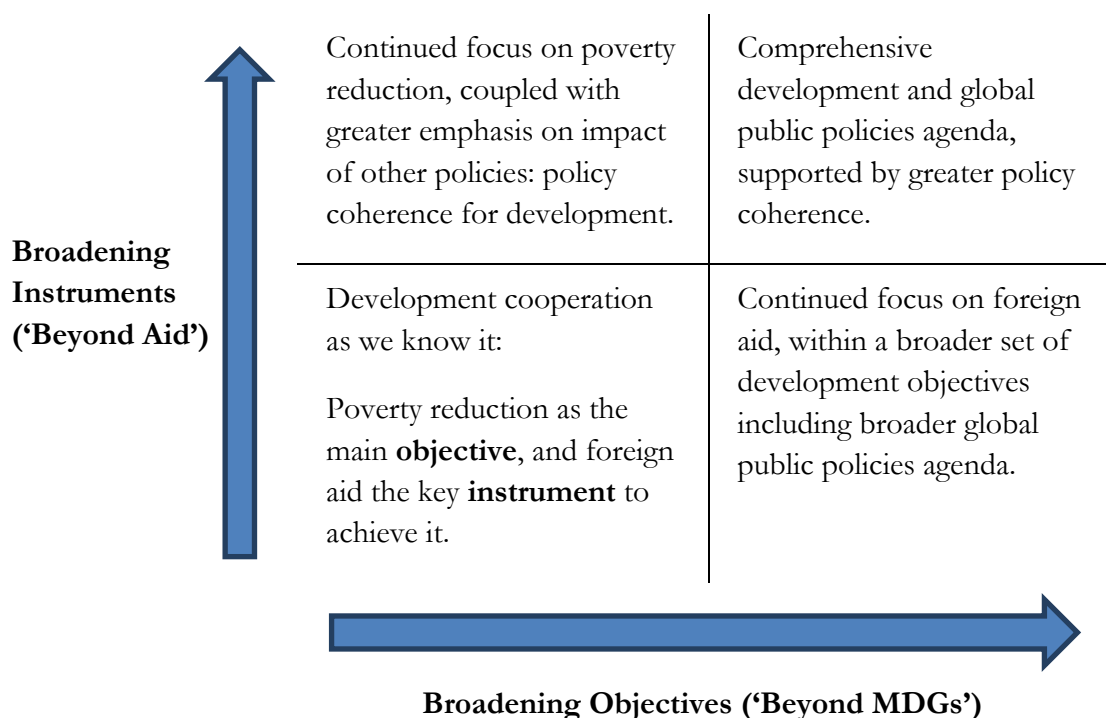
⁵ See Glennie, 2011. According to Kanbur and Sumner, 2011, in 1990 93% of world's income poor were in LICs, and by 2011 72% lived in MICs.

⁶ For instance half of Indonesia's population is classified as poor, but its MIC status arises from the fact that its average per capita income is USD 10 per day.

⁷ Differentiation will be applied first in countries covered by DCI and ENI instruments. Under the DCI it is proposed that 17 Upper Middle Income Countries and two large Lower Middle Income Countries (India, Indonesia) graduate to new partnerships that are not based on bilateral aid. And emerging economies such as China, Brazil and India, in particular, are currently regarded more as EU partners for addressing global challenges. In both cases, the relevant partnership instruments will be: loans, blended public and private funds, technical cooperation and trilateral cooperation.

⁸ However, it should be noted that they will continue to receive funds through thematic and regional programmes.

Figure 1: Beyond Aid and Beyond MDGs matrix



The matrix puts forward various possible scenarios. These suggest that as new cooperation modalities or instruments develop, there will also be a broadening of objectives. This would recognise that there are a range of policies beyond aid that affect development e.g. trade, foreign direct investment, migration etc. and might include a greater emphasis on collective action on “global public goods” such as the climate, or prevention of communicable diseases. One model for how these might be tackled is the Global Fund i.e. a thematic fund that can mobilise resources and action from different sectors to tackle a particular issue. Others, in contrast, argue that global agreements are too hard to get and that solutions would be better found (and funded) at local levels.

It is not clear, yet, what impact these wider shifts will have on funding for civil society organisations (CSOs). 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. In keeping with the above, however, there is evidence of interest amongst donors to support a wider range of actors who can be involved in the delivery of development outcomes. DfID, AusAID, and the Netherlands⁹ all speak of support to civil society as part of a more general approach that involves a range of other actors such as the private sector, philanthropic groups and the state itself. A number of donors are certainly expanding their work with the private sector and encouraging greater collaboration between CSOs and other sectors. For example:

⁹ In contrast a strong commitment to and focus on promoting an independent, diverse civil society as a public good in itself continues to feature in Nordic countries.

- AusAID is developing a new private sector development strategy. Recent work has included providing support for an enabling environment in recipient countries to provide basis for the development of the private sector. In addition, the NGO Policy, Partnership and Programme Section of AusAID aim to encourage connections between NGOs and the private sector.
- Sida increased the budget over the period 2010-12 for cooperation with the private sector from EUR 5.5 million to EUR 38 million. The government has also committed to increasing the resources of the Swedish Direct Funding Instrument, Swedfund.
- DfID is encouraging more blended funds (partnerships between CSOs and businesses). The DfID website includes information about funding opportunities for both Northern CSOs, and separately for Southern CSOs. Both lists show a new emphasis on availability of funds which are not exclusively for the CSO sector.

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 suggests a new role for civil society as an enabler of partnerships and trust amongst different stakeholders.¹⁰ This type of role is one that some CSOs are actively seeking¹¹ 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.

¹⁰ World Economic Forum. *The Future Role of Civil Society*. World Scenario Series. World Economic Forum in collaboration with KPMG International. (2013).

¹¹ 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”. Accessed from <http://www.oxfamblogs/fp2p>.

3 Current policies and strategies of selected donors¹²

3.1 Evidence that donors are rethinking

All of the five donors reviewed (AusAID, Irish Aid, Sida, Norad and DfID) are currently involved in processes which are focussed on the post 2015 framework and which suggest that they are reviewing and rethinking different aspects of their aid programmes. Following the change of government in the UK, DfID has carried out reviews of its ODA programme over the period 2010-11.¹³ A Portfolio Review Refresh was conducted in June 2012, and the Independent Commission for Aid Impact is currently working on a report looking at DFID's "framework" funding for NGOs through its Programme Partnership Agreements (PPAs). Irish Aid is in the process of conducting a review of the 2006 White Paper on Aid, and has had a wide ranging consultation process as part of this review. Fiscal pressures are also forcing it to 'ensure that objectives are consistent with existing and planned capacity.'¹⁴ AusAID's conducted an evaluation of their engagement with civil society in 2011 and recently published a new Civil Society Engagement Framework, in June 2012. This does not suggest a radically new direction but does suggest the introduction of improved processes and ways of working. Sida has recently conducted a mapping survey of Swedish support to civil society which has reported in draft form. Its civil society policy is currently being evaluated. Norad conducted a study in 2012 trying to explore the wider impact of funding for civil society and is currently in discussions about how to take forward some of its recommendations. These review and discussions are likely to affect the way that aid is allocated in the future including to civil society but their full implications are not yet clear.

