



Norad

# Support Models for CSOs at Country Level

Synthesis Report




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Project: Support Models for CSOs at Country Level  
Client: Norad, on behalf of Nordic+ Donor Agencies  
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## **Foreword to the synthesis report**

International support to civil society in the South has grown considerably in the last decades. Most of the support has been - and still is - channelled through Northern/International NGOs, but donors are increasingly also providing direct support to Civil Society Organisations in the South, through various modalities. With the impetus of the Paris Declaration of 2005 many have felt that such modalities should be critically analysed in order to find contextually suitable models for support, bearing in mind the need for local ownership, alignment and harmonisation in the support to civil society.

In this vein, and based on a Norwegian initiative, the Nordic Plus countries in November 2006 gave their support to conducting a study of current experiences and challenges emanating from the use of such models in selected recipient countries. The Norwegian Ministry of Foreign Affairs asked Norad's Civil Society Department to lead the work on behalf of a donor group consisting of Canada, Finland, Ireland, Sweden, UK and Norway. The ambition was to i) investigate possibilities for improving and increasing effectiveness of direct support to NGOs/CSOs through country level support models; ii) shed light on constraints and possibilities of different types of support models, bearing in mind the need to apply different modalities in different contexts; and iii) increase outreach to a wider range of civil society organisations while reducing transaction costs. A Norwegian consulting company, Scanteam, was selected to carry out the study.

On behalf of the donor group, Norad is hereby very pleased to make Scanteam's synthesis and six country reports available to a broader audience.

We believe these reports make some highly relevant and valid arguments for a shift towards more joint donor support, more core funding of CSOs and increased use of intermediary institutions at country level. Simultaneously, the study can be seen as a timely contribution to the global discussion about how to improve the international aid system, and thus represents an important step towards the Accra summit in September 2008 and beyond. Specific views and arguments in the reports are of course attributed to Scanteam and not to the donors.

We hope that the study will generate plenty of comments and feedback on the issues raised, as well as a plethora of views on how to handle the challenges identified by the synthesis and country reports. As donors we also recognise the value of such inputs to the larger endeavour of developing a strategic policy framework, including joint guidelines, for Nordic Plus support to a vibrant, pluralistic and democratic civil society.

Oslo, December 2007

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## Acronyms and Abbreviations

ADB	Asian Development Bank
AG	Advisory Group on Civil Society and Aid Effectiveness
CBO	Community Based Organisation
CIDA	Canadian International Development Agency
CPIA	Country Policy and Institutional Assessment (World Bank)
CS	Civil Society
CSO	Civil Society Organisation
DAC	Development Assistance Committee (of the OECD)
EC	European Community
GBS	General Budget Support
HQ	Headquarters (donor home office)
NGO	Non-governmental Organisation
Norad	Norwegian Agency for International Development Cooperation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PBA	Programme Based Approach
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
Sida	Swedish International Development Cooperation Agency
SG	Sub-Grantees (Sweden, in Ethiopia)
SUO	Specialised Umbrella Organisations (Sweden, in Ethiopia)
SWAP	Sector Wide Approach
TOR	Terms of Reference



# 1 Executive Summary

Norad, on behalf of "Nordic+" donors Canada, Finland, Ireland, Norway, Sweden and the UK, contracted Scanteam to review the experiences in six countries of different models for donor support to civil society. The TOR wants the study to contribute to the development of a strategic policy framework for Nordic+ support to a vibrant, pluralistic and democratic civil society. It is to (i) review possibilities for improving direct support to NGOs/CSOs through country level support models; (ii) shed light on constraints and possibilities of different types of support models, and (iii) increase outreach to a wider range of civil society organisations and reduce transaction costs.

## 1.1 Objectives and Methodology

Donors wish to increase aid effectiveness while also supporting a more diverse and vibrant civil society. These objectives have been decomposed and operationalized.

Country study data collection instruments were well developed but ambitious. The field work yielded less information than had been expected, however, resulting in incomplete data across countries. A second information exercise consisting of data verification, draft country report comments, and a revised data matrix, was undertaken to address this, but major data gaps remain (see Annex C).

The study can say little about modality *effectiveness* (Outcome or Impact on CSOs or projects), and in particular if choice of channel and modality has a systematic impact on end results for different groups or objectives, or under different country circumstances.

The study further is limited in what can be said on *outreach/diversity*, since the full CSO universe was never known. There is also less is known about CSOs reached through intermediaries than through direct support.

## 1.2 Support to Civil Society

State-CSO relations are characterised by largely out-of-date legislation; rules in favour of state control and insight rather than protection of civil rights and CSO roles; and CSO vulnerability to ad hoc state decisions and power. But there are now more cases of structured dialogue, some specified roles and rights for CSOs as watch-dogs, examples of CSOs successfully challenging state policies and practices on behalf of constituencies.

State aid dependency can be measured in different ways, but does not provide much explanatory power when it comes to understanding or changing state-CSO relations.

CSO aid dependency appears important, however, and in particular the perceived strong dominance by donors on priority setting and funding. This makes CSOs vulnerable to shifts in donor priorities, and may push them to opportunistically seek funding where donors are making funds available, weakens longer-term planning and constituency accountability, and thus CSO credibility and legitimacy. Where donor dependency is strong, this probably represents the greatest challenge to donor-CSO relations.

Fragile, post-conflict and authoritarian states represent particular challenges for donor-CSO relations. Experience points to the need for principled and long-term support, while donor

behaviour typically has been based more on short-term financing. Donor principles for state support in fragile states should be applied also to CSO funding.

The Paris Agenda when linked to MDG objectives makes CSOs concerned that donors are pushing them towards becoming substitutable project contractors rather than partners in societal development. A wider development agenda that captures the need for "pluralistic, vibrant, democratic civil society" is being called for;

The Harmonisation/Coordination concerns of donors lead to a "flock mentality" that may increase volatility (all donors wanting to fund the same things at the same time) and reduce possibilities for innovation and taking risk, and diversity in civil society.

CSOs have opposing views as to how closely they should work with the public sector, and on donor efforts to "build bridges". Service delivery organisations are generally positive while advocacy/rights based groups are more sceptical.

Donor efforts to cut costs are leading to new ways of "doing business", more contracting of intermediary services; but also more standardisation of planning and reporting instruments, which tends to push quality demands up but also leads to greater predictability and hence longer-term gains to all parties. These changes are, however, driven by donor needs and not civil society demands.

At the same time, donors see the need for improving the interaction with CSOs, which in Tanzania has led to commissioning a study on "good donorship" principles. These provide a clear set of "rules of thumb" based on CSO needs and perspective, which is a very useful contribution.

Finally, the classification of donor support modalities has been modified, using three key dimensions: (i) whether funding was for core or project activities; (ii) whether it was provided directly or through intermediaries (indirectly); and (iii) whether it was provided unilaterally or through joint arrangements. Seeing the choices along each dimension as generally dichotomous provided a (2 x 2 x 2 =) eight models matrix.

### 1.3 Assessment of Support Models

The donors provided information on about 400 agreements across the six countries, though one agreement can cover a single small CSO or a major fund for a large number of CSOs. The "unit of analysis" is thus very heterogeneous. The study was not able to get trend data, so perceived changes in funding patterns are based on interview information.

#### **Project versus Programme/Core Support**

About one third of the agreements are for programme funding. This is higher under joint agreements, indicating that donors then are willing to take more risk, or have more information that allows them to accept core funding, or they tend to jointly fund well-known CSOs which then get core funding. The *trend* is towards more core support;

Average fund for core support is larger than project funding, largely because it finances a wider range of activities, but also because core funding implies a history of trust and hence a development towards increasing financing levels;

There are differences in project versus core funding across *countries*, where Guatemala stands out as having almost no core funding. There are also major differences across *donors*, where Norway and Sweden use core funding more than the others.

Project funding permits better targeting by donors, provides direct donor-CSO relations, can provide more resources to particular problems and donor protection if needed;

CSOs generally prefer core funding as it ensures better ownership, more strategic dialogue with donors, more comprehensive programming and greater flexibility, and seems particularly appropriate for advocacy CSOs;

Programme funding favours CSOs that have a strong organisation and are trusted by the donors. It is thus probably better at aid effectiveness but weaker on diversity.

### **Direct versus Indirect Support**

The most important trend in donor support seems to be the move towards more use of intermediary agents (indirect support modality). This increases the potential for outreach, diversity, disbursement, mutual accountability and managing for results as well as donor harmonisation and alignment, because relations can be based on contracts with clear performance/success criteria and management structures that address conflict of interest/"principal-agent" issues. Indirect support further transfers most transaction costs to the intermediary, which reduces the burdens on both donors and CSOs;

The diversity of intermediary agents allows for tailoring of solution sets to the particular issues at hand, but in general focus should be on intermediaries that are credible to the CSOs rather than address donor concerns. Development of and support to such actors can be a major contribution to the strengthening of civil society (a number of possible "best practice" examples of joint and indirect models are provided in the text). Home country INGOs make up the highest number of intermediary agents chosen by donors, however, and they may not be the best agents for strengthening local civil society.

### **Unilateral versus Joint Support**

There is a clear trend towards more joint funding, both as a cost-saving measure, but also to strengthen the harmonisation and alignment concerns of the Paris Agenda. In this survey, however, however, more than three-quarters of all the agreements are unilateral;

Both donors and CSOs see the advantages in terms of reduced transaction costs from the joint modalities. The concerns that CSOs have raised is that the streamlining of the financing may also limit the range and kind of activities and organisations that can access the funds;

At the same time, since joint funds tend to be much larger, there is an incentive to donors to ensure that objectives are clear and agreed to. The formal contractual arrangements that joint funding requires can on the one hand be a source of bureaucratic delays and costs, but also provide instruments that can be constructive and clear in laying out the longer-term mutual rights, obligations and aspirations.

## **General**

The *trend* is clearly towards more *shared* and *strategic* modalities. This requires more and better structured dialogue between the parties, and in particular greater clarity on strategic objectives, and better management instruments that can support these. A major challenge for the immediate future is to develop these dimensions in a more systematic way than seems to be the case today.

## **1.4 Looking Ahead**

National framework conditions are critical for CSO abilities' to work, but donors need to find out how they can assist in improving these without undermining CSO credibility and independence. This also holds for fragile and authoritarian state and post-conflict situations, where CSOs may play a particularly strategic role.

### **Recommendations .**

1. Donor frameworks have been changing quite rapidly, to improve aid effectiveness (Paris Agenda) and reduce costs. Donors should clarify what this implies in terms of *levels* of funding, *access points* to them (field managed or HQ managed), and *objectives* for new funding, so that CSOs can get a clearer picture of the dynamics;
2. As donors shift to managing resources through more strategic instruments, there is a need to strengthen *accountability*, *results focus* and *transparency*. This means:
  - More inclusive and comprehensive dialogue between the parties on these matters;
  - Institutionalisation of this dialogue through formal forums as well as the more informal channels;
  - More explicit criteria – specified Outcomes, Outputs, indicators, targets, success criteria – as the basis for meaningful performance monitoring and follow-up;
  - More support to allow also new or weaker entrants on the arena to participate through learning, networking, capacity building and support to building own results systems;
  - The role of northern NGOs, particularly as intermediary agents, needs to be critically reviewed, particularly with respect to local ownership and accountability;
  - A couple of better resourced pilots to develop better instruments that not only track performance, but also ensure Ownership, Local Participation, and provide scope for innovation, risk taking, and ensures that contrary voices and interests are heard.
3. Existing principles and proposals for improved aid effectiveness – Paris Agenda; Working in Fragile States; Good Donorship – should be used as important points of departure for country-level discussions on how donor-CSO links can be improved;
4. In particular, the donor objectives of Diversity through Outreach and Accessibility need to be operationalized in a manner that CSOs find constructive, so that this part of the joint donor-civil society agenda can move forward;

5. Recognising that the new support modalities and increased funding levels imply new and perhaps greater levels of Risk, the parties should include risk analysis and risk management as an important component of larger joint donor-CSO undertakings;
6. Selection of Intermediary agent is increasingly important, and needs to be assessed in light of the strengths, weaknesses and opportunities that different kinds of agents represent in relation to the particular agreement at hand. Of particular concern is the legitimacy and credibility that the Intermediary will have with respect to the CSO community;
7. Preparation and management of the contracts regulating the relations between the parties, and in particular that includes better specified performance criteria for intermediary agents, requires more skills and management attention by donors;
8. *Downward accountability* of CSOs to their constituencies and *democratic control* of intermediaries must be addressed explicitly since increasing donor funds entail more financial and performance reporting *upwards* to the funding agencies;
9. "Best practice" management structures for shared and strategic funding mechanisms should be based on clarity of functions and separation of roles: policy dialogue and policy setting; resource allocation and performance monitoring; independent appraisals of funding proposals. The actual management architecture needs to be a function of the size of the funds, and complexity of possible conflict of interest issues surrounding the different actors in their functions;
10. The main stakeholders – donors, CSOs, national authorities – should use the "tool box" available for designing support relations: analytical scheme of support modalities; intermediary analyses; risk analysis approach; management models; support framework principles. Other tools undoubtedly exist or will be developed, and should be included;
11. "Lessons learned" from bilateral aid cooperation need to be applied, in particular the realisation that more strategic and shared instruments take time to develop, are costly to get in place, require new skills, are more demanding of institutional memory, and thus require stronger local ownership and leadership. Donors need to be willing to make the investments necessary to make the transition successful, and accept that civil society support will continue to require considerable resources and management attention.

## 2 Background and Introduction

The six "Nordic+" donors Canada, Finland, Ireland, Norway, Sweden and the UK, commissioned a review of alternative models of support to civil society. This was to be based in part on existing literature, but primarily by reviewing the experiences in six countries where Nordic+ donors are active: Bangladesh, Ethiopia, Guatemala, Tanzania, Zambia and Zimbabwe.

Norad, Norway's Development Cooperation Agency, on behalf of the Nordic+ group, put the task out to tender, which was won by Scanteam/Norway in collaboration with the Overseas Development Institute (ODI)/UK. A major reason for this collaboration was that ODI has recently done a desk study on a related theme for DFID (Tembo and Wells 2007 – see Annex B), and the team wanted to ensure that the partners could take full advantage of this experience.

### 2.1 Objectives of the Study

The Terms of Reference (TOR) define the *purpose* to be to contribute to the development of a strategic policy framework for Nordic+ support to a vibrant, pluralistic and democratic civil society. The *objectives* are to (i) review possibilities for improving direct support to NGOs/CSOs through country level support models; (ii) shed light on constraints and possibilities of different types of support models, and (iii) increase outreach to a wider range of civil society organisations and reduce transaction costs (see Annex A for full TOR).

### 2.2 Timeline and Process

The invitation to tender was issued late January 2007, Scanteam presented its proposal to a meeting of the Nordic+ donors in Oslo on 27 February. The contract was signed on 17 April, though preparatory work had begun prior to this. The first teams began their field work on 23 April in Ethiopia and Zimbabwe. The other teams followed, with the last team finalizing its work in Tanzania on 30 May. Each country visit lasted approximately two weeks, with the exception of Bangladesh, where an additional week was added

The draft country reports were sent out for comment between 11 and 21 June. In order to verify data but also to request information that was still missing, a file with all the data at hand was sent out to the Nordic+ embassies early July, to get a more complete and correct picture (see Annex C for the final version). Country reports were finalized 6 August.

The draft synthesis report was submitted mid-August and presented at the international conference organised by Sida on "Effective Democratic Development: Civil Society and the Paris Agenda" at Härnösand, Sweden, 28-30 August. Discussions at the workshop as well as written comments have therefore been included in this final version of the report.

### 2.3 Review Team and Quality Assurance

The *country reviews* were carried out by a team consisting of a team leader from either Scanteam or ODI, plus a local consultant. Once the draft country reports were ready, they were forwarded by Norad to the Nordic+ head offices, while the consultants forwarded to the country based informants for their comments.



The *synthesis report team* consisted of the five country team leaders and two team leaders from Scanteam, who had also acted as quality assurers on the country reports.

## 2.4 Acknowledgements and Disclaimer

The timeline for the field studies was in principle reasonable, as conversation guides and data sheets had been sent to the Nordic+ embassies in the field before the field work began. In practice, the informants on the ground had not always received full information beforehand and thus found themselves caught a little off guard. A number of embassies thus had not prepared the data as had been hoped for, so a second request for further information was sent out. This request arrived more or less as vacations were beginning in the embassies, however, so additional data received was sparse.

Despite these problems, the study teams received full support from all met, and are grateful to all the local informants – donors, government officials, CSO representatives and others – who took the time to meet with the teams and who spent sometimes considerable effort to provide the data requested. The teams would in particular like to thank the lead donor in each country who took on the unthankful task of assisting the teams get meetings organised, push colleagues to fill in data matrices, etc.

This Synthesis Report is the sole responsibility of the consultants, and does not necessarily reflect the views of the donors, embassies, CSOs, governments or other informants listed.

Considerable effort has gone into verifying facts and requesting comments on assessments and conclusions. Despite this, there are undoubtedly errors that remain and disagreements that have not been resolved, for which the consultants apologize and beg the reader's indulgence.

### 3 Objectives and Methodology

The team first had to clarify and operationalise the objectives for the study. Based on this, there was then a need to develop information collection instruments that would yield compatible data across the countries, to permit cross-country comparisons. Considerable effort went into designing these survey tools, but once it became clear that the original ones were too demanding and required too much time to complete, a simplified data sheet was prepared to ensure that key information could be collected.

#### 3.1 Objectives for Donor Support

The Nordic+ donors want to improve their assistance to civil society. This is partly driven by the efforts at improving overall aid effectiveness as laid out in the "Paris Declaration on Aid Effectiveness" ("Paris Agenda") agreed to by the international community in March 2005. But in addition, the Nordic+ donors wish to strengthen national development through "support to a vibrant, pluralistic and democratic civil society". There are thus two dimensions to take into account: Aid Effectiveness, and what can in short-hand be termed Diversity:

- **Aid Effectiveness:** The Advisory Group on Civil Society and Aid Effectiveness (AG), in its Concept Paper, states that "Aid effectiveness means the extent to which aid resources succeed in producing sustainable development results for poor people. The emphasis is on results at the outcome and impact levels, as opposed to output-level results from individual projects" (AG 2007a, para 42). CSOs have noted that these kinds of definitions of Aid Effectiveness, when linked with the donor focus on the Millennium Development Goals (MDGs), tend to reduce CSOs simply to instruments for achieving MDGs. The issue is then aid *through* civil society rather than assistance *to* civil society.
- **Diversity:** To address the above concern, the TOR notes that support must enable "civil society to fulfil its many diverse roles". This includes "increase outreach to a wider range of civil society organisations and reduce transaction costs".

#### 3.2 Operationalising Donor Objectives

In order to achieve the objective of *Aid Effectiveness*, the Paris Agenda has identified a series of principles that all actors are expected to follow ("the five commitments"):

- **National Ownership:** national actors must be the decision makers regarding priorities and strategies to be funded;
- **Alignment:** donors should support the national priorities, and do this in a coordinated manner;
- **Donor Harmonisation:** donors use common arrangements and procedures for providing their support – preferably national ones where these exist and are acceptable;
- **Managing for Results:** the two sets of partners should report against transparent and monitorable assessment frameworks; and
- **Mutual Accountability:** donors should be accountable for their support to their local partners, just as the local partners should be held accountable for resources received.



To ensure *Diversity*, the TOR specifies two dimensions:

- **Outreach:** the universe of CSOs supported should, as far as possible, reflect the real variety and roles of civil society in a country's development; and
- **Accessibility:** the costs of accessing donor funding should be as low and equitable as possible to all legitimate applicant CSOs.

The two objectives of *Aid Effectiveness* and *Diversity* may in some cases be contradictory. While it is important to ensure accountability under the first principle, if the requirements for funds application and reporting become too demanding, this may represent a prohibitive costs to grassroots CSOs, and thus may constrain and structurally distort the diversity objective, a concern raised by a number of CSOs in virtually all the study countries.

### 3.3 Desk Study and Methodology Development

From a methodological perspective, the key concern has been to identify models of donor support that on the one hand covers the universe of approaches in place, while on the other contains a limited number of variables that will allow for operational conclusions. Key studies include a Sida study from 2005, the DFID study noted above (Tembo and Wells 2007), and Tjønneland and Dube (2007) (see Annex B for a list of key documents).

The Sida study distinguishes between direct and indirect support models, with three different direct modalities and five kinds of intermediaries that were used in indirect support models. The DFID study used three other categories: (i) direct brokering of relations between state and citizens; (ii) indirect support through intermediaries; and (iii) funding for core activities. Within these, some sub-divisions led to seven modalities in all.

The two classification schemes are not fully compatible. By merging them, the team got a typology of support models that was used for the country case work. The key dimensions were whether funding (i) was unilateral (by one donor) or joint (two or more donors together); (ii) was provided directly or through an intermediary, and in the case of the latter, what kind of intermediary, as ten different kinds of intermediaries were identified in various studies; and (iii) was for the CSO's core activities, for specific activities/projects, or general support to civil society development. The end result was a complex matrix of possible support models that led the study team to look for a simpler scheme (see section 4.3.4).

### 3.4 Methodology and Data Limitations

Two sets of data were collected. The first was quantitative information on funding to CSOs and number of CSOs supported. The other was the interviews, where most Nordic+ donors in the six countries sat for one or more sessions usually totalling around two hours, walking through the different modalities, their views on the CSOs, etc.

The most important group of local partners were those CSOs that have experience with Nordic+ financing, but other CSOs, network/ umbrella organisations were also interviewed. Interviews with other donors, government officials, and relevant actors like UN agencies, supplemented the information provided by the Nordic+ embassies.

There are limitations on the information generated that should be taken into account when assessing the Conclusions and Recommendations of the study:

- The study has not assessed Outcomes and Impacts of alternative support models. There was thus no attempt to measure whether one modality is likely to yield better results for the target group or objective that is to be reached than other modalities. This would require detailed studies of the CSOs that were funded, to see if channel and modality made a difference or not. This is a much more complex exercise than the present one;
- There is an "informant bias" since the team has not interviewed a "representative" sample of CSOs, but rather those that have received support from one or more Nordic+ donors. There has hence not been an attempt at establishing the overall CSO universe. It is therefore difficult to know to what extent the CSOs that have received Nordic+ funding can be said to provide a reasonable degree of Outreach or Diversity;
- The Conversation Guide for the Nordic+ donors was ambitious. The intention was for the donors to have filled out the data matrix before the interviews began, so they could refer to this when discussing modalities and funding levels. In most cases, though, this had not been done, so the quantitative information was not at hand. The time available was hence generally not sufficient to run through all the issues carefully;
- The intention was to collect budget/expenditure data for the three years 2005-2007. This turned out not to be possible, so focus has been on the year 2006. This means that the quantitative data provide a snapshot for one year, while information on *trends* is based on the conversations with embassy and CSO officials. Donor HQs noted that they were not able to provide this kind of time-series information at aggregate level either.
- The empirical data is at the level of the individual agreement signed, so the unit of analysis is not consistent. While a donor has a lot of information on individual CSOs that receive direct support, funding for joint or indirect programmes that may encompass many CSOs necessarily mean data is more uncertain, except for aggregate funding levels. The geographic outreach, the distribution between different CSOs and hence diversity from the same funding may not be well known, and these data were not collected from the intermediaries due to lack of time.

### 3.5 Summing Up and Conclusions

- Donors wish to increase aid effectiveness while also supporting a more diverse and vibrant civil society. These objectives have been decomposed and operationalized.
- Country study data collection instruments were well developed but ambitious. The field work yielded less information than had been expected, however, resulting in incomplete data across countries. A second information exercise consisting of data verification, draft country report comments, and a revised data matrix, was undertaken to address this, but major data gaps remain (see Annex C).
- The study can say little about modality *effectiveness* (outcome or impact on CSOs or activities), and in particular if choice of channel and modality has a systematic impact on end results for different groups or objectives, or under different country circumstances.
- The study further is limited in what can be said on *outreach/diversity* since the full CSO universe was never known. There is also less known about CSOs reached through intermediaries than through direct support.

## 4 Support to Civil Society

This chapter reviews the general findings concerning donor-CSO relations as far as funding modalities are concerned, and in particular how this is influenced by framework conditions both in the partner and donor countries. The chapter then looks at a revised structure for classifying the support modalities, partly in light of the framework conditions discussions, but mostly as a function of the results from the field work.

### 4.1 National Context

The TOR asks this review to assess the importance of the national context, and in particular three dimensions: (i) the regulatory framework; (ii) degree of aid dependency; and (iii) the nature of the state, with particular reference to "fragile states" and "post-conflict" situations.

#### 4.1.1 *State-Civil Society Relations*

Only Guatemala and Tanzania have reasonably up-to date and coherent legal frameworks that are supportive of the roles of CSOs in the countries' development processes. Most of the other legal frameworks are old and out-of-date compared with the realities of a more dynamic and diverse CSO community that has come into being over the last 10-15 years. The laws and regulations often emphasize control and oversight by the state, particularly when it comes to foreign funding. The process of registry is bureaucratic and complicated in all six countries, with several government offices involved and little transparency. Most systems are centralized and hence most easily accessible to urban NGOs. In Zambia and Zimbabwe, the legal framework and registration procedures are seen as prohibitive to the strengthening of civil society. In Bangladesh, the NGO Affairs Bureau established in 1990 as a "one-stop shop" for all NGO registrations does not have sufficient capacity, and is seen as a bottleneck.

In most countries, there is change underway, though slow and with varying degrees of political commitment to positive change. This is a function of a lingering distrust between government and civil society that is reported in all six countries.

"Best practice" is probably Guatemala, which both has a progressive legal framework with clear guidelines for establishment of CSOs, and decentralized registration at the municipal level. This has provided greater freedom for CSOs and better coordination between CSOs and municipal governments. Participation of CBOs and NGOs in the development at municipal level is promoted through legal means. Still, with strict fiscal rules, the government has the opportunity to "discipline" CSOs that are opposed to government's policy or decision at the national level.

Perhaps the greatest problem CSOs face is the power the state has given to itself to intervene more or less at will. Much of this legislation is vague or accepted as no longer relevant – but there is the continued uncertainty about whether the state may in fact take steps. This lack of clarity and predictability, and clear rights and protection of what would normally be considered democratic activities, is particularly felt by CSOs engaged in advocacy and representation of marginalized groups.

The lack of a clear strategic national framework for the strengthening of civil society means that donors usually cannot align to a recognised government policy in this area. Donors

therefore have to rely largely on their own guidelines for support to civil society, as well as the specific dialogue they have with CSOs, in order to identify actors and activities to fund<sup>1</sup>.

Below the regulated State-CSO relations are the more informal interactions between the actors. In Bangladesh and Guatemala, some of the larger service delivery CSOs contribute to policy discussions in fields like education and health provision. But this role is at the discretion of the state, and is seldom formalised, much less seen as an obligation of the state.

In the field of poverty monitoring, however, there are now emerging cases of dialogue where CSOs have a defined place, such as in Zambia. This is happening where donors are linking such broad-based national forums to large-scale funding of a country's development programme. The "place at the table" thus seems less a function of increasing legitimacy and credibility of the CSOs and more a function of the importance of the donor community.

But there are also areas where CSOs are challenging the state and its policies on behalf of their constituencies. In Guatemala, indigenous CSOs are defending land and cultural rights, others are fighting for labour and women's rights. These links to particular interests come across as "fragmentation" in the eyes of some of the donors, as CSOs are confronting each other on issues. But it is exactly this "vibrant and pluralistic civil society" that donors say they wish to support, though it makes the *alignment* difficult.

#### 4.1.2 Aid Dependency

Aid dependency can be at two levels: that of the state, and that of the CSO community itself.

##### State Aid Dependency

One of the criteria for country case selection was degree of aid dependency. A standard concern is that as aid increases as a share of funds available, the recipient listens more to donors rather than to the local constituencies: accountability is to the larger funding source. Since donors support the legitimacy of CSOs as societal actors, one would surmise that aid dependent governments would respect this donor concern more.

Table 4.1 below shows the 2005 population, and data for the three-year period 2003-2005 on official development assistance (ODA) in absolute numbers, in *per capita* terms, as share of gross national income (GNI), and also GNI *per capita*.

The table shows that Guatemala, a middle-income country, has a GNI *per capita* five or six times that of four of the other countries, and about 15 times as high as that of the poorest, Ethiopia. All countries show good economic growth over the period, except Zimbabwe, which exhibits a dramatic collapse.

In terms of aid *per capita*, Bangladesh gets by far the least – about USD 10 per year. This is in part due to its large population size – it is the third largest in terms of *total* ODA. Zambia is

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<sup>1</sup> The notion of a "national strategic framework" has been questioned by some. It is noted that most countries have various pieces of legislation that together provide the basic parameters for CSO action, but not a formal "strategic framework". – What is meant here is exactly the overall set of laws, rules and procedures that define the rights and obligations of CSOs. When this is unclear or contradictory – which is often the case – both donors and CSOs have problems identifying appropriate roles and relations. Much of this lack of clarity is deliberate.

by far the largest *per capita* recipient, hovering around USD 80-90 the last two years, while the others received generally USD 20-30 *per capita*.

As share of GNI, it is Guatemala that gets the least, with less than one percent the last two years. This is of course in large part due to the much higher GNI than the other countries. In 2005, ODA in the African countries varied from 11.6% to 17.4%. But the overall *trend* is towards a reduction in the percentage of aid as a share of GNI in all countries. The exception is Zimbabwe, where the severe deterioration in its economy meant that the GNI fell to just a little over one third in two years, while aid increased rapidly to address the emergency situation. ODA as a share of GNI hence increased almost five times – from 2.4% to 11.6%.

**Table 4.1: Population, National Income and Aid in the Six Study Countries**

	<b>BGD</b>	<b>ETH</b>	<b>GUA</b>	<b>TAN</b>	<b>ZAM</b>	<b>ZIM</b>
Pop, mill, 2005	141.8	71.3	12.6	38.3	11.7	13.0
ODA in USD mill (1)						
2003	1 394	1 594	247	1 704	589	186
2004	1 413	1 819	220	1 761	1 125	187
2005	1 321	1 937	254	1 505	945	368
ODA in USD / cap (2)						
2003	10.2	23.2	20.6	46.2	52.1	14.4
2004	10.2	26.0	17.9	46.8	97.8	14.5
2005	9.3	27.2	20.2	39.3	80.8	28.3
GNI / cap, USD: (3)						
2003	400	110	1 960	300	350	920
2004	440	130	2 190	320	400	620
2005	470	160	2 400	340	490	340
Net ODA / GNI, %						
2003	2.5%	20.2%	1.0%	16.6%	14.1%	2.4%
2004	2.4%	18.8%	0.8%	15.7%	22.5%	4.0%
2005	2.1%	17.4%	0.8%	12.5%	14.2%	11.6%

Source: OECD-DAC Aid Statistics

(1): Registered net Official Development Assistance flows in current US Dollars;

(2): ODA per capita (actual population figures per year used);

(3): Gross National Income per capita in current US Dollars.

One could look at aid as a share of government expenditures, since public expenditures as share of total GNI varies considerably, or according to several other criteria. The point is that the concept can be defined in different ways. Perhaps the most important conclusions from the table above are (i) the *trend* is towards less aid dependence, (ii) generally, the poorer the country, the higher the aid dependency – but with important exceptions: Bangladesh has same national income *per capita* as Zambia, but much less aid in relative terms<sup>2</sup>.

<sup>2</sup> Work by the World Bank shows that there are considerable differences in the amounts of aid received by countries with similar income levels, with some countries being "donor darlings" while others with just as much need receives very little. The "aid dependence" is therefore not just a function of level of poverty on the side of the partner – the "demand for aid" – but also donor priorities in allocating aid – "aid supply".



Regarding how aid dependency translates into respect for the CSO role, however, the picture is not a simple or straight-forward one. In Guatemala and Bangladesh, CSOs have achieved more voice and status than in the African countries, largely because they are providing services that are appreciated by both households and the government, but also because they represent legitimate claims by stakeholder groups that the government cannot ignore. But specific national contexts also play an important role, such as the mobilisation of the indigenous communities in Guatemala in response to the rampant discrimination they have been subjected to.

In Ethiopia, the CSO community established a high degree of visibility and credibility due to the critical services they delivered during a series of natural disasters. This has allowed them to strengthen their role in advocacy areas, leading to tensions with the government, which defines this to be "political" and thus claimed not to be appropriate for CSO engagement.

In Zimbabwe, the share of donor resources going to CSOs is undoubtedly the highest in all the six countries. This is not because funding for CSOs has increased so much but because funding for the state has all but ceased. So here the high CSO dependency on external funding does not follow state aid dependency at all – rather the opposite.

The general conclusion is therefore that the aid dependency variable by itself does not explain very much – the specific nature of the state and the society in which the CSOs function are more important.

### CSO Aid Dependency

The aid dependency of *the CSO community* may be important. There are no reliable cross-country or time-series data on share or amounts of total aid that goes to CSOs, so it is difficult to say something about relative importance or trends of CSO financial dependency.

The first general comment is the asymmetry CSOs feel in their relations with donors, independent of country. There is a consistent perception that donors define the contents and structure of the dialogue with the CSOs, and have the dominant voice when it comes to both policy and funding priorities. For the CSOs, the funding dependency in itself would not be such a problem if donors were more predictable and transparent in their behaviour. What is seen as particularly troubling is when donors provide short-term (project) funding but at the same time keep changing areas or objectives they wish to fund. CSOs in several countries felt this competition for funding led to opportunistic CSO behaviour in order to survive. But a result is that donors may not be financing organisations that have clear and consistent objectives as a function of the needs and priorities of their primary stakeholders, but as a response to where money might be available. This undermines the credibility of the CSOs in question, weakens their accountability to their own stakeholders and shifts this towards the donors, makes it difficult for CSOs to make longer-term plans such as for their own policy and capacity development, and makes the claims by adversaries that certain CSOs are "donor agents" more believable among the public.

This donor dependency, whether largely perceived or real, is perhaps the greatest challenge to the longer-term relations between the two parties, as seen by a large number of CSOs. The need to address this concern is real, and should be high on donors' agendas.

### 4.1.3 The Nature of the State

The TOR asks the study to consider fragile and post-conflict situations, where Zimbabwe is the one case country in the "fragile" category<sup>3</sup>. Zimbabwe is at the same time an unusual case, because the "fragility" has not reduced the capacity of the state to intervene: it is a highly authoritarian regime that has come down hard on any political opposition. This has made the work context for rights-based and advocacy CSOs highly confrontational, and foreign funding for CSOs is largely only accepted to the extent that they provide basic services that the state is no longer able to.

#### **Box 4.1: Donors Support to CSOs in Post-Conflict Situations**

Donor support to CSOs in post-conflict situations can be assessed based on the experiences in Afghanistan, Palestinian Territories and Southern Sudan (see Scanteam 2007 a, b). During the conflict period, CSOs were important channels for support to the population, but also began building local capacity and organisations<sup>4</sup>. However, once national authorities that were recognised by the international community came into being, the support to CSOs quickly dried up, leading many of them to either break up or disappear. There is considerable research that remains to be done regarding this process, but impressions are that (i) donors did not have a good dialogue with CSOs preparing them for the dramatically different future, so they were not able to plan the transition; (ii) many of the CSOs played important roles that the new state was not able to assume right away, leaving serious service gaps in the immediate post-conflict phase when delivering basic services to the affected populations may be critical to solidify the peace process; (iii) with the rapid weakening of the CSO community, there was no legitimate and credible body of actors that could hold the emerging state accountable. In a situation of emergent states establishing themselves, often based on compromises between previously armed adversaries, weak institutional controls, and rapid inflows of donor resources with reduced oversight capacity, it would appear more important than ever that CSOs receive continued strong support for their advocacy and accountability/watch-dog functions. This requires a long-term approach and strategy by donors for their support to civil society in post-conflict situations.

In fragile states, the emerging lessons point to the need for longer-term and more coherent support for civil society, also during the phase when a new state is being established and strengthened (see Box 4.1). In Zimbabwe, as in other cases seen, support is instead largely the opposite. Donors provide short-term project funding, in large part justified by the uncertain environment. CSOs then have to adjust to funding opportunities as they appear instead of focusing on longer-term societal development and roles. Coupled with this, CSOs claimed there was less financing available for capacity development, networking, exchange of experiences and similar activities for strengthening civil society, though it was felt that this kind of support is exactly what civil society in fragile state situations require.

DAC has developed ten "good practice principles" for engagement in fragile states or situations (see Box 4.2 below). While they are meant to guide state-to-state aid, their

<sup>3</sup> The most common definition of "fragile state" is based on the World Bank's "Country Policy and Institutional Assessment" (CPIA) index. Countries that score below a certain value are included in the "fragile" category. The OECD-DAC uses the CPIA index, and the African Development Bank has similar criteria, leading it to define 25 African countries – nearly half the continent! – as fragile. Both the Banks list Zimbabwe as "fragile". The World Bank further talks about four forms of fragility: (i) deteriorating, (ii) prolonged crisis or impasse, (iii) post-conflict or peace-building transition, and (iv) gradual improvement, Zimbabwe being in the second category: "prolonged conflict or political impasse between key national stakeholders; no consensus between government and the international community on development strategy" (IDA 2007, p. 13).

<sup>4</sup> Some of the new organisations created in the Palestinian Territories were in fact set up as proto-governmental bodies, where the capacities created were to be transferred to a legitimate state once this was established.

application to CSO support seems relevant. The "Do no harm" principle discusses the need for gradual responses, the danger of worse corruption and resource abuse if there are not appropriate safeguards – an argument for strengthened CSO support. The fourth principle, "Prioritise prevention", principle six, "Promote non-discrimination as a basis for inclusive and stable societies", and number ten, "Avoid pockets of exclusion" are strong arguments for giving CSOs a strong role, since these are areas where CSOs rather than the State typically have been "best practice" actors. The admonition of principle nine – "Act fast ... but stay engaged long enough to give success a chance" – on top of the other principles above shows the difference between the DAC principles and actual CSO support in Zimbabwe. This pattern seems to be replicated in other fragile/post-conflict state situations, and should form the basis for establishing better principles for donors' CSO support in these circumstances.