3.2 Strategic focus

Historically, a significant percentage of donor support to civil society has been channelled through their own national NGOs. In recent years, however, donors have been stating more clearly an end objective of strengthening Southern civil society in its own right. Of those donors which currently have a strategy or policy to guide their work with civil society, most use the language of supporting vibrant, diverse and independent civil society in the South. 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*".¹⁵ Norad aims to "*enable Southern civil society actors to take the lead in partnership between Norwegian actors and themselves*".¹⁶ Sweden's overarching objective is a "*vibrant and pluralistic civil society in developing*

¹² Details of current strategy and policy papers, funding mechanisms and thinking around the future for selected donors are provided in Annex A.

¹³ The Bilateral Aid Review, the Multilateral Aid Review and Humanitarian Emergency Response Review. As a result of the aid reviews, the decision was taken to reduce the number of countries in which DfID has bilateral programmes (concentrating on poor countries and fragile states), and to focus its funding to those multi-lateral organisations which it rated as providing value for money.

¹⁴ Irish Aid ODA fell from EUR 869 million in 2007 to EUR 639 million in 2012.

¹⁵ Ministry of Foreign Affairs Netherlands. *Our Common Concern: Investing in Development in a Changing World: Policy Note Dutch Development Cooperation 2007- 11*. MFA The Hague. (2007).

¹⁶ Norad. *A need to reform Norad's support scheme for civil society? Notes for Discussion*. (February 2013).

countries".¹⁷ This emphasis has been given further impetus by the Aid Effectiveness Agenda with its strong emphasis on local ownership.

Of the donors examined, only AusAID and the EU have produced very recent documentation which re-iterates these objectives. The recent Communication from the EU entitled *The roots of democracy and sustainable development: Europe's engagement with civil society in external relations*¹⁸ states that 'the Commission proposes an enhanced and more strategic approach in its engagement with local Civil Society Organisations (CSOs)...the EU gives value to a dynamic, pluralistic and competent civil society and recognises the importance of constructive relations between states and CSOs.' AusAID, however, admits that its new framework for engaging with civil society, whilst talking of the importance of civil society in its own right, does not really focus on how to achieve this objective and is more concerned with processes relating to funding to and through Australian NGOs.¹⁹

Other donors also point to the challenges of implementation. Irish Aid feels that its 2008 strategy for civil society is still relevant but has not had the resources to implement it. Sida (Swedish International Development Cooperation Agency) points to problems in operationalising its strategy, recognising that it is just one of several that implementing bodies have to take into account, and that there is no real obligation to abide by its strategic vision or focus²⁰. Sida staff are looking to the promised Ministry of Foreign Affairs overarching Political Platform Document to provide clarity. However, this has been postponed, signifying, perhaps, that further thinking is going on.

¹⁷ Giffen, J. And Judge, R. 2010. *Civil Society Policy and Practice in Donor Agencies*. INTRAC for DfID, p. 8.

¹⁸ Communication from the Commission to the European Parliament COM(2012)492 (Sept 2012).

¹⁹ AusAID Civil Society Engagement Framework. (June 2012).

²⁰ In addition to the civil society policy document, there are other policy documents (around nine) related to other departments within Sida. The Civil Society Department states that the policy ought to be reflected in all the strategies developed by country teams and other thematic strategy documents – sometimes this is done well but at other times, less well.

4 Strengthening Southern civil society in practice

Most current policies and strategies talk of the need to strengthen civil society in the south. However, this is not necessarily matched yet by funding mechanism and modalities. In 2009 the Development Assistance Committee (DAC) members continued to provide around five times more aid to NGOs based in their own countries than to other international NGOs or to local NGOs in developing countries.

Funding, however, is becoming increasingly decentralised and channelled through donor country offices in the south. Around 50% of AusAid and 47% of DfID funding goes through country offices.²¹ Within DfID country programmes the percentage of spending that is going to CSOs can vary greatly from over 40% within Bangladesh and Democratic Republic of Congo and less than 5% in China.²² A recent study for Sida²³ clearly shows a steady increase in country level funding for CSOs since 2007. Most of this funding, however, is channelled to support “through” CSOs as a means to reach various sector and thematic objectives. Only 11% of the funding is going to initiatives that have civil society strengthening as a main objective in its own right. Funding in country offices is mainly indirect and being channelled through either Swedish or international expert organisations as intermediaries (64%), indeed there is an increase in the use of these intermediaries which may reflect both the growing use of donor platforms and multi donor funds and also restrictions on resources available to manage grants at an embassy level.

In general, it is difficult to get a full picture of what is happening with country level funding. Changes in DAC categories of analysis should make it possible to track direct funding to Southern NGOs better in the future. This in itself signals a growing interest amongst donors in monitoring their direct support to Southern civil society and the likelihood that this will increase. There is evidence, however, that a number of donors are now exploring ways of “rebalancing” support between domestic and southern civil society and looking for ways to support Southern civil society in and of itself.

Sida has required its Framework NGOs to focus their programming around supporting Southern CSOs and want to see more provision of core funding grants to Southern partners. It is concerned that this is not happening as quickly as they had anticipated, and wonders whether the increased focus on results (see below) has led to Framework NGOs being less willing to give the freedom associated with core funding to their Southern partners.²⁴ Sida also encourages Southern CSOs to apply for funding through creating partnerships with Swedish NGOs, or directly from in-country programmes or thematic funds. Sweden is also aware that, since its funding now aims to be longer term but still tends to be project focussed (see below), this has led to the situation whereby Southern CSOs cannot necessarily respond to rapidly changing situations. In many embassies there are Rapid Response Funds, which are largely CSO oriented and which are

²¹ Interestingly, the first portfolio review of 2010 stated that centrally administered funding was more cost effective than funding from country offices of DfID/pooled funds etc. since administration costs in -country were higher. Since 2000, there has been a massive push for VFM across all of DfID offices, so this may not now be true; in addition, DfID recognises there may be other benefits from in-country funding.

²² PowerPoint Presentation by DfID Civil Society Department, Sept 2012.

²³ Civil Society Support Modalities at Sida HQ and Swedish embassies.

²⁴ Since it is arguably easier to ‘control’ results within the structure of project funding.

available to support initiatives which require an immediate and flexible response – for instance where campaigns need to be mounted urgently.