#### **Box 4.2: Principles for Engaging in Fragile States and Situations**

1. Take context as the starting point;
2. Do no harm;
3. Focus on state-building as the central objective;
4. Prioritise prevention;
5. Recognise the links between political, security and development objectives;
6. Promote non-discrimination as a basis for inclusive and stable societies;
7. Align with local priorities in different ways in different contexts;
8. Agree on practical coordination mechanisms between international actors;
9. Act fast ... but stay engaged long enough to give success a chance;
10. Avoid pockets of exclusion.

Source: DAC 2006

## **4.2 Donor Framework Conditions**

Donor conditions for providing assistance have changed over the last several years. Some are the result of formal commitments while others have more administrative reasons. Together they are changing the way aid is being made available, and these "donor framework conditions" are affecting the way support to civil society is provided as well.

### **4.2.1 Paris Agenda: The New Aid Architecture**

The Paris Agenda was the culmination of a long process of trying to get the donor community to come together around a set of "good practice" principles for bilateral development cooperation. The main concern has been to increase the effectiveness of aid resources, and in particular reduce the fragmentation of donor efforts and have partner governments take charge and responsibility for priority setting.

The "Paris Agenda" (see section 3.2) has led to a series of changes regarding how donors, and in particular the Nordic+ group, organise their financial support. They have moved towards more joint funding arrangements such as programme aid, sector wide approaches or programme based approaches (SWAPs/PBAs) and General Budget Support (GBS).

This move away from project funding was to reduce the need for tracking project and Output results and instead focus on more strategic results at the sector and at Outcome and Impact levels. This approach is now being applied to civil society support as well, where donors are both trying to coordinate amongst themselves in terms of procedures, align with



the strategic concerns of the local partners, and channel funds through more joint mechanisms.

The big difference with support to the public sector is that civil society is not a unified actor with a clear agreed-upon agenda, in line with the notion of "a vibrant, pluralistic and democratic civil society". This creates challenges with respect to how far it is possible or desirable to streamline donor support. The views on the consequences of this process appeared quite different between the donors on the one hand, and CSOs on the other. Some CSOs lament the loss of more direct and intensive interaction with donors, while donors do not see the need to be so deeply involved, and that this in fact may represent a danger to CSO independence compared with more strategic funding mechanisms.

One of the concerns that CSOs voice is that it is their specificity – what it is that is unique in what they deliver – which makes them worthy of support. Once donors pull back and only want to see strategic-level results, the individual CSO becomes almost irrelevant. While it is the complementarity among many different kinds of CSOs and their geographic spread that makes a nation-wide and comprehensive HIV/Aids programme viable, for example, for donors it may be the overall programme that is interesting. A number of the CSO interviews left the impression that this lack of direct knowledge of their contributions make CSOs feel vulnerable – there is a fear that it is easier to drop the funding of an organisation if it is simply seen in terms of delivering pre-defined (project) results. At the same time, this is one of the forces that drives CSOs to adjust their programmes to be as close to donor agendas as possible – there is this one chance of being relevant along a parameter defined by a donor that is all-important. Many CSOs, by their nature, have a much richer interaction structure with their stakeholder groups than the simple results framework can capture, and in fact some of these dimensions are critical to key concerns like empowerment, ownership, sustainability. Not being able to discuss and communicate these value-added dimensions leaves many CSOs with the impression that donors do not care, do not understand, and the Paris Agenda is thus seen as institutionalising these donor-CSO schisms.

At the same time, CSOs appreciate the need for simplifying and make the "playing field" more transparent and equitable. There were a number of CSOs that expressed frustration at "donor pets" within the CSO community – organisations that got funding not because of their performance or technical knowledge of a field, but because of personal ties and connections, including individuals being able to take these funding relations with them when they left one CSO to establish their own<sup>5</sup>.

Another dimension to the Paris Agenda that troubles some CSOs is what they perceive to be the "flock mentality" that it leads to. The coordination-harmonisation principle means that donors spend considerable time discussing among themselves what priorities should be – and once that has been established, the expectation is that all will adhere to this. There may thus be less room for experimentation and breaking away from the "group think".

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<sup>5</sup> How much this is reality, how much this is inter-CSO jealousy and intrigue is of course not possible to discern. What is interesting here is that perceptions of "donor pets" are more likely to occur in a situation of many direct links between donors and CSOs rather than in joint or mediated linkages – exactly the kinds of structural changes that the Paris Agenda is trying to promote.

Innovation and risk taking becomes more difficult, unless this has explicitly been planned for.

This harmonisation process may also, paradoxically enough, lead to less donor predictability. The argument is that different donors could have different agendas, but would tend to stick with them since they were based on a political process in the home country. Now Paris Agenda "group think" could make a number of donors abandon their own priorities in favour of the joint agenda – and this joint agenda could change fast as new items were brought to the table. Since CSOs tend not to be at the table during these kinds of discussions, unlike partner governments that often participate in joint policy dialogues, the CSOs become vulnerable to these shifts, and experience the donors as not being transparent.

Finally, CSOs and donors may disagree on what to do when CSOs are in direct disagreement or conflict with government. CSOs interviewed do not have a common view on this issue. Some argue that donors should facilitate the government-civil society dialogue and interaction, while others are sceptical. Nordic+ donors are trying to "build bridges" between CSOs and the government in Guatemala, for example. This has translated into the inclusion of public officials in selection of counterparts and topics in the PASOC programme. Some CSOs view this trend with concern. They believe that if the state becomes involved, CSOs may lose their ability to provide alternative and independent views on development. CSOs working with human rights, in particular, see a need to work outside and independent of government. Other CSOs, like those working in education and the environment, are willing and in fact demanding coordination with government. They believe that the only way to ensure sustainability is for government over time to assume responsibility of innovative programmes that CSOs are starting up. Hence, appropriation by government of CSO development goals and activities is considered one way to achieve greater coherence between CSO actions and national policy.

#### ***4.2.2 Improving Efficiency – Cutting Staff***

A second-order issue that has led to considerable changes in donor-CSO relations, is the pressure to reduce administrative costs of managing development funds. Organisations like DFID have seen the funds under their responsibility increase considerably while staffing levels have not moved much. "Doing more with less" has become a daily challenge for donor offices, leading to a need for cutting administrative overhead and time use wherever possible. The relatively small funds being channelled through local CSOs may make the cost-per-euro disbursed high compared with alternatives like general budget support (GBS). While there is an appreciation for the time-intensive nature of CSO funds management, there is also a clear understanding that the overall cost-efficiency of CSO funding cannot remain substantially different from other forms of aid.

Both embassy/mission staff and CSOs see donors having less time due to the push towards greater efficiency. Donor focus on cutting own transaction costs is not necessarily coupled with a strategy for cutting overall costs, but may instead be followed by the purchase of administrative services from external actors, such as intermediaries, or one donor taking on a lead donor role in return for having fewer responsibilities in other joint activities.

But the harmonisation agenda is making the demands on CSOs in terms of programming and reporting more standardised. CSOs see that some demands are becoming stricter, especially on financial accounting and audits, but also standardised and thus easier to adjust

to. The efficiency demands may thus be leading to strengthened financial and administrative procedures and capacities among the CSOs – though not all have the resources to learn and apply the new standards immediately. In some CSO programmes, however, CSOs recognise that capacity development is being supported, so the efficiency push may lead to "win-win" results if well planned and resourced.

What is clear, though, is that these changes are not being driven by the CSO community, but rather by donor head office cost-saving moves. The CSOs simply have to adjust to the consequences as they occur.

#### 4.2.3 "Good Donorship" Concerns

The donor-driven framework conditions CSOs cannot influence directly. But both parties are aware of the asymmetric relationship, and are concerned about finding ways to address this.

In Tanzania, the donors contracted a study to develop a set of "good practice" guidelines, which the authors of the study have dubbed "good donorship" principles (see box 4.3).

The point of departure of the argument is the observation – similar to the one for the Paris Agenda – that it is the local actors who need to be responsible for planning, prioritizing and implementing, because they are also the ones who are to benefit and must carry the costs of the activities. Given this premise, what are particular pitfalls that donors need to be aware of when working with CSOs, who are weaker and more diverse actors than the state?

#### **Box 4.3: Proposed Principles for "Good Donorship", Tanzania**

1. Adopting a changed mindset with ambition to enhance ownership and align to the systems and procedures of the CSOs and not vice versa;
2. Encourage diversity of funding strategies;
3. Mainstream civil society support;
4. Apply a rights-based approach;
5. Prioritize strategic partnerships for direct funding;
6. Engage in long-term commitment;
7. Move towards core funding;
8. Recognize the strategic plan, budget and a joint report as the main steering documents;
9. Support institutional capacity building;
10. Encourage innovation, result orientation and learning;
11. Take care of the relations;
12. Make support through INGOs visible; and
13. Respect the roles of different actors.

Source: Aumenta (2007a)

Many of these principles are the kinds of "rules of thumb" that could be derived from the Paris Agenda when adjusted for the reality of the CSO world. Since they have just been presented to the donor community, they have not yet been through the finalisation and (informal) approval process, much less been implemented and tested out for realism and

functionality. Some of the proposals may not be helpful – "mainstream civil society support" can easily lead to the kind of non-support that other mainstreaming efforts have resulted in<sup>6</sup>. But it is helpful that a coherent set of principles for donor support that has as its point of departure CSO concerns and needs is now seriously being discussed by the parties. This provides the CSOs with a coherent platform for the kind of principled dialogue with their funding partners that has largely been lacking. This is thus an initiative that should be supported and moved forward.

## 4.3 The Support Modalities

During the field work, it became clear that the complex typology of support modalities developed from existing studies was not helpful in identifying strengths and weaknesses in alternative models. Instead, the team saw that there were three dichotomous choices that dominated donor thinking when structuring their support: (i) whether funding was for core or project activities; (ii) whether it was provided directly or through intermediaries (indirectly); and (iii) whether it was provided unilaterally or through joint arrangements.

### 4.3.1 *Project versus Core/Programme Support*

This dimension refers to the contractual relationship between the donor and the CSO funded. If the funding is earmarked for specific projects or activities/outputs/results, the term "project financing" has been chosen in this study. Funding is normally given to project proposals, usually based on the Logical Framework Approach where the CSO has to formulate objectives and expected results at least at Output level. One central issue for this modality is hence the transaction cost entailed in the process of project funding application and reporting. This type of funding also normally has specifications regarding how much of it may be used to cover administrative costs or "overhead".

Core or programme support is instead based on a strategic programme or objective of a CSO, where funding is not tied to produce particular Outputs but to more general Outcomes, including improvements to the organisation itself ("core" support is sometimes more narrowly defined to only involve internal CSO development needs, but in most cases even support for capacity development is linked to the attainment of larger societal objectives – "capacity development for a purpose"). The CSOs then have more flexibility to determine what the most efficient use of funds is.

### 4.3.2 *Direct versus Indirect Support*

This concerns the relationship between the donor, and the "end-user" implementing CSO. Direct Support denotes the situation whereby the donor transfers funds directly to the implementing CSO. In this situation, embassy- or mission staff will have to be directly involved in the application and monitoring process, whether the funding is for projects or core/programme funding.

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<sup>6</sup> Two recent evaluations of Norway's support to environmental development and gender equity, respectively, blamed "mainstreaming" for blurring the focus, making objectives and expected results too general, with the result that little was achieved in terms of actual improvements either to the environment or women's situation.

Indirect support is becoming more common, however, where an Intermediary agent is to manage the funds and CSO relations based on a formal agreement. In this study, about ten types of intermediaries have been identified, such as a private firm or an umbrella CSO that has a membership base of CBOs within a specific sector. The role and the extent of responsibilities of the intermediary depend on the programme being funded and the contractual relations agreed to between the donors, the intermediary, and the CSOs.

#### 4.3.3 *Unilateral versus Joint Support*

This addresses the relationship between donors. The support is termed unilateral if there is only one donor supporting the CSO or if there is no specific coordination between donors funding the same CSO. There may thus be several donors funding one CSO unilaterally, if the CSO has taken the initiative to solicit support from more than one, but where there is no kind of formalised relationship between the donors. In this study, the term “unilateral” support has been chosen to emphasise the distinction from the term “joint”.

#### 4.3.4 *Support Modalities*

This gives following eight-cell matrix for classifying modalities

**Table 4.1: CSO Support Modalities**

	Direct		Indirect	
	Project	Core	Project	Core
Unilateral	U-D-P	U-D-C	U-I-P	U-I-C
Joint	J-D-P	J-D-C	J-I-P	J-I-C

##### U-D-P: Unilateral Direct Project Support

One donor funds specific activities based on a project proposal from a CSO. There is direct communication between the CSO receiving funds and embassy / mission staff.

##### U-D-C: Unilateral Direct Core Support

One donor transfers funds to a CSO, based on strategic direction or programme. The funds are not earmarked for specific activities, and can therefore also be used for institutional capacity building, network activities etc in addition to the CSO's core activities/programme.

##### U-I-P: Unilateral Indirect Project Support

One donor funds CSO project activities through an intermediary. Usually the intermediary has the responsibility of selecting CSOs for funding and to monitor implementation and report to the donor in an aggregated manner. A donor may choose to outsource the management of its support to civil society because it does not have the necessary capacity to handle it, in order to benefit from an organisation with better local knowledge and legitimacy in civil society, or to increase disbursement rate and outreach to a larger number of CSOs. If the donor also funds activities implemented by the Intermediary itself, or, as is often the case, contributes to the institutional strengthening of the intermediary then this *specific* support may fall under the Direct Support (project or core) modality.

### U-I-C: Unilateral Indirect Core Support

The only difference between this modality and U-I-P is that the funds managed by the intermediary are given as core support to the recipient CSOs. In practice it may be that the donor has not specified whether funds are to be given as project or core/programme support, and it will be a case by case decision of the intermediary organisation. Again, a particular CSO may thus receive both core/programme and project funding.

### J-D-P: Joint Direct Project Support

Two or more donors support the same CSO directly based on project proposals. It may be that they support different elements of the same programme or that they support different programmes. The Direct Support entails that each donor deals with the CSO directly, but if donors agree on some kind of coordination of support or harmonisation of procedures, it falls under the “joint” category, with reductions in the transaction cost involved.

### J-D-C: Joint Direct Core Support:

Same as above, but several donors give *core* support to the same CSO. This would normally be the case where the CSO in question has a proven track record and is seen as a key actor in a given sector, for example a network organisation.

### J-I-P and J-I-C: Joint Indirect Project or Core Support:

Once the donors agree to pool funds they will require an intermediary agent to manage and transfer the support to the recipient CSOs. The intermediary entity may be a private company, a board, an umbrella organisation, an international NGO, or other actors that are given this task. There is a large variety of administrative arrangements under this support modality. Donors may also transfer funds separately to the intermediary and require separate reporting under this modality. It also varies to what extent it is up to the intermediary to decide whether CSOs can be given core funding or if funding is limited to project activities. In many cases, a combination of both is given and the modality is then simply coded J-I.

In reality, there are a number of more complex ways that donors have structured their support. Some of them are a mix of the above, in others there is not simply a single intermediary but a more complex arrangement with several actors taking on somewhat different tasks, etc.

Nonetheless, this overall structure has been found to be helpful in analysing the alternative ways of funding CSOs. The assessment of strengths, weaknesses and trends in civil society support in the next chapter will hence be based on this typology.

## 4.4 Summing Up and Conclusions

- State-CSO relations are characterised by largely out-of-date legislation; rules in favour of state control and insight rather than protection of civil rights and CSO roles; and CSO vulnerability to *ad hoc* state decisions and power. But there are now more cases of structured dialogue, some specified roles and rights for CSOs as watch-dogs, examples of CSOs successfully challenging state policies and practices on behalf of constituencies;
- State aid dependency can be measured in different ways, but does not provide much explanatory power when it comes to understanding or changing state-CSO relations;



- CSO aid dependency appears important, however, and in particular the perceived strong dominance by donors on priority setting and funding. This makes CSOs vulnerable to shifts in donor priorities, and may push them to opportunistically seek funding where donors are making funds available, weakens longer-term planning and constituency accountability, and thus CSO credibility and legitimacy. Where donor dependency is strong, this probably represents the greatest challenge to donor-CSO relations;
- Fragile, post-conflict and authoritarian states represent particular challenges for donor-CSO relations. Experience points to the need for principled and long-term support, while donor behaviour typically has been based more on short-term financing. Donor principles for state support in fragile states should be applied also to CSO funding;
- The Paris Agenda when linked to MDG objectives makes CSOs concerned that donors are pushing them towards becoming substitutable project contractors rather than partners in societal development. A wider development agenda that captures the need for "pluralistic, vibrant, democratic civil society" is being called for;
- The Harmonisation/Coordination concerns of donors lead to a "flock mentality" that may increase volatility (all donors wanting to fund the same things at the same time) and reduce possibilities for innovation and taking risk, and diversity in civil society;
- CSOs have opposing views as to how closely they should work with the public sector, and on donor efforts to "build bridges". Service delivery organisations are generally positive while advocacy/rights based groups are more sceptical;
- Donor efforts to cut costs are leading to new ways of "doing business", more contracting of intermediary services; but also more standardisation of planning and reporting instruments, which tends to push quality demands up but also leads to more predictability and hence longer-term gains to all parties. These changes are, however, driven by donor needs and not civil society demands;
- At the same time, donors see the need for improving the interaction with CSOs, which in Tanzania has led to commissioning a study on "good donorship" principles. These provide a clear set of "rules of thumb" based on CSO needs and perspective, which is a very useful contribution;
- Finally, the classification of donor support modalities has been modified, using three key dimensions: (i) whether funding was project or for core/programme; (ii) whether it was provided directly or indirectly (through intermediaries); and (iii) whether it was provided unilaterally or through joint arrangements. Seeing the choices along each dimension as generally dichotomous provided a (2 x 2 x 2 =) eight models matrix.

## 5 Assessment of Support Models

The Nordic+ embassies were asked to classify their assistance according to the typology given in chapter 4. Table 5.1 provides an overview of the information provided.

The "unit of analysis" on which the data matrix is based is the number of agreements the embassy/mission handles. This means that one agreement on Joint support through an intermediary that may reach a large number of CSOs and have a big budget is counted as "one agreement", while a single agreement of support to a small-scale project is also counted as "one agreement". Annex C provides a complete overview of all the agreements that the embassies provided information on, with nearly 400 agreements listed across the six countries and the six Nordic+ donors.

The embassies were asked about the number of CSOs reached through each agreement, and the volume of funding per agreement. As can be seen from the table, the financial information is missing from a large number of these agreements, so there is less data on funding volumes than on aggregate number of agreements. Regarding the number of CSOs reached, this has also not been possible to establish for most of the intermediary agreements.

### 5.1 Project/Activity versus Core/Programme Support

Despite the paucity of hard data, as a first general observation it can be noted that core-funded programmes tend to receive higher funding per single organisation than financing of projects/ programmes. Donors give several reasons for this: core funding tends to cover a wider range of activities, including overhead, own capacity building etc, and not just a narrowly proscribed project. But CSOs that receive core funding usually have a history of support from the donor, they are well known, there is a history of trust, and they have developed broader programmes that donors are willing to finance.

On the other hand, about two-thirds of the total number of agreements is listed as project funding, while about one third is core support. While this means project funding is favoured in terms of absolute numbers of agreements, the number of core funding agreements is in fact surprisingly high, both since core funding is riskier but also because some donors in some countries are not allowed to provide core funding.

More important, perhaps, is that the share of core funded activities is much *higher* under joint agreements than under unilateral ones. This may indicate that donors are willing to take more risk when they form various kinds of funding consortia, or this form for funding allows for more and better information even under direct funding situations.

There is no data regarding distribution of funds between the different *purposes* of the financing: service delivery versus advocacy versus capacity building. From the interviews, however, it seems that a surprisingly large number of funding agreements cover all three kinds of activities.

The largest single number of agreements is the Unilateral Direct Project modality, which makes up nearly half the total number of agreements. This may be because historically this is how donors tended to structure their CSO support, and this modality thus was totally dominant. But because there is no trend data, it is not possible to see if this share is declining, though donor interviews seemed to indicate this.



**Table 5.1: Distribution of Support Modalities in the Six Case Study Countries**

	<b>Total</b>	<b>BGD</b>	<b>ETH</b>	<b>GUA</b>	<b>TAN</b>	<b>ZAM</b>	<b>ZIM</b>
<b>Unilateral</b>	<b>303</b>	<b>54</b>	<b>58</b>	<b>96</b>	<b>35</b>	<b>34</b>	<b>26</b>
<b>Direct Project</b>	<b>181</b>	<b>34</b> CAN NOR SWE	<b>30</b> CAN FIN UK	<b>73</b> CAN FIN NOR SWE	<b>20</b> FIN IRE NOR SWE	<b>16</b> CAN FIN NOR SWE	<b>8</b> NOR UK
<b>Direct Core</b>	<b>55</b>	<b>17</b> NOR SWE UK	<b>13</b> CAN IRE UK	<b>4</b> NOR SWE	<b>3</b> NOR SWE UK	<b>7</b> FIN NOR SWE	<b>11</b> NOR
<b>Direct*</b>	<b>10</b>		<b>1</b> NOR		<b>9</b> CAN FIN IRE UK		
<b>Indirect Project</b>	<b>34</b>		<b>10</b> SWE	<b>17</b> CAN SWE	<b>1</b> UK	<b>6</b> CAN FIN	
<b>Indirect Core</b>	<b>13</b>	<b>1</b> UK				<b>5</b> NOR SWE	<b>7</b> NOR
<b>Indirect*</b>	<b>10</b>	<b>2</b> SWE	<b>4</b> NOR	<b>2</b> CAN	<b>2</b> IRE		
<b>Joint**</b>	<b>83</b>	<b>10</b>	<b>27</b>	<b>2</b>	<b>22</b>	<b>11</b>	<b>11</b>
<b>Direct Project</b>	<b>8</b>	<b>3</b> NOR UK	<b>5</b> FIN UK				
<b>Direct Core</b>	<b>33</b>	<b>2</b> CAN SWE	<b>19</b> CAN FIN IRE SWE UK		<b>2</b> NOR	<b>3</b> NOR SWE	<b>7</b> NOR
<b>Indirect Project</b>	<b>12</b>	<b>2</b> NOR	<b>2</b> IRE UK	<b>2</b> NOR SWE		<b>2</b> NOR SWE	<b>4</b> UK
<b>Indirect Core</b>	<b>24</b>	<b>3</b> NOR SWE UK			<b>15</b> FIN IRE NOR SWE UK	<b>6</b> FIN NOR	
<b>Indirect*</b>	<b>6</b>		<b>1</b> NOR		<b>5</b> IRE NOR SWE UK		

\* Not specified in data material whether it is mainly for project or core support.

\*\* The total number of joint support agreements specified in the second column includes overlapping information, since they are counted for each donor, which may participate in the same joint arrangements.

There are important differences across countries. Guatemala is where core support is least common, where only four agreements with two donors provide core support out of nearly 100 agreements in the country. In Bangladesh, Ethiopia, Tanzania and Zambia core funding is quite common.

**Box 5.1: Bangladesh Core Support .**

In Bangladesh, there are a number of fairly large-scale core support cases that include organisations like the Centre for Policy Dialogue (CPD), the Bangladesh Legal Aid and Services Trust (BLAST), SAMATA and Transparency International Bangladesh (TIB). These organisations are the big NGOs with which donors have developed long term relationships in order to deliver on certain outcomes using their existing management capacity. These organisations deliver very significant outcomes and impacts on the country, including in terms of national coverage

There are also differences across donors. Canada only provides core support in four agreements in Ethiopia and one (joint direct) agreement in Bangladesh. Finland provides core support in Zambia, Tanzania, and Ethiopia, but is evidently not authorised to use this modality in Guatemala. Ireland provides core support in Ethiopia and Tanzania, but only under joint support arrangements.

Norway has core support agreements in all six countries. Norway has the highest share of core support agreements in its portfolio in all countries, covering nearly two-thirds of agreements reported where project versus core was specified. Sweden has about half of its agreements as core support and provides core support in all five countries reported on (data on Zimbabwe were not provided).

The UK provides core support in Bangladesh, Ethiopia and Tanzania (the UK did not provide information on Guatemala and Zambia). Zimbabwe is the only country where it does not provide core support.

### ***5.1.1 Strengths and Weaknesses of Project and Core/Programme Support***

In the country reports, strengths and weaknesses of project versus core/programme support have mainly been discussed in relation to unilateral direct support. There is less information on the joint and intermediary modalities in combination with core support, even though all constellations are present in the overview of support modalities<sup>7</sup>.

#### ***Ownership***

Core funding is normally given for more than one year based on annual plans and commitments. It tends to be based on a strategic plan provided by the CSO, at times prepared with the assistance of the donor. The model requires a certain level of trust between the donor and the CSO and it is the responsibility of the organisation to monitor results. Core funding is the most preferred modality for CSOs, basically because it increases CSOs' ownership of their own programmes. If core funding is provided for longer periods, it provides flexibility and predictability. The CSO may adjust activities and approach throughout the programme cycle in order to reach its' longer term objectives.

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<sup>7</sup> The reason for this is that most of the in-depth interviews on support modalities were done with donors. Intermediary agents were also interviewed, but the perspectives of different types of intermediaries on these issues should be further investigated

Project funding is often provided through tenders and calls for proposals, based on the particular donors' own strategy and priorities. They tend to be focused on delivering pre-defined Outputs, they usually assume that CSOs have the necessary capacity in place to deliver what is required so there is little support for capacity development or for any other activity that is not strictly related to producing the Outputs. In extreme cases, as was argued in Zimbabwe and Bangladesh, the competition for funds may push CSOs to go beyond their niche areas, turning them into implementing partners of donor strategies rather than representatives of their original mandate or their constituency. In Guatemala, the argument was that project funding has a negative effect on sustainability since it promotes "survival thinking" and does not support longer-term strategic development.

### ***Harmonisation, Coordination and Reduced Transaction Cost***

Whether funding is given as core- or project funding shouldn't necessarily have an impact on the opportunities for improved harmonisation and coordination between donors. For both modalities, there is a lot to be gained from simplifying and harmonising procedures for selection, for application and for reporting on results. For core funding the transaction cost has been related more to dialogue on policies and guidelines, while on project funding the transaction cost for donors and CSOs alike has traditionally been more connected to monitoring of activities, achievements of results, and financial management.

In Ethiopia it was argued that the transaction cost for core funding is less than for project funding because report requirements are more lenient, but there is nothing in the modality itself that necessarily leads to this. A better balance between the need for strategic dialogue and the need for accountability should be sought for both modalities. The degree of detailed reporting requirements on activities and Outputs may be reduced for both, ensuring a better focus on strategic direction and simple indicators for monitoring results at Outcome level.

### ***Mutual Accountability and Managing for Results***

Core funding is usually based on longer term strategic plans where specific activities and results are not set up for monitoring purposes. The relationship between the donor(s) and the partner CSO is based on trust and the acceptance that transparency and accountability exists within the organisation and is monitored by the organisation itself. This allows the CSO to better manage for results, since there is more flexibility to adjust implementation during the programme period without consulting with the donor.

For the CSO the core funding is more effective when it comes to achieving its objectives. CSOs will focus on their own mission and objectives and allocate their efforts according to their own priorities. For the donor the effectiveness is higher in direct project funding when such cooperation is tailored directly to specific donor objectives. However, if the objectives are broader and directed to CS development as such, core funding may be more effective.

Accountability towards the donor is said to be higher with the direct project modality, since this entails closer attention to detailed project results reporting. While being more time-consuming, this allows the donor to be better informed about challenges and good practices. But in Ethiopia it was argued that core/programme funding has a potential for a higher impact on civil society. It allows the CSO to develop a longer term engagement and be alert to relevant issues or incidents arising. The CSO is therefore not confined to a specific set of

activities within a project, which may not always have the same relevance for civil society issues and development.

This last point raises an important issue – that of CSOs' accountability towards their constituencies. In several countries, the donors have pointed out that one of the main challenges under the unilateral direct support modality is to identify CSOs that are legitimate and that have credibility in civil society. Donor support may have unintended negative effects if CSOs are perceived to be “donor darlings” and thus lose trust in civil society. This issue is further discussed in relation to the indirect support modality.

There are diverging views across the case studies regarding the potential for learning under the direct project versus core support modality. This will depend on the capacity of the particular donor for follow up and the degree of attention paid to institutionalisation of lessons learned, both for donors and CSOs.

### *Outreach and Accessibility*

There are no clear conclusions in the country reports with regards to the potential for diversity in civil society support under project versus core/programme funding. It may be argued that project funding has a higher potential both for accessibility and outreach, because the donor can choose to support small-scale projects by informal and non-traditional groups. Because of the small-scale nature of project-support, there is less risk involved and greater scope for experimentation and innovation regarding project approach. This, in addition to the close dialogue between donor and CSO, is the main strength of the unilateral direct project modality as argued in several countries. Still, the modality requires that the donor has good knowledge of the CSO universe and manages to identify interesting partners within a particular sector. The opposite argument has also been made, that project funding inhibits accessibility, since it is CSOs that are familiar with donor-popular Logical Framework approaches that are able to compete.

It was also argued that programme support is more appropriate for CSOs doing advocacy, because project formulation is more difficult in this field. These arguments strengthen the need to pay close attention to whether “instrumental aspects” of the various modalities create unintended and undesirable effects in the relationship between donor and CSO.

The core support modality is said to favour larger, more professional and more established CSOs, especially for direct support, since the donor in this case bases its selection on trust and knowledge about the legitimacy of the CSO in question. This fact limits the potential both for accessibility and outreach for the universe of CSOs in the country and favours urban professional NGOs and large-scale network organisations.

The strengths and weaknesses that were identified in the various country studies of Direct Project versus Core Support Modalities are provided in tables 5.2 and 5.3 below.

**Table 5.2: Strengths and Weaknesses of Direct Project Support Modalities**

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> <li>High accountability if the donor has the capacity for follow up</li> <li>Good for time-bound activities such as humanitarian aid</li> <li>Good for experimenting and innovation.</li> <li>Good for sensitive areas of support, e.g. if there is conflict between government and CSO (seen in Bangladesh and Zimbabwe)</li> <li>For donors: can target specific kinds of CSOs, regions, sectors in line with own goals; for CSOs this may be weakness</li> <li>For donors: can target specific projects or project types in line with own programmes or priorities, can influence design, priorities of projects; for CSOs this may be weakness</li> <li>Can use tendering procedures to ensure that most competent CSOs win implementation rights</li> <li>CSOs can get other forms of support that is complementary such as for capacity building</li> </ul>	<ul style="list-style-type: none"> <li>High transaction cost to donors due to need for close monitoring, and to CSOs due to intensive interaction and usually demanding reporting requirements</li> <li>Funding is usually only for project deliverables plus minimum overhead - little if anything for CSO organisational development, capacity building</li> <li>Mostly short-term relationships focusing on limited range of issues – CSO is largely a contractor</li> <li>CSOs may see incentives to compete for funds that are not relevant to own core mission</li> <li>There is potential for harmonisation and coordination, but this model is in practice considered the weakest in this aspect.</li> <li>Weak communication and alignment with government priorities / policies (this may be a strength seen from the CSO point of view)</li> </ul>	<ul style="list-style-type: none"> <li>Useful when wish to define carefully what is to be achieved, or want to track carefully results such as with new or innovative actions, or challenging tasks, or when donor-CSO, relation has value-added beyond the specific activities (donor provides political protection; CSO is source of opinion, etc)</li> </ul>

**Table 5.3: Strengths and Weaknesses of Direct Core/Programme Support Modalities**

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> <li>Conducive to promoting values and strategic priorities for donors, such as in fields of advocacy</li> <li>Promotes dialogue on strategic issues</li> <li>Flexibility for CSO programming and implementation</li> <li>Typically longer-term engagement, provides predictability, mutual responsibility, improved potential for learning</li> <li>Strengthens CSO ownership, responsibility for results, opens for strategic thinking, longer-term impact, incentives to build for the future</li> <li>Provides flexibility in funding, can allocate to priority tasks, including internal capacity building against strategic benchmarks</li> </ul>	<ul style="list-style-type: none"> <li>May entail high initial transaction cost for donors to carry out "due diligence", assessing programme goals</li> <li>May be riskier to donor as tends to involve larger funds, longer time commitments</li> <li>May be riskier as actual results produced and links to funds use may be poorer, results reporting vaguer</li> <li>Tends to favour larger, urban-based, professional NGOs – incentives to create "donor darlings"</li> </ul>	<ul style="list-style-type: none"> <li>Allows committed CSOs to develop skills, capacity – dimensions that require time, but which critical for establishing sustainable and legitimate CS actors</li> <li>Particularly important for rights-based CSOs that may be in opposition to government, dominant views</li> </ul>

## 5.2 Direct versus Indirect Support

There is a general trend to use intermediaries more, both under unilateral and joint funding. One reason for this noted in interviews is that intermediaries can provide greater outreach and can absorb more funding than direct models. Another reason, which was not so much focused by donors, is that a national intermediary organisation often has better knowledge and channels for dialogue with civil society than do the donors, and this may have a positive

bearing on issues of transparency, legitimacy and accountability. For donors it is often important that an intermediary takes on many of the transaction costs of providing funding to CSOs. This includes assisting CSOs with applications, screening, assuming the administrative costs of ensuring financial and performance monitoring and reporting, and finally and perhaps not least, takes on much of the risk involved in CSO funding.

There are variations between countries and programmes regarding how the indirect modality is set up, organised and managed. The Nordic+ donors use different kinds of intermediaries in the six countries. Below is a listing of the most commonly used intermediaries mentioned, with total number of agreements using this form given in parenthesis: (i) International NGO (28); (ii) Umbrella CSOs (18); (iii) National NGO (not umbrella) (14); (iv) UN organisation (11); (v) Private company (7); (vi) Research institution (5); (vii) Foundation (7), and (viii) Board (for pooled fund) (4).

The strength and weaknesses of the model depends very much on the type and function of the intermediary, its capacity to offer support to the CSOs, the mandate it is given under the agreement, and the quality and detail of the contract between the donors and the intermediary with regards to processes and procedures of CSO selection, facilitation of CSO participation, and monitoring and evaluation (M&E) responsibility.

The two tables below show how many agreements the embassies handle in the two categories of direct and indirect support. It should be noted that in terms of CSOs reached and volume of funding, the indirect support is higher than the direct support.

**Table 5.4: Agreements under Direct and Indirect Modalities by Nordic+ donor**

	Total	CAN (5)	FIN (4)	IRE (2)	NOR (6)	SWE (5)	UK (4)
<b>Unilateral Direct</b>		92	48	22	52	18	14
<b>Joint Direct</b>		2	4	4	16	9	3
<b>TOTAL DIRECT</b>	<b>284</b>	94	52	26	68	27	17
<b>Unilateral Indirect</b>		15	3	3	12	24	2
<b>Joint Indirect</b>		0	4	5	13	9	12
<b>TOTAL INDIRECT</b>	<b>102</b>	15	7	8	25	33	14

1) Numbers of donors that are represented in data material in parentheses.

2) Some of the same agreements may be counted several times under the joint modality.

**Table 5.5: Agreements under Direct and Indirect Modalities per Country**

	BGD (4)	ETH (6)	GUA (4)	TAN(6)	ZAM(4)	ZIM (2)
<b>Direct</b>	56	68	76	33	26	26
<b>Indirect</b>	8	17	22	24	19	11

1) Numbers of donors that are represented in data material per country in parentheses.

### ***Main findings:***

Sweden is the only donor that handles more agreements using an intermediary than through direct support to separate CSOs. This is partly explained by the special Swedish modality of partnering with Specialised Umbrella Organisations discussed below.



Nearly half of UK funded agreements are with intermediaries, and the UK is notable for the number of different *types* of intermediaries it contracts in the different countries.

Tanzania and Zambia have the highest share of indirect agreements, representing about 40% of the total number of agreements reported in this study. Bangladesh, Ethiopia and Guatemala have the lowest shares, with indirect agreements being only between 10% and 20% of the totals.

### 5.2.1 Examples of intermediary modalities in country studies

In Ethiopia, Norway and Sweden have developed their own models for how to channel funding through the *unilateral* indirect core support modality where the intermediaries are *INGOs or national CSOs*:

- The Swedish modality is based on Specialised Umbrella Organisations (SUO), selected through a competitive bidding where Sida has indicated the thematic areas. Once selected, the SUOs get training for the task as intermediaries. The SUOs call for proposals from CSOs, called Sub Grantees (SGs), and manage the support to these. Sida supports the SUOs through close dialogue and guidance, and provides funding for capacity building for both the SUOs and the SGs. Sida has regular monthly meetings with all the SUOs. They also make random visits to respective SGs, including project sites. This strengthens both transparency and accountability.
- The Norwegian "Strategic Partner" modality uses Norwegian and Ethiopian NGOs with experience and competence in given fields to be the intermediary for support to CSOs and/or local government within that field. The way these Strategic Partner Organisations work at grassroots level vary. In some cases it is with established CSOs, in other cases with more informal groups of beneficiaries promoted by the Strategic Partner CSO. The Norwegian modality is that the Strategic Partner is fully and ultimately accountable. There is no donor interaction to ensure transparency and accountability beyond this level. The Norwegian Strategic Partnership model is also applied in Zimbabwe.

In Zimbabwe and Guatemala, Sida has established special funds (unilaterally) that are governed by an intermediary *board of "prominent, but independent" members* to support culture and arts (Zimbabwe) and indigenous affairs (Guatemala). In Guatemala, this board is assisted by a private company to manage the selection process. These types of funds assure national appropriation, while also emphasising accountability and independence of the intermediary. In these countries, *private enterprises* are commonly used as intermediary agents, but in different capacities.

- In Guatemala, Norway is supporting CBOs and NGOs through a private enterprise, *Kiej de los Bosques*, whose objective is to open markets for indigenous communities. At the start of the programme, *Kiej* served as a "technical advisor" to one CBO. Later, two other CBOs joined the programme and *Kiej* created a "trust fund" in which the three CBOs joined as full partners. *Kiej* then became an equal partner with all participating CBOs and relegated itself to be a facilitator and technical advisor to the CBOs. In 2007, a new phase of the project started due to the inclusion of 40 new CBOs and the adoption of *Kiej's* model as the National Rural Development Programme coordinated by the National Planning Unit. Now, *Kiej* and the trust fund members provide support to the 40 new participating communities. *Kiej's* experience working with CBOs led to change in

legislation, such as the creation of an alternative Forestry Incentive Programme, and to share its model in order for it to be adopted as a national rural development programme. One of the most important achievements is the influence it exerted over the private sector and to bring in important industries that are now investing in rural CBOs.