Irish Aid’s funding of Southern CSOs occurs largely through the Irish NGOs, some of which on-grant to Southern CSOs. A new requirement for 2013 will be for Irish NGOs to provide fuller reports on their on-granting, including evidence of results. The Dutch policy statement on the current co-financing funding arrangement for Dutch NGOs (MFS II) is 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.’²⁵

Norad has gone farthest in questioning the role of Northern NGOs. In a recent discussion paper²⁶ 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 reduced. The paper is intended as a reference document for the on-going dialogue between Norwegian stakeholders in civil society, and is not a policy position.

This interest in focusing work at a country level and in developing a much clearer contextual analysis of different actors, including civil society is one shared by a number of donors. Norad has flagged that it will be focussing more on strategic understanding of the context within which civil society works in each country. A recent evaluation of AusAID’s engagement with civil society also gave examples of a successful use of this approach in Vanuatu which helped AusAID’s to support work with groups beyond the traditional donor focus on NGOs (in this case the churches and traditional chiefs). The recommendations, however, recognise that there is a need for sufficient technical expertise to support this and for the country offices of many donors this may be a challenge due to the restriction on their resources.

4.1 Pooled funds

One of the mechanisms that donors are using in order to provide more funding in country for national NGOs is through multi donor pooled funds. The general feeling is that there has been a growth of these funds over the last 10 – 15 years ago, albeit from a very low base. However, it is difficult to find statistics at individual donor level. There have been few evaluations of the strengths and weaknesses of pooled funds as a mechanism compared to others, although individual funds have been evaluated. Whilst the general assumption is that pooled funds should reduce transaction costs for the donors concerned, evidence seems to be that transaction costs

²⁵http://www.euroresources.org/guide/funding_programmes_open_to_national_applicants/nl_1_co_financing_system_mfs_ii.html

²⁶ Norad, February 2013. *A need to reform Norad’s support scheme for civil society? Notes for Discussion.*

may be high initially. Most donors acknowledge that there are other benefits, whereby harmonised support to Southern based funds can develop into institutions which then can perform a function in support of their local civil society. However, discussions within Sida and Irish Aid suggest that there may be need for a rethink about the supposed advantages of pooled funds – specifically the need to be aware of issues of quality and the need for clarity of purpose and focus of such funds.²⁷ Sida cited results from evaluations²⁸ of specific pooled funds which suggested that Southern CSOs may themselves not favour pooled funding mechanisms, since CSOs value the opportunity for dialogue with individual donors and the fact that donors can influence government and open doors. In addition, at Sida HQ the experience with co-ordinating donor groups for discussion on ways forward with pooled funding have indicated that few donors want or have the time to take the lead on this.

AusAID is an exception. It does not provide significant funding to Pooled Funds but has established partnerships with national intermediaries. Since 2002 it has been working in partnership with BRAC (a large NGO in Bangladesh) to support work in Bangladesh, and supports the Multi Trust Fund ‘Lifeline’ which provides support to human rights activists.

²⁷ Interviews.

²⁸ Christie, Angela, Jean-Michel Rousseau, Jonas Norén, with Ian Christoplos and Jessica Rothman. Evaluation of the BetterAid and Open Forum Programmes, Indevlop AB for Sida. (December 2012).

5 Donors and domestic development NGOs

Donors' historical relationship with their own, domestic, development NGOs continues but is increasingly tempered by the needs of transparency, accountability, efficiency and effectiveness. Most continue to rely on their domestic national NGOs as a major mechanism for providing support to Southern CSOs, through their partnerships, and Sida and the Dutch especially have committed more funds to enable this. Donors are also aware of the importance of their domestic development NGOs in their relationships with the public – AusAID and Irish Aid both specifically say that: the sector raises significant funds from the public; enables partnership between the public and development activities; conducts valuable development education work at home and helps explain the work of donors. AusAID has particularly strong links with the accredited NGOs which it funds, due to the strategic funding offered and the regular dialogue it holds with grantees. In fact, AusAID might be seen as running against the trend in that it is moving towards increasing its partnerships with Australian NGOs which are seen as key partners in the development of AusAID country strategies and in contributing to policy debate at the annual forum in Australia.

All bilateral donors examined are introducing changes to the funding mechanisms for northern NGOs, reflecting the new concerns of donors. There is a general move to more competitive funding arrangements and the establishment of clear and transparent selection criteria. 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. While most donors currently are continuing with their traditional spectrum of mechanisms for funding their national NGOs, changes in processes and procedures have been and continue to be introduced.

Thus, most donors still have forms of multi-annual funding mechanism which provide strategic funding for CSOs'/NGOs' programming (including core funding) – often known as framework type funding. This is supplemented by other forms which focus more on projects. 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, DfID). Also there has been some rationalisation of other funding opportunities – for instance DfID has replaced its civil society challenge fund and other small funds with the GPAF (Global Poverty Action Fund) scheme which is project oriented. However, it is also clear that some of these schemes may be due for further modification in the near future. DfID's current Programme Partnership Agreements (PPA) – i.e. framework – will cease in March 2014, and the review processes are expected to contribute to thinking about any future funding arrangements.²⁹ There is currently a review of Sida's framework funding scheme (being undertaken by the Independent Institution for Research) and although Sida's framework arrangements with different organisations have different cycles, (i.e. they do not all cease in 2014/15) it is expected that the current review processes will lead to changes, although it is thought unlikely that the mechanism will cease.³⁰

²⁹ It is expected that the learning from the recent Mid Term Reviews of PPAs and the Independent Commission for Aid Impact will feed into redesign of funding mechanisms.

³⁰ Possible changes include: opening the scheme to non-Swedish CSOs, funding more intermediary organisations, providing more funding directly to the south, provision of core funding to consortia of CSOs.

The revised Dutch framework scheme, MFS II, is currently funding 20 consortia over the period 2011-15. It is thought that changes will then be made again and that this scheme will not continue.³¹

5.1 Introduction of due diligence processes

Whilst AusAID has required Australian NGOs to undertake an accreditation process since 1974, this is a new departure for the other donors. Accreditation has been a requirement for Australian NGOs to access AusAID funding and is an attractive proposition for Australian NGOs since, once accredited, they receive organisational (non ear-marked) funding for a period of five years.³² After the change of government in UK in 2010, DfID's Civil Society Department introduced pre-contract due diligence procedures as a requirement for the PPA grants. This process is managed by the consultancy firm KPMG which visits organisations to check on viability of systems (financial, HR etc.), existence of relevant policies (e.g. child protection etc.) and the process takes around two days. DfID is now in the process of introducing due diligence processes for all funds, including the GPAF, and says that such processes will become mainstream for all funds, including funds to the private sector and philanthropic organisations. The DfID due diligence processes typically require the following types of information:

Due diligence areas and requirements

| Area | Typical docs/systems required DfID due diligence process |
|--|--|
| Governance | Names/experience of board members, articles of incorporation, board minutes, recruitment/selection processes, compensation levels, governance policies |
| Financial | Access to financial data, including fund accounting and details of other grants being implemented. Audit/internal audit reports |
| Programmatic | Details of the people in place to implement the PPA grant, job descriptions and credentials and examples of previous experience |
| Systems, processes and procedures | Access financial/fund management systems and policy and procedure documents including authorisation levels and controls |
| Environmental risk management | Environmental policy documents including risk maps and risk management plans |
| Value for money | Procurement procedures, budgeted cost including allocation of indirect costs, contracting and sub-granting agreements |
| Results and impact | Systems, processes and methodologies for collecting, measuring and reporting progress and impact |

³¹ Personal communication.

³² The accreditation process requires preparatory work which takes around one year; NGOs are re-accredited every five years. AusAID's new Civil Society Engagement Framework (June 2012) plans for the extension of such due diligence processes to non-accredited, international and in-country (local) CSOs to facilitate AusAID's engagement with a wider range of effective and accountable organisations. In addition, it is introducing a new performance assessment framework – which will assess the CS policy and whether it is leading to reductions in poverty. It will examine how NGOs are learning, liaising and improving their programming.

Similarly, the application process for Irish Aid Programme funding requires organisations to supply details of their systems, governance, policies, a copy of strategic plan, and audited accounts for the previous two years. The appraisal process within Irish Aid looks firstly at whether the organisation has a clear strategy and policy for delivery of its stated results framework and then examines its systems.

Revised criteria for the selection of Sida framework organisations were introduced in 2011. The first phase focuses on an organisation's capacity to manage funds and fulfil reporting requirements (due diligence). The second phase is focused on assessment of the programme proposal. The framework agencies funded by Sida are required to undergo an assessment by an external consultant at regular periods, with 2-4 organisations being assessed every year. Although, in the past, not all organisations have been subject to such assessments, this has now changed and all existing and new organisations will be assessed.

5.2 Resource allocation models

Donors such as Irish Aid and DfID have introduced resource allocation models (RAMs) based on scoring processes. The Irish Aid process firstly assesses whether the NGO has a clear policy and strategy – which is the 'make or break' criterion. Thereafter, organisations are scored according to criteria such as whether they are based in Ireland, whether they have a previous history of funding with Irish Aid, their governance, ability to fund-raise, results based management systems, and evidence that they have achieved results from previous funding received. Organisations are scored for a period of four years, and the RAM generates their share of total Programme funding. Allocations are made on an annual basis. At present, allocations are not adjusted according to mid-term review processes, but this is under discussion.

For DfID, whereas historical allocations for PPAs were set based on organisations' size and existing funding, since 2011 the objective has been to establish a fair and transparent method of allocating funds which recognises the 'quality of the offer weighted by the organisation's size'. An algorithm based on a base level (an organisation's average income across the last three audited accounts) is calculated, with the minimum being GBP 500,000 unless this exceeds 40% of an organisation's annual income, and generally means that the base level is likely to be worth between 3% and 10% of an organisation's income – with smaller organisations doing better. The base level is weighted according to four variable 'building blocks' – one for each of the scoring sections of the PPAs: Results Delivery; Value for Money; Partnership Behaviour and Monitoring and Evaluation. Applicants can score between one and four for each section and these scores are then used to weight the base level calculation. Thus the base level calculation is adjusted according to the scores received: 'These percentage levels have been set to ensure that the majority of organisations will receive between 65% and 75% of their PPA based on the strength of their offer.'³³ There is an opportunity to make adjustments based on specific mitigating factors³⁴, and then the final calculations are made to allocate each PPA partner a percentage of the total PPA budget, as with Irish Aid.

³³ Programme Partnership Arrangements (PPA) Resource Allocation Model (RAM) Converting PPA offers to Money. Internal DfID document.

³⁴ If applicants have scored less well in the due diligence process, some adjustments down can be made until that is rectified; in certain strategic cases, adjustments can be made up; finally adjustments will be made down if necessary

The Dutch MFS II granting process invites tenders from consortia of NGOs for funding under specific policy and thematic areas. The applications are scored and ranked and resources allocated according to the ranking. However, under this scheme there is no core funding element and programmes are focused on specific results. There was no expectation that consortia funded under previous rounds would continue to receive funding in later rounds – however, it is now clear that this mechanism will cease in its present form after 2015.

Sida does not intend to develop a tool for resource allocation. However, it has developed 60 criteria which are being used to assess and score the strengths and weaknesses of existing and potential Framework organisations and which will be used in further routine assessments. But it is not the intention to link the scoring to the funding levels. Once the initial assessments are done, the reports will be submitted to Sida where they will be used in a discretionary manner in resource allocation decisions.

5.3 Focus on efficiency and effectiveness

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 this has been focussed on achievement of the MDGs.³⁵ This emphasis is continuing and is evident in the processes involved in the funding application processes. All DfID PPA applicants have been asked to outline their Theory of Change and Theory of Action in addition to providing log frames with targets and milestones. Comic Relief, which is funded under DfID PPA, and is a mechanism for funding a huge variety of CSO projects, also requires projects to develop a theory of change. Similarly, AusAID requires all grantees to develop a theory of change (this replaced the log-frame), and country level offices are required, as part of their Situation Analysis, to think through their theory of change and strategy for delivery.

DfID has produced a ‘Revised Business Case How to Note’³⁶ which articulates the expectations about theories of change:

An intervention will begin with a belief about how it will work – but the process through which programme inputs lead to outputs, and outputs convert to the Outcome and Impact, often remains opaque (‘the black box’ of the change process). This needs to be articulated, and its theoretical foundations made explicit....”

DfID GPAF applications need to focus on outcomes, providing a ‘clear line of sight’ to poverty reduction and the achievement of the MDGs in relation to the three areas of: service delivery that is focused on the MDGs; empowerment and accountability; and conflict, security and

for organisations with small incomes to ensure that they do not exceed the 40% funding cap. Previously some partners had received as much as 70% of their annual income from the PPA raising concerns about their dependency on DfID.

³⁵ Previous Secretary of State stated that in the past there had been too much support provided to advocacy and campaigns, and that this expenditure was difficult to justify to the UK taxpayer. Thus a broad trend of DfID funding is of reduction to advocacy and campaigns work. This is still the case.

³⁶ DfID. How to Note: Writing a Business Case. DfID practice paper. (August 2011).

justice. DfID admits that its focus on ‘tangible outcomes’ means that there is less tendency to fund advocacy and campaign work, especially at global level.

Irish Aid focuses on results management rather than results per se. This is a focus on the assessment of an organisation’s ability to: plan for results, ensure systems are in place for delivery, engage with partners etc., rather than focusing on the production of numbers relating to outputs and outcomes. It states that in this way it requires NGOs to demonstrate a theory of change, although without using specific ToC language.