- In Zambia, Finland, Norway and the UK jointly supported the 2006 Presidential, Parliamentary and Local Government Elections. They engaged a private firm to channel funds to approximately 20 CSOs. The processes and procedures surrounding the model are rigorous and developed in coordination amongst donors and hence the accountability and transparency is seen as high for this model. The time-use was high in the initial phase as donors spent considerable time coordinating amongst themselves and agreeing on guidelines and procedures for the fund. The intermediary agent also needed to spend time understanding donor expectations and setting up systems and getting the fund operational. CSOs involved in the programme see weaknesses in this approach, however. The model worked well for the donors since it reduced the burden of having to deal with so many applicants and monitor their use of funds. This requires a high degree of impartiality, professionalism and trust on the side of the implementers, however, which some CSOs claim was not present. This could have been addressed if there had been an independent board overseeing the performance of the firm. The degree of outreach and diversity can be affected by this model in both positive and negative directions. A private firm will not have a commitment to the constituency in the way a network or umbrella CSO has, and the funds managers may choose to limit the range of CSOs that receive support. The unit cost to the manager of having a smaller, more homogeneous, physically more proximate "clientele" is lower, so intentions regarding outreach and CSO accessibility to the fund needs to be stated in the contract.

Guatemala and Bangladesh are countries where *the government* is seen as an important partner under the joint intermediary modality:

- Norway supports the Civil Society Programme (PASOC) which is managed by UNDP-Guatemala. This type of support is favoured due to the complexity of topics Norway wishes to focus on. Embassy staff do not have the capacity to manage such an array of topics, number of counterparts, and geographic spread. This joint intermediary support model allows for the technical assistance needed in order for participating CSO to effectively implement their proposed projects. Furthermore, it allows for harmonization among donors. Sweden and Denmark have also contributed to the fund. This modality also allowed the participation of the Guatemalan Government, which as three years ago, through its planning agency, participates in the selection of counterparts and in monitoring and evaluation activities within PASOC. As of 2007, the PASOC programme is supporting 39 CSOs showing a diversity of organizational development, objectives and located across several provinces of the country.

In Bangladesh it is the Asian Development Bank (ADB) and the European Commission (EC) that work more closely with the government under intermediary support modalities:

- The Asian Development Bank (ADB) has a civil society programme that is supported within the 'ADB-Government-NGO Cooperation' framework for action policy. The aim is to promote '*improved conditions for wider and more effective participation in decision-making, including decision making by civil society*' (ADB, 2003, p. vi). ADB supports civil society, in



terms of funding, only through the government so that NGO selection is done by the government. This falls into the support through intermediary model, where the intermediary is the government, both national and local. The focus on cooperation among the ADB, government and NGOs, with emphasis on enhancing transparency and access to information as described in the policy framework, could strengthen CSO engagement with the government.

- The EC supports civil society/'non-state actors' through 'geographic' and 'thematic' budget lines. In geographic budget lines, the EC provides support to CSOs through the government, which acts as an intermediary and contracts CSOs for particular tasks within the government programmes. The 'thematic budget lines' provides funding through competitive call for proposals to all CSOs that consider themselves eligible. The programmes are meant to be demand-driven, with a focus on working with non-state actors and local authorities. The EC's approach relates to both the direct and intermediary models discussed under Nordic+ donors above. However, EC regulations mean that the intermediary organisation, especially if it is a CSO, cannot appraise and offer grants to other CSOs. This is done by the EC through a 'call for proposals' tender process, in order to avoid conflicts of interests. Furthermore, the EC encourages CSOs to create consortia with other CSOs, which themselves are lead by a CSO.
- In Ethiopia, the government partners with the EC and Civil Society representatives to manage the EC Civil Society Fund (not a joint donor fund). The intermediaries of EC-CSF are also selected through competitive bidding. The Fund encourages the bidders to make partnerships for the bids. Once the tender is awarded, the lead CSO together with the partners will manage the funds based upon joint action plans.

In Tanzania, there are a number of well-established joint intermediary models with more complex management arrangements:

- The Foundation for Civil Society (FCS) is a non-profit company, designed and funded by a group of like-minded development partners. Registered in September 2002, the FCS started operations in January 2003. The FCS is operated by a Secretariat and governed by an independent Board and its Council Members. The aim of the FCS is to enable effective CSO engagement in poverty reduction efforts as set out in government policies. The FCS is an intermediary support mechanism that provides grants and capacity building support to CSOs to: (a) Access information and understand policies, laws and their rights, (b) Engage effectively in policy formulation and monitoring on poverty reduction, and (c) Contribute to social development and to constructively hold the government and private sectors to account. Organizations eligible for funding are CSOs, trade unions and media organizations. In order to encourage and support networking among CSOs, the FCS can provide support to Consortia or groups of organisations. In the four years up to February 2007, the FCS provided grants to 735 CSOs amounting to TZS 15 billion. Half of the grants are for small CSOs. According to FCS management, one strength of the Foundation is outreach and access. Although the FCS supports grants in all regions of Tanzania, it prioritizes support to the four areas identified as the poorest regions in the country. The FCS has customized its lending instruments and most of its information materials in both Swahili and English, thus enabling access by non-English speaking Tanzanians. The organization is also designed to function as a demand-driven organization. CSOs must be registered to receive funds from the FCS. However,

recognizing the constraints of small, rural CSOs to afford registration fees and knowledge on how to register, the foundation provides registration grants along with information on registration procedures. Thus far the FCS has funded 230 registration grants. Criteria for support are posted on the FCS website, but can be applied flexibly, to help smaller CSOs. An organizational assessment is part of the grant application. This is based on checking CSOs references instead of a full due diligence. Thus legitimacy within the community and organization's history carries great weight. According to the FCS management, an important lesson learned has been achieving a proper balance between access and CBO financial management capacity. While criteria for support should be flexible to enable fund access by small and/or younger CSOs, a more robust organizational assessment, a simpler due diligence procedure, is necessary to ascertain proper use of funding.

- The Rapid Envelope Fund (RFE) is a Tanzanian grant mechanism that was established in 2002 as an interim grant mechanism to support innovative interventions by CSOs in response to dealing with HIV/Aids in Tanzania. It is managed by *Deloitte & Touche* as grant manager and *Management Sciences for Health* for technical oversight and monitoring and evaluation. The RFE is governed by a Steering Committee of representatives from TACAIDS, the Zanzibar AIDS Commission, and representatives from donor agencies. RFE has been funded by a wide range of donors and the Government. The overhead costs of RFE vary between 12 to 15% of total funding. Since its inception the RFE has conducted seven grant making rounds and has approved over USD 11.2 million of grants for 78 projects. To receive funding through the RFE, proposed projects and activities must be aligned with the National Policy on HIV/Aids and the National Multi-sectoral Strategic Framework. The concept of the RFE application, review and notification process is to provide a quick and efficient service with use of e-mail and a two-stage application process. Currently there is one round per year, in the past there were two rounds per year because there were fewer CSO applications. In order to promote transparency, open rounds and the call for concept letters are published in local and national newspapers, on the radio and via the RFE website. Publicity workshops are conducted in more remote regions in order to explain the application processes involved. At the initial stage, most grants were approved to Dar-based, larger organizations. However, by 2007 RFE has reached all regions of the country apart from Rukwa. According to RFE management, RFE criteria for support were designed for larger organizations (which in the case of Tanzania were urban), while the fund aimed also at reaching out to rural, smaller organizations. RFE management stated that a lesson learned is that close attention should be paid during fund design to ensure coherence between criteria for support and target population. The concept of RFE has proven to be an efficient model as assessed by two of RFE's evaluations, and especially since RFE was conceived as an interim funding mechanism. Nevertheless, RFE management regards that the effectiveness of the model can be improved, and especially since RFE continued to exist far beyond its originally intended lifespan. According to RFE management, a lesson learned is that fund administration within the field of development requires more than strong financial management and appraisal skills and knowledge by the administrator. A good understanding of the needs and context on the ground, experience with development and their actors as well as partnership-building with target populations are highly relevant.

## 5.2.2 *Strengths and Weaknesses of Direct and Indirect Support*

### *Ownership and Strengthening of Civil Society*

The issue of CSO ownership depends more on conditions tied to the support, and on flexibility of the funding arrangements, than on whether it is channelled directly from the embassy or via an intermediary. If the contract of the intermediary is mainly based on rules and regulations connected with financial accountability, and the intermediary does not have much leeway to focus on ultimate outcomes rather than rigid procedures, the direct support model may be more conducive to ownership since the CSO can negotiate directly with the donor, who can be flexible. Many of those interviewed made a connection between the quality of dialogue and the direct support modality, stating that it is important that there is direct dialogue between donor and CSO. At the same time, many CSOs were critical of the dialogue as it is today, saying that it is in fact more of a monologue where the donor sets the agenda. In several countries, CSOs asked for better policy- and strategic discussions between donors and civil society. The Swedish model described above addresses this problem in Ethiopia where nine different ‘Specialised Thematic Umbrella’ organisations (SUOs) are engaged as intermediaries. Sida has monthly meetings with all SUOs as well as visits to the Sub-Grantees and their project sites. Funding is provided for capacity building, both for the SUO and for the Sub-Grantee.

Although it is likely that a national umbrella- or network organisation has better knowledge and also a certain level of accountability towards member CSOs, it has been shown in several countries that the intermediary funds-management role may create new imbalances in civil society. The umbrella CSO may have as its core mandate to work for all members, while at the same time have to choose among them who should get funding. This may contribute to competition and distrust between organisations that in principle should cooperate and build synergies. In Zambia, Finland supports a network organisation “Justice for Widows and Orphans” with seven members. This model is classified as unilateral indirect core, but all organisations are somehow included and benefit from joint organisational strengthening and advocacy campaigns. There are also other examples where support is managed in such a way as to promote “programme thinking” with cooperation and network building, rather than competition between organisations that work towards the same objectives.

Several intermediary CSOs in Ethiopia and Zambia felt that indirect funding to some extent made them “implementing agencies” for the donors, to the detriment of their core mission. They are therefore in favour of including some type of core funding for such intermediary modalities. In Zimbabwe, intermediaries are mostly used for “outsourcing purposes” by each donor unilaterally in order to achieve better outreach and enhanced efficiency in the distribution of funds. This has also been the main argument for donors in Tanzania. “Strengthening of civil society” through non-financial support and capacity building has not been part of these “outsourcing” models. There are also examples, such as the FCS joint fund in Tanzania, where a lot of effort has been put into ensuring that legitimate small-scale organisations gain access to the fund.

The EC in Bangladesh explicitly addresses this potential conflict-of-interest issue by saying that an intermediary organisation, if it is a CSO itself, cannot appraise and offer grants to other CSOs. The EC also promotes CSOs working in consortia with CSOs themselves leading the consortia. In a case where UNDP is intermediary, a local committee has been set

up to approve NGO grants. The local community then owns the grant facility and uses it to award grants to local NGOs for various activities.

The discussion above relates to challenges connected with national CSOs as intermediaries. One unexpected finding was that international NGOs make up the largest number of Intermediary agents. These are mostly engaged under the Unilateral Indirect modality, and generally of the same nationality as the donor. Since the study only includes information on mission-administered funds, this means that the 28 agreements noted in this study are in addition to civil society support through those same NGOs funded from HQ. It is likely that this extensive use of “home-country” INGOs is primarily for donor convenience reasons. To what extent these INGO also strengthen local ownership and development of national civil society in a sustainable manner is worth looking into. This question was not addressed specifically by respondents in the six case country studies, but in a recent review carried out in Tanzania, the relationship between INGOs and national CSOs was looked at more carefully and a number of questions raised (see Box 5.2).

In the end, the “ownership” commitment of donors under the Paris Declaration requires that donors are explicit in their terms when engaging an intermediary, and finds ways to design the support model to ensure focus on this. It is seen that the efficiency and accountability criteria often outweighs the ownership criteria, as many CSOs in this study pointed out.

#### **Box 5.2: INGOs as “Partner-CSOs” or Intermediary Agents**

A recent review of Norwegian CSO support in Tanzania found that local CSOs had very different perspectives on the partnership and power relations between an INGO and national CSOs than did their Northern partners. Local CSOs would often refer to the Norwegian partner NGO as “donor”. Tanzanian organisations did in general not feel that they had enough ownership of the programmes, and that the relationship was fundamentally unequal.

*“The fear of being identified in this report shown by the vast majority of our informants in Tanzania is one illustration of this. Other examples include Tanzanian partners being more accountable to their Norwegian partners than vice versa and only the Norwegian party to any agreement being in a position to take action if the other party broke its terms. [...] Nearly all were anxious that their Norwegian partner might decide to end the partnership unexpectedly or without consultation. [...] This means Norwegian CSOs have enormous influence over agendas, who gets money, and who has the final say in whether a report gets accepted. These dynamics not only affect the relationships between the Norwegian and Tanzanian partners, but also their relationships with communities in Tanzania.”*

In response to the question of what the added-value of the Norwegian CSO as partner was, the Tanzanian CSOs were very clear that the most important factor was the funding. “[...]informants in both Norway and Tanzania suggested that insufficient attention was often paid by Norwegian CSOs as to what the exact nature of this added-value was. There were also concerns expressed as to whether the Norwegian CSOs always had the necessary capacity themselves to ensure this potential was met. In particular blanket uses of terms such as ‘strengthening civil society’, ‘empowerment’ of partners and ‘capacity building’ were sometimes seen by Tanzanian informants as containing an assumption that the Norwegian CSO had abilities and capacities purely as a result of being based in a developed country.”

#### **Harmonisation, Coordination and Reduced Transaction Cost**

Direct funding is conducive to harmonisation between donors to the extent that donors are motivated for this. This mainly implies that they have to put an effort into simplification of procedures and agreement on strategic objectives for civil society support as argued earlier, and this would improve any of the eight support modalities.

In the case of Ethiopia the joint funding /“consortium” has been successful in this regard. This is primarily core/programme funding, but when it comes to indirect funding in

Ethiopia, none of the existing modalities involve systematic donor coordination. In other countries, the indirect modalities are often joint, and therefore automatically entail efforts for harmonisation and coordination as mandates for the intermediaries are drawn up. The donor has increased transaction costs at the outset and with the design of the agreement, but the transaction costs of implementation are then transferred to the intermediary, though paid for by the donor/s – this is in fact the service they are paying for.

### ***Mutual Accountability and Managing for Results***

In several of the country reports it was argued that transparency and accountability are best assured through direct funding of projects. In cases when core funding is provided through the indirect modality, both transparency and accountability may be poorer. But this argument only holds if the donor has the capacity to follow-up and monitor agreements directly, and if the donor has the ability to utilise lessons learned over time to “manage for results”. Often, the unilateral direct project support is short-term, and there is high turn-over of staff at the embassy.

As with the discussion on ownership, the main challenges concerning mutual accountability and managing for results relate to whether focus is primarily on efficiency and financial accountability, or whether the donor manages to assure a focus on downward accountability outcomes at civil society level, where CSOs are allowed to stay accountable to their own constituencies and retain their legitimacy and integrity as representatives of civil society. That is the ultimate test on whether the donor – CSO relationship is “managed for results”.

The example of the RFE from Tanzania above shows how a joint indirect support model may be set up to ensure all aspects of these challenges: there was professional grant management by an accounting firm to ensure financial accountability, technical oversight and M&E by a professional milieu, and a strong Steering Committee. Evaluations show that there was still need for better grassroots knowledge and engagement to ensure results at outcome level.

### ***Outreach and Accessibility***

Diversity will usually be higher through the indirect modality where more funds are given for a much wider range of CSOs and purposes than what may be reached through the direct modality. However, it is up to the donors to ensure that the design of the indirect support modality promotes outreach and accessibility. How to attain these objectives will differ from country to country. In this study it has been seen that the absolute majority of those CSOs that receive funding under any of the support modalities is still the “*Professional CSO based and working out of the capital*”. Few of the interviewees have emphasised or given concrete examples of how they work to ensure diversity.

It has been argued that the unilateral direct model is better suited to promote small scale projects that may lead to innovation through flexibility, dialogue and experimentation. Again, this is a question of programme / mandate design, and not necessarily connected with support modality.



**Table 5.6: Strengths and Weaknesses of Indirect Support Modalities**

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> <li>▪ Can reach more CSOs, can cover larger geographic areas</li> <li>▪ Can channel much larger funds</li> <li>▪ Can provide "economies of scale" that acts as incentive to more donors to join in</li> <li>▪ Wide variety of kinds of intermediaries allows selection/tailoring of most appropriate one to specific circumstances, needs</li> <li>▪ Strong, credible intermediaries with thematic competence can provide systemic strengthening of work in that field by engaging many CSOs</li> <li>▪ Intermediary function can strengthen networking, umbrella activities, mutual learning, capacities</li> <li>▪ Transparency, accountability can be high as objectives and procedural requirements can be defined in systematic and formal manner.</li> <li>▪ Donors can "outsource" much more than they have capacity to manage in-house</li> <li>▪ Transparency in selection and accountability may also be high because the CSOs are closer to the intermediary than they are to donors.</li> <li>▪ If agreements well designed, beneficiary CSOs can help hold intermediary accountable for performance</li> <li>▪ Capacity to offer a compact CSO/NGO programme (Manusher Jonno in Bangladesh - Human Rights and Governance Programme) to enhance capacity of, and opportunities for, poor to demand improved governance and recognition of rights.</li> <li>▪ Detailed responses to CSO proposals that enables incremental improvement</li> <li>▪ Capacity development using tailor-made approaches suitable for different levels of CSOs and phases of projects</li> <li>▪ Institutional strengthening of the intermediary CSO</li> <li>▪ Intermediary can provide platform for national resource mobilisation and dialogue with national and regional bodies – enhanced advocacy power</li> <li>▪ Enhanced potential for donor harmonisation for joint models</li> <li>▪ Can streamline, simplify procedures, reduce total transaction costs per dollar disbursed, focus on strategic reporting to donors</li> </ul>	<ul style="list-style-type: none"> <li>▪ More bureaucracy if CSOs want to relate to donors and have to go via the inter-mediary (though alternative to inter-mediary is usually not direct link to donors)</li> <li>▪ In case of rigid bid systems: not able to reach niche areas. CSOs may adapt to system, rather than keep their original mission</li> <li>▪ Danger of conflict of interest where intermediary is both building own capacity, competing for grants for own activities, and offering grants to others.</li> <li>▪ Intermediary staff can be biased towards certain CSOs/NGOs, risk of nepotism/ 'clientelism' since they are not as independent as donors</li> <li>▪ Non-transparency in governance, when intermediary is INGO</li> <li>▪ Tension may arise between the intermediary and the CSOs they are supposed to serve / represent, since there is a shift in power with the donor funding.</li> <li>▪ Intermediary agent may end up as "implementing agency" for donors to detriment of own core mission</li> </ul>	<ul style="list-style-type: none"> <li>▪ Because relations between donors and intermediary, and intermediary and CSOs, are regulated by contracts or other formal agreements, clear performance criteria can be developed, more sophisticated management systems developed that can address the various "principal-agent", conflict of interest, outreach, transaction costs and other concerns the parties have, to ensure transparency, accountability, effectiveness, local ownership</li> <li>▪ Development of <i>national</i> inter-mediary agents particularly important for stronger national ownership, building of local civil society</li> </ul>

### 5.3 Unilateral versus Joint Support

The trend among Nordic+ donors is to move towards joint models. This is partly to implement the Paris Agenda regarding harmonisation and alignment of support, but also to reduce total transaction costs, in particular those of the donors. The possible effects on CSO ownership, and on diversity and accessibility, were discussed in the previous section where several examples of joint indirect funding were presented. CSOs in general welcome the

increased funding and the reduced transaction costs due to simplification of procedures that joint funding implies, but some raised concerns that joint funding arrangements may lead to some increased costs due to more formal and rigid procedures, and may reduce the diversity of funding sources available.