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.

Sida also is putting more emphasis on financial management and reporting against results. Its system of 60 assessment criteria, mentioned above, are being developed into indicators which will be used in the routine assessment of framework organisations. If organisations score poorly, funding may only be guaranteed for one year while improvements are made. There has been a case of a 20% temporary cut in funding.

5.4 Monitoring and Evaluation

AusAID has piloted a new M&E and Learning Framework over the past year and the pilot is currently being reviewed. The system was developed in conjunction with the Australian NGOs and is constructed around 50 indicators based on the DAC codes. The aim is for all NGOs to use this one system. A web-based on line sharing system is being developed which will enable different ways of grouping and analysing the data which is being generated through the NGO reports. AusAID itself will undertake the aggregation of results, ‘rolling up’ the results against the 40 indicators to enable them to report against AusAID’s five strategic goals. AusAID also conducts annual thematic evaluations and Meta Evaluations of NGOs’ own evaluations and impact assessments. Spot check monitoring visits are also conducted in country by in country teams.

Irish Aid requires Programme funded NGOs to report against their results frameworks. There is no prescribed reporting framework although NGOs are asked to relate their results to specific DAC codes to enable Irish Aid itself to aggregate results.

DfID is requiring evidence on results and states it is getting good evidence on project outputs/outcomes but that it is difficult to aggregate results. A recent presentation of DfID’s work with civil society stated that ‘there is still limited evidence of CSOs (individually or collectively) enabling the chronically poor to organise and do things for themselves’ and of ‘CSOs consistently performing more effectively than other aid modalities.’³⁷ The same results-based scoring framework used in the RAM is used to score project progress on the basis of annual progress reports. The scoring is based on achievement of results against output milestones and targets in the project log-frames. All annual reports are reviewed each year and monitoring levels set according to risk. There is also a separate programme level evaluation strategy. The management of this is outsourced to Coffey International which is drawing together the learning from the recent mid-term reviews.

³⁷DfID: PowerPoint presentation from DfID civil society department March 2012.

Sida also is putting more emphasis on financial management and reporting against results, and as stated is developing indicators for use in their review processes. In addition, it established a new 'contribution management system' in October 2012 which includes a database to enable better monitoring and management. It is an online system only accessible at Sida head office, which enables access to documentation about organisations funded, their applications, adherence to policies and strategies, results, efficiency, capacity, risk analysis etc. It is envisaged that this system will require similar processes of assessment for all organisations applying for funds, including the private sector, local authorities etc.

6 Conclusion

The expected changes to thinking about ODA are likely to have an effect on thinking about support to civil society. It is clear that new forms of funding will be promoted, especially in MICs, and that the drive to work with a broader range of partners in addition to government and civil society will continue. There are indications that there is renewed thinking about the need to apply the 'differentiation' lens to Southern civil society itself, with recognition of the need for contextual understanding and possible work with different forms of civil society. It is expected that the drive to support multi-donor funding mechanisms will continue, although it is recognised that there is need for analytical work to understand the strengths and weaknesses of different models and approaches. Future support to Southern civil society may be seen to be especially important in fragile states and post conflict situations, and also LICs.

Donor support to their domestic, northern, INGOs is likely to continue in some form, although the need for proof of value added will continue. Current initiatives around due diligence and competitive tendering are part of this. It may be that new roles for northern INGOs – as intermediaries with good local knowledge in specific countries – will emerge. This will require a harder look at their capacity building role and their ability to identify local drivers of change within civil society, and other actors.

Annex A: Proportions of funding to civil society

The following table shows the volumes and proportions of total ODA that were channelled to and through civil society in 2009.

Proportions of funding – support to and through NGOs 2009³⁸

| | USD million | % of bilateral ODA |
|----------------|----------------|-----------------------|
| AusAID | 253 | 11 |
| CIDA Canada | 639 | 20 |
| Danida | 181 | 11 ³⁹ |
| European Union | 1455 | 11 |
| Irish Aid | 255 | 37 |
| Netherlands | 1,480 | 30 |
| Norway | 863 | 27 |
| Sida | 777 | 26 |
| UKAID | 1,068 | 14 |

³⁸ OECD. How DAC members work with CSOs. An overview. (2011).

³⁹ This figure may underestimate Danida's assistance to civil society as it does not capture adequately support through intermediaries such as Danida country programmes and multilaterals. The pre study found support to civil society to be 21.5% of Danish bilateral assistance in 2009 (14.8% of total ODA) and 22.3% of Danish bilateral assistance in 2010 (16% of total ODA). Watson, Olsen, Gaynor and Gayfer. Pre-study for the Evaluation of the Strategy for Danish support to Civil Society: Final Report. IOD/PARC. (2012).

Annex B: Summary of Selected Donors' Current Civil Society Policy and Thinking

| AusAID, Australia | |
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| Policy documents and summary of policy position | <ul style="list-style-type: none"> • Office of Development Effectiveness: 'Working Beyond Government (March 2012) recommended that AusAID build on current strategic approaches for engaging with civil society, works with local systems and partners, and applies good practice in the design of individual programmes. • AusAID Civil Society Engagement Framework, June 2012 builds on above. States that 'The Australian Government recognises the emergence of an informed and engaged civil society as an important development outcome in its own right, enabling poor people to claim their rights, and helping to shape development policies and partnerships and oversee their implementation.' |
| Mechanisms for funding | <p>Variety of mechanisms ranging from high level strategic partnerships to small grants schemes managed in partner countries. A critical element of our engagement is the dialogue with Australian Aid and development NGOs, as represented by ACFID, on country and thematic strategies, development programmes and projects, and on responses to humanitarian emergencies. Main funding mechanisms:</p> <ul style="list-style-type: none"> • AusAID NGO Cooperation Programme (ANCP) supports accredited Australian NGOs to implement their own international development programmes. AUD 98.1 million will be distributed to 43 accredited NGOs in 2011-12. Since 2009 there have been partnership agreements with eight of the largest accredited Australian NGOs which provide for expanded predictable funding over four years (2009-13) and for regular policy dialogue with AusAID. Since 2009 accredited NGOs have had opportunity to compete for supplementary funding through an Innovations Fund for innovative poverty reduction activities. • Funding for accredited and non-accredited Australian CSOs through country and sector programmes. Competitive grant processes for Australian CSOs to deliver specific projects in line with country and sector strategies. 2010-11 AusAID provided approx. AUD 220 million for such projects. • Funding for local and international CSOs: funding to local CSOs is provided through schemes administered by Australian diplomatic missions and through bilateral aid programmes. In 2010-11, AusAID provided approx. AUD 200 million. • Humanitarian partnerships: AusAID partners with six Australian NGOs to be on hand to respond to rapid onset emergencies and supports them with three year funding to build capacity on disaster risk management and risk reduction. AUD 15 million provided in 2011-12. Additional funding provided under Dollar for Dollar initiative for response to crisis in Horn of Africa. |