Joint support is often understood to be joint *intermediary* support (as a pooled fund with a board or joint support to an intermediary CSO). It is therefore interesting to see that the highest number of agreements reported (19) under joint support is the *joint direct core support modality* in Ethiopia, where donors jointly support the same CSO directly. This modality is said to have brought about important harmonisation of donor attitudes and practices vis-à-vis the selected CSO. It also strengthens the donors' shared understanding of how civil society operates in the country, and the dialogue between donors and the CSO is enhanced. The weakness of this model is that it is narrow in scope, both regarding CSOs as well as thematic areas for coordination. The model also has limited potential for outreach, diversity and flexibility. There is only one reporting system, which reduces transaction cost for CSO and donors substantially. Donors in Ethiopia believe that the next step would be to pool funding and thereby bring about even more harmonisation, but they also want to ensure better diversity and flexibility than under the current system.

The second highest number of agreements is *joint indirect core support in Tanzania* (some examples were described above). Tanzania seems to be the country where most efforts have been put into developing joint models with national organisations acting as intermediaries (umbrella CSO, network organisation, private firm, foundation, and basket fund with independent board).

In Guatemala, the tendency is also to use more indirect modalities with pooling of funds. The model they pursue is one of coordination with other donors, harmonize mechanisms for monitoring and evaluation. Danida leads the process of harmonization, where it participates in some joint-intermediary projects together with other like-minded donors in Honduras and Guatemala. Although they see the positive aspects of joint projects/ funding, they also see that the challenge of joint projects is to ensure sustainability of projects. The lesson learned is that it is necessary to identify and strengthen civil society organizations that can serve as facilitators of post-project activities and which can ensure the continuity of results/ benefits of a project.

In Guatemala and Zimbabwe, CSOs raised concerns about the joint modality, arguing that too much coordination and harmonisation limits the scope of CSOs to be funded, since there is a new and reduced 'menu' for CSOs funding. In Zimbabwe there were furthermore examples of CSOs that disagreed with a donor on a particular issue and then had difficulties getting support from other donors, a problem they felt could only increase when donors operate jointly. There were mixed sentiments about the donor-CSO relations in the country. Some CSOs had largely positive things to say about the donor community, in particular the responsiveness to the Zimbabwean economic crisis. Others were less enthusiastic, citing too much donor interference in determining Zimbabwe's development agenda. Almost all CSOs highlighted the fact that there were few forums where donors and CSOs meet and discuss.

Overall, CSOs felt the joint modality could be useful if it was not primarily addressing a donor concern, but had CSO needs clearly in mind. While the donor harmonisation that the joint modality necessarily imposes is good, there needs to be clarity on the objectives of the



pooled funding, and in particular that the issues of *CSO ownership and civil society diversity* are not weakened because of the modality itself.

At the same time, many CSOs recognise that the trend towards more joint funding also opens up possibilities exactly for the broader policy dialogue, since the larger amounts of funds being made available make it even more important for the parties to reach agreement on which results to produce, and why.

**Table 5.7: Strengths and Weaknesses of Joint Support Modalities**

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> <li>▪ Conducive to harmonisation and coordination among donors and alignment with government when relevant</li> <li>▪ Reduced transaction cost once the agreement has been developed and established (high initial cost)</li> <li>▪ Improves mutual accountability since donors approve formal own roles and obligations</li> <li>▪ Requires a high degree of strategic thinking on the part of donors</li> <li>▪ Because of the greater volume of funds, there is potential for greater outreach (geographical coverage)</li> <li>▪ Has a higher impact on national decision making, also because of volume and agreement between donors</li> </ul>	<ul style="list-style-type: none"> <li>▪ It may reduce the number and scope of donor funding sources</li> <li>▪ It may focus more on donor concerns and objectives, and entail donors focusing a lot on internal discussions rather than on CSO dialogue – may easily lead to <i>efficiency</i> concerns</li> <li>▪ The inter-donor focus may lead to concentration on instrument and procedures rather than results and effectiveness issues</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can bring more donors to the table for "best practice" approaches</li> <li>▪ Improve donor performance, "good donorship", through peer pressure by "best practice" donors on new donor entrants</li> </ul>

## 5.4 Summing Up and Conclusions

- The donors provided information on about 400 agreements across the six countries, though one agreement can cover a single small CSO or a major fund for a large number of CSOs. The "unit of analysis" is thus very heterogeneous. The study was not able to get *trend* data, so perceived changes in funding patterns are based on interview information.

### Project versus Programme/Core Support

- About one third of the agreements are for programme funding. This is higher under joint agreements, indicating that donors then are willing to take more risk, or have more information that allows them to accept core funding, or they tend to jointly fund well-known CSOs which then get core funding. The *trend* is towards more core support;
- Average fund for core support is larger than project funding, largely because it finances a wider range of activities, but also because core funding implies a history of trust and hence a development towards increasing financing levels;
- There are differences in project versus core funding across *countries*, where Guatemala stands out as having almost no core funding. There are also major differences across *donors*, where Norway and Sweden use core funding more than the others.
- Project funding permits better targeting by donors, provides direct donor-CSO relations, can provide more resources to particular problems and donor protection if needed;

- CSOs generally prefer core funding as it ensures better ownership, more strategic dialogue with donors, more comprehensive programming and greater flexibility, and seems particularly appropriate for advocacy CSOs;
- Programme funding favours CSOs that have a strong organisation and are trusted by the donors. It is thus probably better at aid effectiveness but weaker on diversity.

### **Direct versus Indirect Support**

- The most important trend in donor support seems to be the move towards more use of intermediary agents (indirect support modality). This increases the potential for outreach, diversity, disbursement, mutual accountability and managing for results as well as donor harmonisation and alignment, because relations can be based on contracts with clear performance/success criteria and management structures that address conflict of interest/"principal-agent" issues. Indirect support further transfers most transaction costs to the intermediary, which reduces the burdens on both donors and CSOs;
- The diversity of intermediary agents allows for tailoring of solution sets to the particular issues at hand, but in general focus should be on intermediaries that are credible to the CSOs rather than address donor concerns. Development of and support to such actors can be a major contribution to the strengthening of civil society (a number of possible "best practice" examples of joint and indirect models are provided in the text). Home country INGOs make up the highest number of intermediary agents chosen by donors, however, and they may not be the best agents for strengthening local civil society.

### **Unilateral versus Joint Support**

- There is a clear trend towards more joint funding, both as a cost-saving measure, but also to strengthen the harmonisation and alignment concerns of the Paris Agenda. In this survey, however, however, more than three-quarters of all the agreements are unilateral;
- Both donors and CSOs see the advantages in terms of reduced transaction costs from the joint modalities. The concerns that CSOs have raised is that the streamlining of the financing may also limit the range and kind of activities and organisations that can access the funds;
- At the same time, since joint funds tend to be much larger, there is an incentive to the donors to ensure that objectives are clear and agreed to. The formal contractual arrangements that joint funding requires can on the one hand be a source of bureaucratic delays and costs, but also provide instruments that can be constructive and clear in laying out the longer-term mutual rights, obligations and aspirations.

### **General**

- The *trend* is clearly towards more *shared* and *strategic* modalities. This requires more and better structured dialogue between the parties, and in particular greater clarity on strategic objectives, and better management instruments that can support these. A major challenge for the immediate future is to develop these dimensions in a more systematic way than seems to be the case today.

## 6 Looking Ahead

The findings in the six country case studies provide material for a number of proposals regarding future donor support to civil society development at the local level.

### 6.1 National Framework Conditions and Civil Society Support

The greatest challenge many CSOs face is the unpredictability of the framework conditions set by the state: the explicit rights and protections accorded under law and regulations. As long as the state either leaves key issues vague, unresolved or as discretionary choices to be made by public officials, CSOs have to make decisions without being able to fully gauge possible consequences of them. This is particularly a problem for CSOs engaged in trying to hold the public sector accountable for decisions and actions, where the ability and right to do so are often areas the state is particularly reluctant to have clear rules on.

Donors are aware of this issue, and the response has generally been to support principles of good governance, UN conventions, and tell governments to respect all international agreements and commitments signed.

- Donors could engage the CSO community more in a dialogue on what CSOs believe are most useful forms of support. The idea by CSOs in several countries of supporting larger "meeting places" or forums, including for government and CS dialogue, could be one way of enabling a more structured dialogue and thus institutionalise such relations.

A particular dimension is the case of authoritarian regimes (such as Zimbabwe currently) where the state resorts to arbitrary use of power to enforce its own solutions. Donor support of CSOs that are struggling to strengthen public sector accountability will tend to create adversarial relations between donors and the state, as well as create potentially complicated – partly cooperative and partly conflicting – relations between donors and CSOs.

- Choice of support modality may matter, since direct (unilateral or joint) support (whether for projects or core activities) may create links between the actors that can be both positive (provides direct cover and support) or negative (leaves CSO open to claims of being "tool" or manipulated by donor, which in turn may be accused of having hidden or subversive agenda).

The transaction costs to CSOs of establishing and maintaining themselves as recognised and legitimate actors in society vary considerably from one country to another. The typical costs are related to demands on registration of the organisation and on financial reporting, including on foreign funding. These may add up to considerable time costs, as well as intrusive monitoring of activities and finances.

- Donors can assist CSOs by supporting measures to simplify, streamline and make more transparent the steps necessary for donor financing. The alternative is to support CSO work in this area, such as helping umbrella, network or service CSOs provide easy access information, including perhaps particular support to CSOs that by their nature will have higher than average transaction costs (smaller CSOs working in remote areas, CSOs that have limited own administrative capacity). The choice of support model may not be as important as concrete assistance to actors that are able to provide this access assistance.

Differences in state aid dependency do not appear significant for choice of support modality, though more joint and indirect models tend to be used more in those countries that receive a lot of aid. This does not seem to be so much as a response to the aid dependency as the more pragmatic search for rationalization of high administrative costs when aid funds grow.

Regarding fragile and post-conflict situations (see section 4.1), the principles that the donors have agreed to through DAC for engagement in these situations seem valid not just for state-to-state assistance but perhaps even more for support to civil society. Actual donor practice, however, seems to be one of short-term opportunism rather than longer-term building of civil society capacity, thus perhaps undermining the development of stronger democracies emerging from difficult circumstances.

- Donors should apply the DAC Principles for Engagement in Fragile States and Circumstances across the board of their assistance, and in particular see how this should change their approach to civil society support.

## 6.2 Donor Framework Conditions and Civil Society Support

The data presented in chapter 5 indicate that there is greater difference across Nordic+ donors than across country circumstances when it comes to choice of support modality. The *trend*, however, is towards finding more harmonised models for CS support. These findings support the more general observation that donors have considerable freedom to choose how they want to act in a given environment – they are not highly dependent on country circumstances. This is the reason for the Mutual Accountability principle of the Paris Agenda – to also make donors accountable to their local partners for how they interact and perform. But living up to the Mutual Accountability principle requires political commitment from donor head offices, because it means that individual donor decisions will be constrained. Yet this is the direction the Nordic+ donors have agreed to.

The picture regarding Nordic+ collaboration is not consistent: it is stronger in some countries than in others. Among the factors that seem to play a role are the size of the overall programme and the CS portfolio, and perhaps in particular the extent to which collaborative or joint mechanisms are used in other parts of the development cooperation, such as GBS or SWAPs/PBAs. The reason for this is that the establishment of such collaborative mechanisms is quite labour- and learning-intensive, both within the individual donor agency, but also across agencies: there are coordination mechanisms that need to be negotiated and agreed to, discussions with national authorities on joint forums, financial and performance standards etc. The experience is that it may take years before a GBS or SWAP/PBA is truly in place. While civil society coordination and harmonisation is generally less complex, it is still a time-intensive exercise, particularly for smaller mission offices. Being able to build on "lessons learned" from state-to-state GBS/PBAs is an advantage. This has been exploited when it is possible to link CSO support to larger sector programmes (SWAPs), as seen in several countries with regards to HIV/Aids programmes, and health and education sectors.

Among the Nordic+ donors, the interest in implementing the Paris Aid Effectiveness agenda also in the sphere of CSO support thus seems to be variable though increasing. But it is not

clear if this has led to transferring a larger proportion of overall CSO funding to the field, since this study did not look at this issue<sup>8</sup>.

- Donors should take a look at overall funding for civil society development, including HQs' funding of own-country INGOs, to identify trends regarding (i) field based funding as share of overall civil society financing, and (ii) the degree to which the Aid Effectiveness agenda really is being encouraged by HQ and pursued in the field.

The trend of pushing more responsibility to the field seems overall to have led to a shift of staff from HQ to the field. At the same time, the pressures to enhance efficiency have led to overall cutbacks in staffing levels in relation to funds disbursed. This is again in line with the Paris Agenda, where it is assumed that increased national ownership and leadership means a reduced donor role. But virtually all embassy staff complained of insufficient time to manage the support to civil society. However, what a number of embassy staff also noted was that they now have a wider range of support modalities available, so that they are able to make a choice. While imposed staff reductions force them to rationalise CSO relations as much as possible, it still is up to them to decide how to use staff resources available. This is reflected in the fact that virtually all embassies use more than one support modality. Embassy staff seem increasingly aware of the need to make an assessment of how to balance the conflicting demands on their time.

But one result of less time for CSOs seems to be a reduction in the knowledge about the CSO community and its concerns. The fairly unanimous comment by CSOs that embassies are not well informed is rather striking.

There are some differences across partner countries. In Zimbabwe, donors have established a number of direct relations, in part because they want CSOs as informants, in part in lieu of direct contact with public officials when they are providing support to sector tasks that are channelled through CSOs. In Guatemala, the number of direct relations is also very high, with virtually no joint activities at all. In Ethiopia, Zambia and Tanzania, which are more typical aid-dependent countries, the share of joint activities is much higher, as it is in Bangladesh.

It is perhaps Guatemala which is the most difficult to understand. On the one hand this is a middle-income country where both civil society and parts of public sector governance are well developed, and where it would be logical to expect the local partners to organise and take on much more of the work<sup>9</sup>. Furthermore, there is a lot of support to indigenous CSOs as a group, so there ought to be a lot of common ground among donors and CSOs. The

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<sup>8</sup> This is in fact an important question, since it makes a big difference if there is a trend towards more harmonised modalities but of an insignificant share of total CSO resources, as may be the case of for example Norway's support, where most CSO support is channelled through Norwegian INGOs. It is also not known to what extent home country INGOs themselves are engaged in increased harmonisation and coordination in the field, which is the other dimension that deserves looking into.

<sup>9</sup> One argument raised is that corruption in Guatemala has made donors follow the funds more closely. But this can hardly be a valid reason. The 2006 "Corruption Perceptions Index" by Transparency International shows that all six study countries are considered quite corrupt, but Guatemala is not among the worst. Of 163 countries on the list, Bangladesh is ranked 156, Zimbabwe and Ethiopia are both ranked 130, and Guatemala shares the 111th place with Zambia. Only Tanzania is better, listed as 93rd on the list.



answer may lie in the lack of experiences with more joint modalities, since Nicaragua, for example, is the only country in the region that has any experience with GBS<sup>10</sup>. The recent establishment of a Guatemalan indigenous fund that is locally managed may be a step in the direction of more and better structured joint initiatives (see the Guatemala Country study).

Another answer given by some informants is that donors have a number of objectives for their support. In a situation of smaller programmes, the best way to address this variation in objectives is by having a number of different projects. It is difficult, from the material available to the team, to judge to what extent such fragmentation is in fact taking place.

The wider variety of support modalities has opened up space for more experimentation and finding better responses in different situations. But there is room for improvement through more strategic and joint reviews to identify the most appropriate support under different circumstances. This common approach is necessary if donors want to help local CSOs use common systems and procedures.

- Donors should, in each partner country, map out the support modalities used, to see if inter-donor and donor-CSO relations can be simplified through streamlining procedures, systems and instruments. They should in particular look at ways of developing joint or indirect modalities, where up-front learning costs may be high, that keeps total costs to the partners low and the "lessons learned" as transparent and accessible as possible (structured programme focused on particular objectives, designated "lead actors" on both sides, agreed-upon meeting points in the process, reporting procedures, how to invite in new potential partners, etc).

## 6.3 Principles for Civil Society Support

Donors have spent considerable time establishing "best practice" approaches for state-to-state cooperation. These can serve as a starting point for a review of similar principles for civil society support, though with some modifications.

There are three sets of principles that might be useful for such a review: (i) the Paris Aid Effectiveness Agenda, (ii) the OECD-DAC Principles for Engagement in Fragile States and Situations, and (iii) the "good donorship" (GD) principles recently suggested in a study done for the donor community in Tanzania, and referred to in section which is quoted in the Tanzania study (see table 6.1).

### 6.3.1 Aid Effectiveness and Civil Society Support

The key sets of principles that the Nordic+ donors are trying to apply to their civil society funding, is the Paris Agenda, with the five principles referred to in section 3.2 and summarised in the table above. But other principles may be equally important – and equally cumbersome when applied in practice. Some observations:

**Local Ownership** appears as non-controversial, and is the first principle in both the Paris Agenda and "GD". One of the lessons from General Budget Support, however, is that this

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<sup>10</sup> This experience has not been very positive for the donors. The "Joint Evaluation of General Budget Support 1994-2004", funded by 14 donors that looked at eight countries in-depth, including Nicaragua, took nearly two years to finish (early 2006), and gave Nicaragua a fairly poor rating in terms of performance.

principle needs to be linked with clear performance accountability. There is a danger of CSO rent-seeking when accessing donor funds, and using "ownership" as an excuse for not delivering on results. In the field of GBS, the partners developed the Public Expenditure and Financial Accountability (PEFA) framework for monitoring resource management and first-level Outputs (see [www.pefa.org](http://www.pefa.org)). Similar demands for CSO financial and performance accountability might be useful.