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| | <ul style="list-style-type: none"> • Australian Volunteers for International Development: In 2011-12 AusAID provided Australian volunteer organisations with more than AUD 50 million. |
| <p>Future Strategic Directions</p> | <p>AusAID aims to work with CSOs more effectively to: achieve greater impact; define and solve development problems; improve response to development programmes; share accountability and responsibility for results; capture lessons learnt for improving future work; communicate the impact of aid funded activities; improve efficiency; reduce risk and fraud; increase sustain of development outcomes through capacity building, including transparency, accountability and citizen participation in governance</p> <p>Effectiveness and impact</p> <ul style="list-style-type: none"> • Build on existing accreditation system for Australian NGOs – the assessment methodology will be developed in consultation with ACFID to be applied from July 2013 • Develop an agency wide CSO M&E framework – to be developed in 2012-13 and implemented from 2013-14 • AusAID’s country strategies to incorporate strategies on engaging civil society where this is seen as important part of its development response – to be implemented in 2012-13 • Efforts to ensure better practice in engagement of civil society and partnering with effective CSOs as implementing partners: initiatives to be implemented in 2012-13 include: structured and regular dialogue with CSOs on policy issues; cross-agency CS working group including civil society focal points and relevant AusAID sectoral specialists; updated CSO guidance and training for AusAID staff; increased engagement with ACFID to share learning and promote good practice amongst Australian NGOs <p>Sustainability</p> <ul style="list-style-type: none"> • Expand AusAID CSO activities implemented with in-country partners, with knowledge transfer and capacity building a key feature of these activities • Work with Australian CSOs to increase focus on capacity building & support for strengthening in-country CSOs • Share Australia’s National Compact approach to working with not-for-profit sector in Australia with range of partner governments and other donors and use as model for engagement with CSOs • Facilitate participation of CSOs (Australian and local) in policy formulation – initiatives include increased funding to CSOs that are embedded locally; developing capacity of local CSOs; strengthening and engaging with national CSO networks (‘peak’ bodies); and harmonising efforts with partner government systems • All approaches to commence in 2012-13 <p>Reduced risk and shared accountability</p> <ul style="list-style-type: none"> • Accreditation is robust front-ended due diligence mechanism – AusAID will use their experience to strengthen and |

institutionalise due diligence mechanisms for non-accredited international and in country (local) CSOs to facilitate engagement with wider range of effective and accountable organisations. Design of due diligence framework to commence by December 2012

- Improve the accreditation process – increase focus on effectiveness, transparency and accountability, innovation & results. AusAID will work with ACFID to develop broad range of indicators of the capacity and effectiveness of NGOs, including specialisation, results and public support. Design to be completed by December 2012
- Use accreditation and due diligence systems, together with support for the ACFID code of conduct, annual thematic reviews and evaluations, and training, to support continuous improvement of development practices – to commence in 2012-13

Efficiency and value for money

- Enhanced methodologies in assessing value for money regarding AusAID grant funding – to be applied from July 2013
- Launch civil society portal on AusAID website to centralise information on consultation and funding opportunities and house NGO evaluations and reports in September 2012.
- Develop AusAID’s guidelines for working with CSOs as delivery partners and intermediaries, and for CSO engagement in AusAID country situation analyses delivering strategies and policy development. Include guidance on simple targeted approaches to selecting CSOs and streamlined efficient funding mechanisms. To be developed in consultation with ACFID by December 2012
- Develop approaches to encourage harmonisation and collaboration – to avoid duplication and reduce transaction costs. Work with broad range of in-country CSOs. To commence in 2012-13

Diversity and innovation

- Implement an approach to providing grants to small and niche Australian community organisations with track record in achieving poverty reduction results – to be implemented by July 2013
- Reform accreditation to increase accessibility for small and niche CSOs and provide accessibility for volunteer sending organisations.
- Support inclusion of CSO perspectives in AusAID business engagement agenda. Inaugural Business Consultative Forum – August 2012
- Recognise and reward NGO programmes that demonstrate results and impact etc. – encourage accredited NGOs to collaborate with a broader range of organisations to advance development outcomes for the poorest – to commence 2012-13

| Irish Aid, Ireland | |
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| Policy Documents and Summary of Policy Position | <ul style="list-style-type: none"> • White paper on aid 2006 • Irish Aid Civil Society Policy (April 2008) Aims to: <ul style="list-style-type: none"> ○ Support an enabling environment for civil society to organise and engage with government and its own broader constituencies ○ Support the role of civil society: in promoting participation and good governance; n ensuring pro poor service delivery and pro poor growth; globally & nationally, to build constituency for development, human rights and social justice. ○ Partnership with Southern organisations – developing countries driving own development <p>The economic downturn has meant that the policy has not been implemented fully, but it is still considered appropriate and a guiding document.</p> <p>Consultation process on a Review of the White Paper begun in 2011. Complete and draft report produced, not yet in public domain. Unlikely to affect current civil society policy in short term.</p> |
| Funding Mechanisms | <ul style="list-style-type: none"> • Irish Aid Programme Grants – have replaced the MAPS and Block grant funding mechanisms. Programme grants are available for Irish NGOs.⁴⁰ In 2011, a number of Irish Aid NGO partners of sufficient organisational size and with a record of sound grant management were invited to apply for funding through a new multi-annual programme grant. In 2012, EUR 65 million was allocated to 19 NGOs for a period of four years. • Civil Society Fund – funds individual projects, usually located in one recipient country. Funds are allocated for one year. In 2013 there will be two calls for proposals under this scheme. EUR 12 million were allocated under this scheme in 2012. • In-country Micro Projects Scheme – administered by Embassies. This scheme will cease in 2013. • Mission Cara – funding mechanism for Religious Congregations working in the south. EUR 16 million were allocated in 2012. |
| Future Strategic Directions | <p>The Millennium Development Goals and their targets form the basis in which Irish Aid assigns its priority sectors. These include education, health, agriculture and food security, water and sanitation, infrastructure and roads, trade, and good governance.</p> <ul style="list-style-type: none"> • Irish Aid’s programme incorporates cross-sectoral strategies on gender, governance, HIV/AIDS, and the environment into all of its development activities. • The consultation paper for the Review of the White Paper focuses on the need to work at country level, since strong country ownership is an essential ingredient in development efforts, and for lasting results. Irish Aid encourages Irish NGO partners to |

⁴⁰ One non Irish NGO continues to be funded under this scheme, since it had a previous funding relationship with Irish Aid.