**Table 6.1: Principles for Donor Support to Civil Society**

Paris Agenda	Fragile States	"Good Donorship"
<ol style="list-style-type: none"> <li><b>Ownership:</b> Partner countries exercise effective leadership over their development policies and strategies, and coordinate development actions</li> <li><b>Alignment:</b> Donors base their overall support on partner countries' national development strategies, institutions and procedures;</li> <li><b>Harmonisation:</b> Donors' actions are more harmonised, transparent and collectively effective;</li> <li><b>Managing for Results:</b> Managing resources and improving decision-making for results;</li> <li><b>Mutual Accountability:</b> Donors and partners are accountable for development results.</li> </ol>	<ol style="list-style-type: none"> <li>Take context as the starting point;</li> <li>Do no harm;</li> <li>Focus on state-building as the central objective;</li> <li>Prioritise prevention;</li> <li>Recognise the links between political, security and development objectives;</li> <li>Promote non-discrimination as a basis for inclusive and stable societies;</li> <li>Align with local priorities in different ways in different contexts;</li> <li>Agree on practical coordination mechanisms between international actors;</li> <li>Act fast ... but stay engaged long enough to give success a chance;</li> <li>Avoid pockets of exclusion.</li> </ol>	<ol style="list-style-type: none"> <li>Adopting a changed mindset with ambition to enhance ownership and align to the systems and procedures of the CSOs and not vice versa;</li> <li>Encourage diversity of funding strategies;</li> <li>Mainstream civil society support;</li> <li>Apply a rights-based approach;</li> <li>Prioritize strategic partnerships for direct funding;</li> <li>Engage in long-term commitment;</li> <li>Move towards core funding;</li> <li>Recognize the strategic plan, budget and a joint report as the main steering documents;</li> <li>Support institutional capacity building;</li> <li>Encourage innovation, result orientation and learning;</li> <li>Take care of the relations;</li> <li>Make support through INGOs visible;</li> <li>Respect the roles of different actors.</li> </ol>

*Alignment* is also not straight-forward, as noted earlier, when it comes to CSO support. There may be understandable and legitimate conflicts among CSOs (Guatemala), and between CSOs and the state (Zimbabwe, others), so the Alignment principle may come into conflict with the Diversity concern. This issue the donor community will have to discuss in the given country context to find what are useful and workable approaches.

*Long-term Commitment* is seen as important, but this makes the need for clearer Objectives for civil society support even more important. What are the expected results from this long-term commitment, and thus with which kinds of actors does the international community wish to engage for such a long period of time?

There are questions that can be raised in connection with some of the other principles stated above as well.

- The principles that the international community are using for state-to-state cooperation constitute a useful starting point for a dialogue between donors and the CSO community, but must be adjusted for the particular circumstances in that country.

The international community has agreed to a set of indicators to track performance against the Paris Agenda, to see if Aid Effectiveness is in fact improving. A secretariat has been



established to monitor and evaluate progress, and an international meeting for discussing results has been set for September 2008 in Accra, Ghana. One lesson learned is referred to in section 6.4.1 on Fiduciary Risk: a good monitoring system must be in place if progress is to be tracked (see footnote 12). The experience is that actors are much more likely to make serious commitments if they know for certain that their results will be noted.

The discussions at Accra will not only be on the progress of the Paris Agenda indicators, however, as donors, partner governments, and northern and southern CSOs have come together to look more generally at the Paris Declaration, and in particular the role and concerns of civil society in this context. The discussions will thus encompass wider concerns about aid effectiveness, relevance, and ownership.

- Donors should look more critically and comprehensively at issues of Aid Effectiveness, including how the issues are seen by local CSOs, and also review the support that is channelled through home-country INGOs.

### **6.3.2 Improving Diversity: Outreach and Accessibility**

Regarding diversity, there is little in the way of operational definitions. No country study was able to identify any agreed-upon terminology or joint understanding, much less clearly stated objectives and monitorable indicators related to Diversity, or what are possible operational dimensions, Outreach and Accessibility. There does not seem to be any joint tracking of performance. The "good donorship" principles in Tanzania may constitute a first effort at a specification of civil society support, but addresses process dimensions, not actual end-state objectives. Yet without greater clarity on what the donor community in particular wants or expects, it becomes difficult to see if statements regarding support to "a vibrant, pluralistic and democratic civil society" have a content that can allow for better use of resources to achieve this.

The task is a formidable one, and the CSO community has already done a considerable amount of work in this field to make their ideas and priorities clearer. But further work is required if this is going to produce more tangible results. This should continue to be a two-level process – one that is country-specific, and a more international one that can track, support and extract "lessons learned" from the various country efforts and feed back to country teams. But the diversity of country-situations for civil society support is such that most of the work will have to be done at country level.

Concerning Outreach, this can be specified in terms of geographic regions, types of organisations, beneficiary or stakeholder groups to be reached (age, ethnic, gender, social group or caste, activity,...), number of organisations reached, various ways of assessing the sharing of resources going to different target groups, etc. Outreach can be measured for each agreement separately, but is more important at the level of the overall *portfolio* of civil society support (each agreement by itself can have very little outreach beyond its own specified target group, but the *programme* of agreements can together represent a very good Outreach profile). An overarching picture of donor – or at least Nordic+ support – to CSOs is therefore useful if a more meaningful tracking of Outreach is to be attained.

The Accessibility dimension is better tracked through a combination of (i) monitoring key transaction costs, especially for CSOs, and (ii) perceptions surveys of the CSO community. One way of going about this would be to first get an overview of the CSO universe in a

country. In some countries, it was found that the EU does mapping exercises as part of its preparatory work. Where this is not done, or turns out to be too old or inadequate along important dimensions, the Nordic+ should support one directly. Based on this, a baseline survey of what CSOs experience to be the critical access and other transaction costs should be carried out. A simple annual monitoring system for tracking changes to key transaction cost parameters can then be established, with feed-back to an annual joint event for discussion on how to improve performance.

The "mutual accountability" dimension of the Paris Agenda should be an important component of the dialogue, because while donors need to become more transparent as perceived by the CSOs, many CSOs also have to become more professional in how they are run and provide insights into their achievements. Such a joint performance dialogue can also be highly useful for structuring better organised support to CSO capacity development. This is an area where many donors and CSOs see a great need, but where there seemed to be few ideas in terms of how to go about this at the overall national level. Linking at least some part of a capacity building programme to a transaction cost reduction objective – and its related indicators, targets and success criteria – could be useful to both parties.

- Donors and CSO partners should attempt a more operational specification of the objectives for civil society support. This should be the basis for strengthening mutual accountability on resource *allocations* by the donors and resource *use* by CSOs;
- Donors and CSOs should consider a pilot in one or two countries, setting up a performance monitoring system by developing Outreach and Accessibility dimensions; establishing a baseline and annual tracking measures with performance targets, and reporting and feed-back procedures; and a dissemination strategy to ensure that other countries that might want to initiate similar processes can access the lessons learned;
- Donors and CSOs should agree on the appropriate role/s for national (and other relevant) authorities within such a learning and quality assurance system.

While donors have provided support to civil society actors for many years, the tracking of results is still embryonic. Some CSOs have expressed concern about too much focus on measurement of achievements – that this is already taking a large share of scarce management resources, but also can become a means for donors (and also authorities) to influence, control and manage civil society dynamics.

This is a legitimate concern, and one that needs to be seriously looked into. But there is also a need for the parties to justify the considerable resources being channelled to and through CSOs, and this should be against those objectives for which donors have asked their parliaments for funds, and CSOs themselves have applied for.

## 6.4 Managing Relations and Risk

Donors face a number of different risks when working with civil society in a developing country, where the most important forms can be seen to be financial or fiduciary risk; results risk; structural; and reputational/political. The support models handle these risks differently.

### 6.4.1 Fiduciary Risk

The most commonly noted risk is the **financial or fiduciary** risk of handing over donor funds to organisations that have weaker administrative and financial management

capacities, and whose legal status may make it difficult to re-claim funds that are lost or mis-spent. This risk is higher in countries that are notorious for corruption (see footnote 9), or where legal systems are poor and thus the ability to ensure redress through the courts are too expensive, too slow or too cumbersome to make this a viable avenue. The donor community has worked a lot on the issues of fiduciary risk in connection with GBS and SWAPs/PBAs to the public sector, so the issue is well known and a number of analytical tools have been developed to capture the risk<sup>11</sup>.

In the **direct support modality** the donor takes on much of the fiduciary risk by being responsible for some of the oversight functions, providing disbursements, approving accounts and audits, and in general taking on quality assurance and follow-up functions through direct interaction with the partner CSO.

When using an **intermediary**, the donor is reducing the direct responsibilities by handing over most of the oversight functions to the intermediary. The choice of intermediary thus becomes important, because the donor will normally only have recourse to the intermediary and not to the CSO to whom the intermediary has on-lent or transmitted the resources. If funds are mis-spent by the CSO, it is the intermediary that has the contract with the CSO and who is normally under obligation to do whatever is possible to recover lost monies. Donors need therefore to assess the CSO's financial solidity, credit history, the administrative and legal capacity to recover funds lost – in short, donors ought to carry out a "due diligence" review of any intermediary to reduce its own risk exposure. The extent to which donors actually carry out such reviews varies. The English-speaking countries can be quite tough in this respect while the Nordic countries are perceived as being reluctant in applying strict measures. Nordic donors in particular are probably assuming more fiduciary risk than they are aware of: they have not done their "homework" on the intermediary, so if anything goes wrong they may not have the instruments to handle the situation properly.

In the **joint support model**, donors are addressing risk both by sharing it, and by "ring fencing" it through the rules and structures that are set up for managing funds and thus the fiduciary risk. The quality of the rules and procedures, the degree of arms-length dealings when it comes to financial decision making and oversight, the independence of the various decision making and control bodies all have a bearing on the levels and forms of risk that the donors run. In principle there are known methods for reducing the risk by making the joint support model more professional and risk-averse. This at the same time tends to make the overall set-up more bureaucratic, slow, typically directing funding to "safer" and thus perhaps less innovative CSOs, less to rural and small-scale CSOs, etc. That is, there are often

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<sup>11</sup> The greatest fiduciary risk is in connection with General Budget Support, both because the amounts of funding involved are so great, but also because the donors' ability to track use of funds and the results from the funds are so indirect and are totally reliant on the use of the host country's own public finance management (PFM) systems. This led to a carefully crafted set of analytical tools in the form of the Public Expenditure and Financial Accountability (PEFA) indicator set. This is used by the partners to assess the quality and solidity of a country's PFM. PEFA reviews are now becoming annual joint exercises in a number of countries, and it is expected that by the end of 2007, around 80 countries will have done a first PEFA review, establishing a country's baseline with regards to PFM. – The lessons from the PEFA system coupled with more traditional "due diligence" analyses could be a useful starting point for agreeing to a "PEFA-lite" check list for different kinds of CSOs/NGOs, for example as a function of the role the CSO is to play.

trade-offs between reducing risk, increasing transaction costs, and focusing funding on fewer and often more centrally located CSOs.

The use of an intermediary may be the riskiest modality because the donor is dependent on how the intermediary handles risk internally. Most donors are not good at "due diligence" assessments and thus do not make a professional review of likely problem areas and probabilities of failure. Often decisions are made based on personal relations, trust and immediate history of the intermediary, which may expose the donor to considerable risk given the often high turn-over of key staff on both sides of the table.

#### **6.4.2 Results Risk**

**Project or results risk** arises when the implementing body is not able to fulfil its legal obligations, even when it wants to. This might be due to lack of capacity – which could worsen due to issues such as loss of skills because of "brain drain" or HIV/Aids – or lack of realism when planning so that insufficient resources were set aside to ensure timely implementation within budget constraints. It may be due to more pernicious factors such as intentional misrepresentation, or that an organisation has taken on too many tasks. This latter is to be expected in an environment where CSOs have to compete for tasks, where there is therefore considerable uncertainty regarding the probability of receiving the funds requested or winning the project contract, leading CSOs to enter several competitions simultaneously and suddenly ending up with more tasks than expected.

In the **direct support model**, one easily gets a client-patron relation, where the CSO is highly dependent on the direct funding and thus vulnerable to shifts in donor priorities or individual caprice on the side of the donor desk officer. The reverse picture holds for the donor – that it becomes dependent on the performance of the CSOs it has selected for its funding, potentially "putting all its eggs in one basket". The decision to break relations with a CSO for failure to deliver provides a dilemma for the donor, which is under pressure to deliver results against annual allocations, and thus suddenly may find itself having to find a new implementing partner who can take up activities at short notice. The "best ones" may already have sufficient funding from other donors, leaving the donor with a major disbursement and results problem.

In the **intermediary model**, it is the intermediary that is responsible for ensuring that activities are on track and results being produced as expected. If the network of underlying CSOs is large and supervision good, the results risk can be minimized. This then becomes a "portfolio management" issue, something that in principle actors can address. In reality, intermediaries are not selected based on their risk management skills, and the issue is a lot more complex since the criteria for selecting CSOs for funding seldom have this "portfolio balance" concern (though in some cases, like HIV/Aids, a geographic and skills-spread may in fact be a deliberate strategy).

The **joint funding** model may take a more professional risk management approach through the rules of procedure that are established – though once again reality is usually that it is other considerations that dominate.

The direct support model may be the riskiest one in this respect because the vulnerability to own-selected and very few relations is high. The other two models can in principle distribute this form of risk better through active management of the "CSO portfolio" (though

this is seldom the way CSO funding is managed). It can also be handled through the selection of the funds manager, making a point of the manager developing a risk management approach or having this kind of experience. The bottom line is that donors can use known approaches for assessing and reducing this form of risk – if this is seen as important enough and the donors are willing to spend the funds required to do this properly.

### 6.4.3 Structural Risk

**Structural risk** is a function of how the relations between the actors are organised (including the "principal-agent" problem). One form is the possible role conflicts intermediary CSOs might find themselves in when taking on the management task in addition to their own core mandate. The most obvious case of this form of risk would be if the CSO is not just an umbrella organisation but might itself be an implementer and is given the intermediary role exactly because it is *primus inter pares*. The objectivity in the allocation mechanism would be an issue. The problem may be down to individuals, who are both sitting on allocation bodies but also have a personal interest in assuring funding to particular potential partners, for such benign reasons as having worked in that organisation before, or having an interest in what that particular organisation does, or the region where that organisation works.

In the **direct support model**, the patron-client structure noted above means that both parties are vulnerable to changes in priorities and performance by the other. The risk to the CSO is particularly great, since it may become so dependent on the donor that it changes its own priorities to accommodate donor concerns – and in the process then likely undermining the objective that the donor community at least formally is in favour of, namely diversity and a strong and vibrant civil society. Instead, one runs the risk of getting compliant implementers of donor priorities.

The potential for conflicts of interest arise as soon as there is a body that is to intermediate the concerns of two different parties – the donors and the CSOs. There is necessarily a tension between the two sets of actors since there is never perfect overlap in priorities, approaches etc. There are therefore selection, quality assurance, reporting dimensions that must be addressed. The biases in the execution of these responsibilities are often a result of different forms and levels of conflict of interest, simply because the intermediary has an interest in having good relations with both parties, and both parties have ways of rewarding and punishing. A particular problem the funds manager will face, whether intermediary or joint support based, is the structural issue of "asymmetric information": the manager will always have less information about the CSOs than the CSOs themselves have, and will therefore have problems being "objective" both in assessing the individual CSOs, but even more in comparing them, because the manager will not know how much more s/he knows about one CSO compared with the information level s/he has on another. The same problem arises with the donors, where the manager will not know what it is s/he does not know about donor concerns and priorities! This imperfect information situation is always a dilemma for a decision maker, and is well-known from other walks of life. In a development context, where information to begin with tends to be poor and costly to access, this becomes a particularly difficult issue.

This issue can be addressed through how the information management system is designed and handled, through the transparency and accountability of decision making, and



possibilities for requesting redress if a decision is seen to be biased. Again, these professional organisational management aspects are often far removed from the reality on the ground, though the tendency is towards one of improvements. The point is once again that there are in fact ways of handling this risk, so it is up to donors to decide how much is to be invested to address it. The different support models are vulnerable to different aspects, where incomplete information is the least in the direct support model but where the vulnerability to the distorting effect of the patron-client relation is the greatest.

#### 6.4.4 *Reputational/Political Risk*

Finally, donors may be running **reputational and political risk** exactly because they are supporting CSOs. In some cases this risk is calculated, when donors support funding to advocacy groups that are in opposition to the authorities on issues like human rights, good governance etc. In other cases, a donor's "reputation" may be affected by the fact that certain CSOs receive funding due to the structure of the relations: the donor is often not directly involved in deciding which CSO is allocated monies, but will be tainted by any problem that may arise from that particular CSO handling donor funds.

The **direct support model** provides both the greatest exposure to risk and the most immediate means of handling it. The donor takes on this risk and handles it directly often as a deliberate policy, for example because it wants to champion certain issues like human rights or gender rights, and thus will provide "political cover" to the CSOs in question and hence runs the reputational risk that goes with it.

In the intermediary and joint support models the donor is one step removed from the direct fall-out of any mis-performance, but at the same time has handed over selection decisions to others along with the funding and hence will be held accountable for this. This risk is thus somewhat removed, and is further a function of how professional the funds manager is when problems arise.

Overall, donors seem quite comfortable with the kinds of reputational and political risks they run, as the selection of the fields they are supporting will pretty much define the level and forms of risk they might become exposed to. The risks arising from corruption and other forms of direct mismanagement are limited since the funds involved in the individual cases tend to be small, and negative fall-out can thus be contained or pushed back onto others.

### 6.5 Looking to the Future

The decisions by Nordic+ donors coupled with the actual trends seen all point towards more use of *joint and indirect* support modalities, and also a move from project funding to core or programme aid. These trends are in line with the general shifts in bilateral aid and the Paris Agenda, with focus on strategic management, and concerns for more local ownership and building of capacities for planning, implementing and reporting on results.

Donors believe there are two other trends underway. The first is for an increase in civil society financing. The other is that more of this funding will be decentralised to the field. This study does not have data on either of these dimensions, but the claims appear to be reasonable. This means that embassies and field offices can expect to see an increase in funding that must be managed locally, and with staff increases being lower than funding increases. This will increase the need for strategic thinking and instruments. Dimensions that have been raised in this connection include the following:

- *There must be clarity on what the strategic objectives are:* While the Paris Agenda and other aid effectiveness principles may be appropriate, they say nothing about what the parties wish to achieve in terms of societal development. There is thus still a need to agree on substance issues on the key development challenges in each country: poverty reduction, gender equity, environmental sustainability, rights-based approach to development, the nature and roles of civil society, etc;
- *There is a strong need for more and better dialogue between donors and civil society:* This point has been made before but merits mention again: as funding increases and civil society itself grows and presumably diversifies, both donors and CSOs need to find structured arenas for discussing and settling policy options, objectives and performance criteria;
- *Donors need to distinguish better support to versus through civil society.* While donors often are clear on what they would like CSOs to do in a given sector, the strengthening of civil society as such is more problematic and requires a longer-term willingness to engage, which CSOs often feel is lacking;
- *Northern NGOs are not unproblematic:* A number of recent studies point to northern NGOs themselves often being seen as closer to the donors and donor agendas than to the needs and agendas of their southern counterparts. In some cases, INGOs are in fact donors that have mobilised considerable resources on their own, and need to provide results reporting to their funders. This is a multi-dimensional and complex relational issue that needs to be addressed by the parties involved: donors, INGOs, and CSOs;
- *Choice of Intermediary is a strategic issue:* The trend of using intermediaries more will undoubtedly continue, as it becomes necessary to professionalize the management of CSOs resources while also pushing direct transaction costs onto parties that are better able to manage them. The wide range of intermediary agents that have been used in different settings point to challenges when selecting one, however, since they have different strengths and weaknesses. Table 6.2 lists some of the key concerns, where an overriding concern needs to be *contract development and monitoring, addressing possible conflict of interest issues*.
- *Accountability* needs to be addressed better, and in particular how to ensure and strengthen CSOs' accountability to own constituencies, and that of intermediaries to the CSOs eligible for the funding they manage. *Downward accountability and democratic control* is perceived as a real challenge by many CSOs, since larger donor funds entail more financial and performance reporting *upwards* to the funding agencies.