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| | align closely with their host government’s national development plans and to support the work of national civil society organisations. Irish Aid has been careful to use a mix of aid modalities in Programme Countries – budget support, sector support, projects, and partnerships with NGOs – based on what is feasible in each case, with each complementing the other. Increasing focus on development outcomes and management for results. |
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| Sida, Sweden | |
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| Policy Documents and Summary of Policy Position | ‘Pluralism: Policy for support to civil society in developing countries within Swedish development cooperation’ (2009) The objective is: <i>‘a vibrant and pluralistic civil society in developing countries that, using a rights-based approach, contributes effectively to reducing poverty in all its dimensions.’</i> Sweden provides direct support to CSOs, capacity development, and indirect support for enabling environment. CSOs as collective voices and organisers of services should participate in political processes for strengthened democracy and human rights. Diverse, representative and financially independent civil society. |
| Funding Mechanisms | <ul style="list-style-type: none"> • Framework agreements also called CSO appropriation grants (25%) CSO funding, with 18 Swedish NGOs, ‘3+1’ funding agreements – three years approval with 4th year review. Encouraging Swedish NGOs to increase long term core and programme funding to local partners. Some funds available for International NGOs working at global level. • Support to CSOs through country and thematic teams (75%), this can be through Swedish, international local CSOs, if fulfilling Swedish strategy. This includes pooled funds. • Rapid Response funds available at Embassy level in some countries, available for CSOs and other actors where a rapid response is needed (such as a campaign). • Democracy and Freedom of Speech fund centrally allocated and available for human rights work |
| Future Strategic Directions | Sida will continue to move towards seeing civil society as intrinsically valuable, not instrumental. Will promote increased ownership of local partners, in line with aid effectiveness. Sida is encouraging Swedish CSOs to provide more core or programme funded partnerships with civil society. The framework funding mechanism is currently under review – to assess, amongst other things, whether this is the most effective way to provide support to Southern CSOs. The government is in the process of developing a new Platform for Aid, which is expected to provide political direction for future aid priorities. |

| DfID, UK | |
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| Policy Documents | There is not one document that is in the public domain. There have been two restricted CS reviews. The 2012 operational plan of the Civil Society Department, which summarises the Department’s work, it states that: <i>we will concentrate our efforts on supporting</i> |

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| <p>and Summary of Policy Position</p> | <p><i>achievement of the MDGs, creating wealth in poor countries, strengthening their governance and security and tackling climate change and talks of the changing global context which requires good global leadership.</i> It states that for lasting development and change, the UK government recognises the value of a vibrant and active civil society. CS plays a vital role worldwide in supporting citizens to improve their lives and re-iterates that CSOs are broader than NGOs including a wide range of non-state actors including faith and diaspora groups, community based organisations and others. It links the role of civil society to the notion of the Big Society and the development of social compacts.</p> <p>Objectives of working with civil society⁴¹: (Trivedy, March 2012 PowerPoint).</p> <ol style="list-style-type: none"> 1. Deliver goods and services 2. Empower citizens to be more effective in holding governments to account and to do things for themselves 3. Influence policies at national, regional and international levels including on aid effectiveness 4. Build and maintain space for active civil society 5. Promote public support for development by encouraging UK citizens to contribute internationally |
| <p>Funding Mechanisms</p> | <p>Central funding schemes for CS – around GBP 800 million over 2011-14</p> <ul style="list-style-type: none"> • Programme Partnership Arrangements. These are the strategic funding instrument with CSOs. 13 of the 41 PPAs are above GBP 10 million in value, 14 are between GBP 5 million and GBP 10 million and 14 are budgeted to receive less than GBP 5 million.⁴² The last two calls have been open to CSOs worldwide. The current round will continue until March 2014, after which time there will be a review (ICAI is part of this process). • Global Poverty Action fund (GPAF) – introduced in 2011 and replaces Civil Society Challenge Fund. Supports projects that focus on poverty reduction and contribute towards MDGs. Must be designed to demonstrate real, positive changes to the lives of poor people within the project life span. All GPAF initiatives must be able to demonstrate a 'clear line of sight' to poverty reduction and the achievement of the MDGs in relation to the three areas of: service delivery that is focused on the MDGs; empowerment and accountability; and conflict, security and justice. It has two windows: <ul style="list-style-type: none"> ○ Impact window: Impact grants aim to fund poverty reduction initiatives which are directly linked to the MDGs, and those projects which are focused on off-track MDGs will be given priority. Impact grants should be lower risk projects for work at greater scale to deliver real benefits for men, women, boys and girls. They may now also focus on scaling-up previously piloted innovations, or include components that are piloting innovative approaches. Grants of minimum GBP 250,000 and a maximum GBP 4 million for the life of the project, with a minimum of 25% match funding. |

⁴¹ Trivedy, R. Engaging with Civil Society – Presentation to 5th Annual meeting of the Practitioners Network for European Development Cooperation. UK: DFID (PowerPoint Presentation). (March 2012).

⁴² ICAI (2011) Accessed from: <http://icai.independent.gov.uk/wp-content/uploads/2011/11/Evaluation-of-DFIDs-Support-for-Civil-Society-Organisations-through-Programme-Partnership-Agreements.pdf>.

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| | <p>Window open for most UK-based, non-governmental, not-for-profit groups, locally registered, non-governmental, not-for-profit Civil Society Organisations (CSOs) based in the 28 DfID “focus” countries.</p> <ul style="list-style-type: none"> ○ Community Partnership Window (replaces the Innovation Window) open to applications from small UK-based, non-governmental, not-for-profit groups with an average annual income of less than GBP 1,000, and is available for grants of up to GBP 250,000 for new, time-limited projects of up to 36 months duration with a well-defined project outcome, a clear, time-limited schedule for delivery, and a distinct budget. No match-funding is required for the Community Partnership window. Organisations can hold a maximum of two GPAF Innovation and/or Community Partnership grants at any time. ● Common Ground initiative – which is administered jointly with Comic Relief funded under the PPA mechanism: support to small and Diaspora led UK based CSOs The central plank of the CGI is grant making to create real and sustainable changes to some of the poorest and most disadvantaged communities in Africa. Beyond grant making, the CGI aims to strengthen the capacity of small and Diaspora organisations in the UK so they can become more effective. The CGI also creates opportunities for the varied and important voices of the UK Diaspora to influence UK development debates and international development practice. ● Disability Rights Fund – Pooled fund set up with Tides Foundation to support disability rights work in the south ● Global Development Engagement Fund – for development education work in the north. |
| Future strategic directions | Current focus on tangible outcomes and evidence base. Translates to comprehensive assessments and monitoring and evaluation of grantees. Broadening of funding options to include blended funds. Active support to Learning Partnership – consortium of strategic partners (all PPA grantees and BOND and VSO) |

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| | European Commission (EC) |
| Policy Documents and Summary of Policy Position | <ul style="list-style-type: none"> ● Communication of Participation of NSAs in EC development policy, Nov 2002 ● European Consensus on Development 2005 ● Article 24.2 of the Development Cooperation Instrument: Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 ● NSA & LA 2011-13 Strategy Paper: this is largely a continuation of the previous Strategy 2007-10; it states that ‘it is too early to draw any final conclusions about achievements of (the previous strategy’s) objectives.’ ● Increasing the impact of EU Development Policy: an Agenda for Change – 2011 (Communication from the EC to the European Parliament) ● Communication of The roots of democracy and sustainable development: Europe’s engagement with Civil Society in external relations – Sept 2012. |

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| <p>Mechanisms for funding</p> | <p>Has two main channels:</p> <ol style="list-style-type: none"> 1. Geographic programmes are part of overall EC strategy for the country/region and are governed by regional partnership approaches (Development Cooperation Instrument (for Southern countries excluding ACP), ENPI for Neighbourhood countries, and EDF for ACP countries). <ul style="list-style-type: none"> ○ These geographical programmes share in common the fact that they encourage the involvement of Non-State Actors (NSA) in the dialogue with state authorities on development strategies and sectoral policies, as well as in the preparation, implementation and monitoring of development projects and programmes. 2. Thematic programmes – there are eight Thematic Programmes⁴³, usually global calls for funding under specific themes which are implemented on the basis of thematic strategy papers and annual action programmes. The EC states that most thematic programmes are open to contributions from the various civil society organisations – although it is recognised that the programmes focussing on NSA and Local Authorities (LA) and on Human Rights & Democracy (EIDHR) provide the greatest volumes of funding to civil society organisations. <p>The current objectives for the NSA & LA instrument are:</p> <ul style="list-style-type: none"> ● Support for democratic, cohesive and autonomous society in partner countries by enhancing the capacities of Non-State Actors and Local Authorities, supporting populations with no access to resources or basic services and excluded from the political decision-making process, and favouring dialogue between State and Non-State Actors; ● Financing awareness-raising and educational initiatives among the European population on the topic of development, by encouraging a better understanding of the stakes involved and stronger involvement of all in the fight against poverty and more balanced relations between the differing regions of the world; ● Facilitating coordination and communication between local authority networks and civil society stakeholders, both involved in the European public debate on development. <p>The total budget for NSA & LA for the period 2011-13 is EUR 702 million.</p> <p>The current objectives for the EIDHR instrument are:</p> <ul style="list-style-type: none"> ● Enhancing respect for human rights and fundamental freedoms where they are most at risk; ● Strengthening the role of civil society in promoting human rights and democratic reform, in facilitating peaceful conciliation of group interests and in consolidating political participation and representation; |
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⁴³ European Instrument for Democracy and Human Rights (EIDHR), Instrument for Stability (IfS); The Instrument for Nuclear Safety Cooperation (INSC); Non State Actors and Local Authorities (NSA & LA); The Environment and Natural Resources; Investing in People; Nuclear Safety; Food Security; Migration and Asylum.

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| | <ul style="list-style-type: none"> • Supporting actions on human rights and democracy issues in areas covered by EU Guidelines, including on human rights dialogues, on human rights defenders, on the death penalty, on torture, and on children and armed conflict; • Supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law & the promotion of democracy; • Building confidence in and enhancing the reliability and transparency of democratic electoral processes, in particular through election observation. <p>Total budget for the period 2011-13: EUR 390 million.</p> <p>In 2012 the EC stated <i>‘The EU contributes between EUR 800 million and EUR 1 billion per year for the financing of Non-State Actors and civil society organisations. Most of these funds are mostly channelled through thematic budget lines.’</i></p> <p>These programmes are all about protecting human rights, promoting democracy, eradicating poverty, self-sufficiency in food production, education and on ecological and health-related projects. Thematic programmes are always implemented using a horizontal approach, and are supported by national and regional cooperation programmes drawn up by the Commission. In contrast to geographical programmes, EU thematic programmes are more widely opened to European and local civil society organisations and local authorities, international non-government organisations, etc.</p> <p>Each thematic programme is regulated on the basis of a decision made by the European Parliament and the Council of the EU, which specify the priorities and funding for a period of two or three years. The current programming period covers in most cases 2011-13.</p> |
| <p>Future Strategic Directions</p> | <p>2011 Agenda for Change states:</p> <p>“Future EU development aid spending should target countries that are in the greatest need of external support and where it can really make a difference, including fragile states. Cooperation should take different forms for countries which are already experiencing sustained growth or which have sufficient resources of their own.</p> <p>EU assistance should focus on two priority areas:</p> <ol style="list-style-type: none"> 1. Human rights, democracy and other key elements of good governance, and 2. Inclusive and sustainable growth for human development. <p>The EU aims to help create growth in developing countries so they have the means to lift themselves out of poverty. Aid will therefore target particular areas:</p> <ul style="list-style-type: none"> • social protection, health, education and jobs • the business environment, regional integration and world markets, and • Sustainable agriculture and energy. |

The EU should also try to further improve the effectiveness of the aid it delivers. This can be done by making sure that Member States and EU Commission jointly prepare their strategies and programmes and divide labour better amongst themselves.

Furthermore, the EU will explore innovative ways of financing development, like the blending of grants and loans. It should also improve the coherence of its internal and external policies: European action in many areas like environment, trade, climate action, etc. affects development countries. Here, the overall impact of EU development policy can still be improved.”⁴⁴

In the proposal for a new Multi-annual Financial Framework for 2014-20 the EC proposed that the EU commits to further promotion of its shared values of democracy and human rights, including through the empowerment of CSOs to take part in development strategies and processes

The DCI 2007 established a new ‘actor based’ programme for 2007-13. Made it possible to directly fund partner countries’ CSOs in addition to European CSOs. The objective was to facilitate involvement of NSAs and LAs in policy formulation and their capacity to deliver basic services to the poorest sections of the population. “The next Multiannual Financial Framework 2014-20 (MFF) will see the reinforcement of the interaction between thematic programmes and instruments with geographic programmes. The new approach to development cooperation reflected in the “Agenda for Change” underlines the need to increase the impact of EU aid by concentrating EU assistance with a better concentration and complementary principles.”⁴⁵

In 2011 in response to the Arab Spring, joint communication (between the High Representative for Foreign Affairs and EC) outlining a new response to the changing Neighbourhood (of Europe) countries – specifically to making EU support more accessible to CSOs in Neighbourhood countries through a dedicated CSO facility and to promoting media freedom by supporting CSOs unhindered access to the internet and the use of electronic communications technologies.

⁴⁴ European Commission Website. Accessed from http://ec.europa.eu/europeaid/what/development-policies/agenda-for-change/agenda_for_change_en.htm.

⁴⁵ European Commission. Introduction to the thematic instruments and programmes 2011-2013. http://ec.europa.eu/europeaid/how/finance/dci/documents/brochure_low_resolution_en.pdf.

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