Table 6.2: Strengths and Weaknesses of Different Intermediaries

	Strengths	Weaknesses	Opportunities
Donor country NGO (INGO)	<ul style="list-style-type: none"> <li>• Good knowledge of donor procedures</li> <li>• Its performance is well known to donors</li> <li>• Usually professional admin, accounting, audits, reports</li> <li>• Sees often its role as support to local CSOs</li> </ul>	<ul style="list-style-type: none"> <li>• Not locally anchored or "owned"</li> <li>• May respond more to donors than to CSOs</li> <li>• More concerned with size of contracts</li> <li>• Local presence part of its own international strategy rather than a demand by local CSOs for its support</li> <li>• Donor may have selected it for "lazy" reasons: it is already known to the embassy, agency HQ</li> <li>• They are often seen as a "donor" rather than a partner, so the "partnership ideal" is not realised</li> <li>• May become another administrative level, leading to more rather than less bureaucracy</li> <li>• Many INGOs themselves do not have good results management – more known for "idealism" and "code of conduct" values.</li> <li>• Another layer not conducive to learning in the local communities (foreign actor in charge)</li> </ul>	<ul style="list-style-type: none"> <li>• If role properly defined, can be professional, equitable in managing outreach and funds allocation issues</li> <li>• If role properly defined, INGOs have the possibility of building their own capacities to provide capacity development support programs to local CSOs</li> </ul>
Umbrella CSO (1)	<ul style="list-style-type: none"> <li>• Knows the sector well</li> <li>• Has "mandate" from the other CSOs to represent them</li> <li>• Can provide "quality assurance" assessments of individual CSOs</li> <li>• Can extend outreach easily (?)</li> </ul>	<ul style="list-style-type: none"> <li>• May not be a professional manager or administrator</li> <li>• May not be set up to handle distribution and oversight functions regarding funding to others</li> <li>• May have core business that is not compatible with intermediary role</li> <li>• May also be a user of the funds, competing for own managed funds, thus losing legitimacy and neutrality in fund distribution.</li> <li>• May skew power relations in civil society</li> <li>• Frictions and distrust may be created because of the money / power issue</li> <li>• May lead to development of "elite" CSOs and positions – "donor darlings"</li> </ul>	<ul style="list-style-type: none"> <li>• If high credibility among its sister CSOs, or a membership based umbrella CSO, can play strong dialogue mediation role, can set up systems and procedures that are driven from below/the CSOs themselves, can strongly present CSO perspective vis-à-vis the donors</li> <li>• Can agree with the CSOs on the criteria for allocating resources, judging performance.</li> <li>• If the Umbrella CSO has legitimacy and is able to ensure CS ownership, support through this intermediary may be the most effective way of strengthening civil society directly</li> </ul>

	<b>Strengths.</b>	<b>Weaknesses</b>	<b>Opportunities</b>
Service CSO (2)	<ul style="list-style-type: none"> <li>Professional managers or administrators</li> <li>Set up to service CSOs directly, so this is "core business"</li> <li>Can be set up directly to serve as funds manager and thus focus on this</li> <li>Often seen by CSOs as impartial in funding distribution</li> </ul>	<ul style="list-style-type: none"> <li>May not fully understand the specific issues of the fields CSOs are engaged in</li> <li>May be too close to donors, not close enough to CSOs – depends on how the service CSO is structured</li> <li>May be too concerned with rules and formal reports rather than contents and impact</li> </ul>	<ul style="list-style-type: none"> <li>Since the intermediary task is likely to be core business, it should be easy to find clear performance criteria for contracts payments</li> <li>Has flexibility and incentives to go out and hire best available skills to do job well</li> </ul>
UN agencies	<ul style="list-style-type: none"> <li>Have strong admin, organisational presence and capacity</li> <li>Well known and with high legitimacy (though mixed credibility) among donors</li> <li>Have specialized agencies in many technical fields (Unicef, WHO etc)</li> <li>Leverage with national governments as part of UN which local CSOs may not have</li> <li>Access in principle to international "best practice" knowledge, can promote south-south including regional learning and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Reputation for being bureaucratic, slow, costly</li> <li>Reputation for being too capital bound, too close to national authorities, with support for civil society often mostly rhetorical</li> <li>Agency staff focused on formal procedures and compliance, less knowledge of on-the-ground results</li> <li>International staff rotate too often, not around long enough to pursue longer-term objectives</li> </ul>	<ul style="list-style-type: none"> <li>In high-conflict situations, can provide "shield" and other forms of support to CSOs</li> <li>Have legitimacy to define rights-based approaches to funds allocations and results focus – only actor that can credibly challenge a national government on these matters</li> <li>Have developed more flexible implementation arrangements that allows it to contract management units on performance criteria</li> </ul>
Private firms	<ul style="list-style-type: none"> <li>Highly professional in their field (financial management/ accounts, planning, reporting)</li> <li>Easy to hold accountable for performance through legal contracts, fear of "reputational risk"</li> <li>Large international firms can call upon experience from elsewhere</li> <li>Have flexibility in implementing, can scale up or down quickly, hire right skills</li> <li>Can move quickly, decisively if need be, get critical mass of staff fast to move a process</li> <li>Have particular legitimacy in private sector and related development issues (finance, credits, technology, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Generally distrusted by CSO community</li> <li>Has low legitimacy in dialogue, CSO performance areas</li> <li>Seen as more concerned with own profitability than good results among CSOs</li> <li>Since "bottom line" sensitive, is seen to work to minimize costs at expense of quality, relevance</li> <li>Since can easily be held legally accountable by donors, feared to want to cover its own exposure through exaggerated quality assurance concerns/demands on CSOs.</li> <li>CSO intermediary role never "core business" so will not be top concern if alternative business opportunities come along</li> </ul>	<ul style="list-style-type: none"> <li>Will easily adjust to well-formulated performance contracts that can address perceived particular short-comings</li> <li>Can take on ring-fenced managerial tasks with other intermediary responsibilities handled by other bodies (independent boards, technical advisory groups, consultative forums, etc)</li> </ul>

	Strengths.	Weaknesses	Opportunities
Regional bodies	<ul style="list-style-type: none"> <li>Will have broader regional perspective</li> <li>Has larger international networks for skills, can bring in more "best practice" experiences</li> <li>Can promote cross-border and peer learning</li> <li>Less stake in national inter-CSO conflicts or controversies, can act as "honest and independent broker"</li> </ul>	<ul style="list-style-type: none"> <li>Intermediary role typically not "core business"</li> <li>Less national anchoring means less direct concerns about performance, less knowledge about particular national circumstances</li> <li>May have limited CSO credibility – often seen as too academic, theoretical, general</li> <li>Regional bodies tend to have biases (usually towards hosting country) and thus not seen as impartial or truly "regional"</li> <li>Often seen as bureaucratic, rules-bound, too concerned with relations to national capitals</li> </ul>	<ul style="list-style-type: none"> <li>If cross-border learning/work is important, can build bridges between CSOs from different countries</li> </ul>
Government agencies (3)	<ul style="list-style-type: none"> <li>Strong territorial presence</li> <li>Strong legitimacy among donors</li> <li>Line ministries may have strong technical skills, problem understanding</li> <li>Local admin can be close to issues, relations to all actors on the ground</li> <li>Particularly in service delivery areas, public sector leadership, funding, standard setting may be critical for CSO contributions, quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Tend to be distrusted by CSOs, especially advocacy, rights-based ones</li> <li>State dominates relations – seen to want resources but not advice/dialogue</li> <li>Separation of public sector-civil society roles important to some, should not become too blurred</li> </ul>	<ul style="list-style-type: none"> <li>For genuine national outreach, public sector involvement a strong advantage (ex: HIV/Aids programmes, education and health, etc)</li> <li>If well designed, division of labour and clear accountability can be strength of joint CSO-public sector collaboration.</li> <li>If well designed, collaboration may lead to better dialogue and less distrust between Government and CSOs, each appreciating better the role and function of the other party.</li> </ul>

(1): CSO selected/elected as "primus inter pares" in a sector, or set up as a network manager for member CSOs. Thus a strong CSO in that sector with outreach and organizing responsibilities within that group/ sector of CSOs.

(2): Local CSOs set up specifically to provide services to the CSOs. They are therefore not necessarily linked to the particular sector concerns of the CSOs but rather focus on functions, such as capacity development, management services or similar.

(3): This covers both sectoral ministries at national level (such as for HIV/Aids programs) or local government bodies at provincial or district levels.

### 6.5.1 Structuring the Management of Joint Support Modalities

The examples provided in section 5.2.1 show a number of innovative approaches and alternative models for tackling some of the weaknesses identified in table 6.2. A structured approach to this could be a more general management model consisting of three components: a policy body, a resource management body, and a project management body:

- *The Policy Body* in its widest version could be an open forum that included donors, CSO representatives, and possibly independent "wise persons" and national authorities, where appropriate. This body would on the one hand discuss and agree on policies, objectives and priorities for the CS funding, and on the other would provide both general guidance *to* and discuss performance and financial reporting *from* the resource management body;
- *The Resource Management Body* could be a contracted agent, or could be a small management committee<sup>12</sup>. In most cases the logical choice would be a contracted *Intermediary Agent*, which would then be mandated – according to the contract and oversight guidance by the Policy Body – to allocate resources, follow up on performance, provide the mandated reporting to the Policy Body, etc. This Intermediary could be selected based on clearly specified criteria agreed upon by the Policy Body, and which could emphasise financial management, or outreach, or sector-technical knowledge, etc.
- *Project Management Body* can in some instances be a valuable addition to the Intermediary agent. This could be where the intermediary does not have strong sector-technical skills, for example, and where the project body reviews the various CSOs applying for funds and rates them or their proposals according to pre-established criteria. The Project Management Body could be an individual organisation, such as with the RFE in Tanzania, which makes recommendations to the Resource Management Body or – in cases of doubt – they could go to the Policy Body.

While the above scheme is too elaborate for most CSO funds, it shows how basic principles of separation of functions can be achieved; how the policy dialogue between donors and CSOs can be built into such a body without distorting the resource allocation and reporting dimensions; can bring in external technical advice so that the Intermediary Agent is not stuck with too much responsibility or ends up in conflict-of-interest situations. The right mix of these components would constitute important "best practice" solutions to the donor funding challenges regarding support to civil society.

### 6.5.2 A Tool Box

The country studies and the feed-back provided by CSOs, INGOs and donors point to a fairly comprehensive tool-box that the parties can use for improving support to civil society in the future:

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<sup>12</sup> In the case of post-conflict Multi-donor Trust Funds, MDTFs, these often have Management Committees consisting of the funding agencies, the administrator of the fund, often the host government. This Committee then decides on resource allocations, and reviews the performance by the implementing parties. In the case of MDTFs, however, the sums involved can be quite high, such as the Afghanistan Reconstruction Trust Fund which by the end of 2007 will have reached around USD 2.2 billion in contributions.

- a. *Analytical scheme of support modalities* (table 4.1) that allows the parties to decide which approach is most appropriate, given the actors involved and the objectives agreed to;
- b. *Intermediary analysis* (table 6.2) that helps actors understand what trade-offs might be with different intermediary arrangements for a given situation;
- c. *Risk analysis approach* (section 6.4) that provides an overview of the typical dilemmas donors in particular need to take into consideration when engaging in different forms of civil society support;
- d. *Management model* (section 6.5.1) that can ensure that complex funding arrangements will still deliver transparency in decision making and accountability in resource utilisation and results achieved;
- e. *Framework principles* (table 6.1) that lists what are today considered some of the more important and relevant "best practice" principles when discussing how to structure civil society support;

### 6.5.3 Some Final Observations

The dialogue on funding modalities for civil society support is in some respects trailing the discussions regarding bilateral state-to-state aid. Some of the lessons learned from the latter may therefore be worthwhile recalling:

- There was an expectation that moving from project to programme aid, and in particular to the more harmonised and aligned collaborative models (SWAPs, GBS) would reduce transaction costs. Some general lessons include:
  - The transition costs were much higher than the parties had expected, and in particular developing the various mechanisms for working together was a lot more time-demanding than anybody had foreseen;
  - The process of getting agreements with head offices often took a long time, and the inter-donor negotiations in the field could at times be rather contentious due to somewhat different agendas;
  - There is a need to think carefully about how many actors should be involved, and how far one wishes to take harmonisation. Some actors have such rigid home-rules that it may not be worth the cost of trying to integrate them fully into formal collaborative instruments, but rather find flexible ways of involving and committing them (inviting in all to the Policy Body but not all have to sign formal Joint Agreements, for example);
  - The donors needed to acquire a whole new set of skills and knowledge for which they were not prepared and did not invest in a timely manner.
- Once agreements were in place, joint reporting, policy dialogue etc. could often be much more strategic and time-efficient. But there was often a need for peer pressure to ensure that individual donors did not go beyond the formal agreements and ask for additional reporting, accounting etc, thus essentially negating the gains from the joint instruments;
- Many donors took a long time to commit the resources necessary to become constructive members of the transition phase, so there was usually one or a few donors who shouldered the main part of the burden;



- The rapid staff turnover in embassies constituted a problem as far as the historical memory of why certain choices had been made, why certain options had not been included. The need for "re-educating" parties to a joint agreement can at times be quite time-consuming, and increases with the number of parties involved. Having a strong local owner that can take on this task becomes important;
- As the parties move towards more strategic management, it becomes even more important that choices are CSO driven, and that contracts entered into address their concerns and needs. Donors thus need to strengthen their contracting skills, supervision instruments (performance assessment and monitoring tools and routines); management needs to be more engaged; and risk management needs to be explicitly built in;
- More strategic management means that attention shifts from short-term Activity and Outputs focus to Outcome and Deviation analyses – but these are tools and approaches where both donors and CSOs typically need capacity development, and that require a mind-set change from Efficiency to Effectiveness concerns;

At the end of the day, however, support to civil society will generally remain more costly per dollar disbursed than direct bilateral aid. While donors should continue to look for ways of reducing unnecessary transaction costs, there should also be a realisation that there are costs – and benefits – to supporting civil society that can not be avoided.

## 6.6 Conclusions and Recommendations

- National framework conditions are critical for CSO abilities' to work, but donors need to find out how they can assist in improving these without undermining CSO credibility and independence. This also holds for fragile and authoritarian state and post-conflict situations, where CSOs may play a particularly strategic role.

### Recommendations .

1. Donor frameworks have been changing quite rapidly, to improve aid effectiveness (Paris Agenda) and reduce costs. Donors should clarify what this implies in terms of *levels of funding*, *access points* to them (field managed or HQ managed), and *objectives* for new funding, so that CSOs can get a clearer picture of the dynamics;
2. As donors shift to managing resources through more strategic instruments, there is a need to strengthen *accountability*, *results focus* and *transparency*. This means:
  - More inclusive and comprehensive dialogue between the parties on these matters;
  - Institutionalisation of this dialogue through formal forums as well as the more informal channels;
  - More explicit criteria – specified Outcomes, Outputs, indicators, targets, success criteria – as the basis for meaningful performance monitoring and follow-up;
  - More support to allow also new or weaker entrants on the arena to participate through learning, networking, capacity building and support to building own results systems;
  - The role of northern NGOs, particularly as intermediary agents, needs to be critically reviewed, particularly with respect to local ownership and accountability;

- A couple of better resourced pilots to develop better instruments that not only track performance, but also ensure Ownership, Local Participation, and provide scope for innovation, risk taking, and ensures that contrary voices and interests are heard.
- 3. Existing principles and proposals for improved aid effectiveness – Paris Agenda; Working in Fragile States; Good Donorship – should be used as important points of departure for country-level discussions on how donor-CSO links can be improved;
- 4. In particular, the donor objectives of Diversity through Outreach and Accessibility need to be operationalized in a manner that CSOs find constructive, so that this part of the joint donor-civil society agenda can move forward;
- 5. Recognising that the new support modalities and increased funding levels imply new and perhaps greater levels of Risk, the parties should include risk analysis and risk management as an important component of larger joint donor-CSO undertakings;
- 6. Selection of Intermediary agent is increasingly important, and needs to be assessed in light of the strengths, weaknesses and opportunities that different kinds of agents represent in relation to the particular agreement at hand. Of particular concern is the legitimacy and credibility that the Intermediary will have with respect to the CSO community;
- 7. Preparation and management of the contracts regulating the relations between the parties, and in particular that includes better specified performance criteria for intermediary agents, requires more skills and management attention by donors;
- 8. *Downward accountability* of CSOs to their constituencies and *democratic control* of intermediaries must be addressed explicitly since increasing donor funds entail more financial and performance reporting *upwards* to the funding agencies;
- 9. "Best practice" management structures for shared and strategic funding mechanisms should be based on clarity of functions and separation of roles: policy dialogue and policy setting; resource allocation and performance monitoring; independent appraisals of funding proposals. The actual management architecture needs to be a function of the size of the funds, and complexity of possible conflict of interest issues surrounding the different actors in their functions;
- 10. The main stakeholders – donors, CSOs, national authorities – should use the "tool box" available for designing support relations: analytical scheme of support modalities; intermediary analyses; risk analysis approach; management models; support framework principles. Other tools undoubtedly exist or will be developed, and should be included;
- 11. "Lessons learned" from bilateral aid cooperation need to be applied, in particular the realisation that more strategic and shared instruments take time to develop, are costly to get in place, require new skills, are more demanding of institutional memory, and thus require stronger local ownership and leadership. Donors need to be willing to make the investments necessary to make the transition successful, and accept that civil society support will continue to require considerable resources and management attention.



## **Annex A: Terms of Reference**

### **Nordic+ Joint Study of Trends, Impact and Effectiveness of Different Models for Supporting Civil Society at Country-level**

#### **I. Background**

##### **Political relevance**

National governments are expected to provide leadership in the struggle against poverty and for the Millennium Development Goals (MDG) - in partnership with the private sector and civil society organisations (CSOs). However, much institution-building within national systems has taken place without due consideration for the cultural and political context, or for the need for checks and balances of the power vested in them. Beyond their roles as service providers and humanitarian agents, civil society actors can play important roles as watchdogs, advocates and lobbyists to improve public transparency, effectiveness and pro-poor development policies. In sum, civil society can play a potentially transformative role in working towards capable, accountable and responsive states and the realisation of the MDGs.

On-going efforts to reform development co-operation and make aid more effective should also be reflected in the ways INGOs and national NGOs/CSOs cooperate. In less developed countries, where foreign funding represents the major source of income, foreign partners and funders, donors and/or INGOs alike may come to dominate civil society. NGOs/CSOs lacking such partners or funders may be marginalised. The international aid system needs more systematic knowledge about the effects of its support to and through intermediary NGOs in donor countries, international NGO networks or direct in-country support models, and about the extent to which these different support mechanisms are able to reach civil society organisations beyond the narrow NGO segment, and how this may vary depending on the governance context.

The Paris Declaration on aid effectiveness calls for effective leadership from partner countries, for donors to use partner countries' own institutions and systems and to act in a more harmonised, transparent and collective way. While the follow-up and monitoring of the PD has so far focussed mainly on cooperation with and support to the government sector, the Nordic+ countries could take the lead in bringing the aid effectiveness agenda forward when it comes to partnership with the non-governmental sector, (NGOs/CSOs).

##### **Context specific**

How do political, security, economic and social factors in a given country, as well as the capacity and legitimacy of government institutions and civil society structures influence the work of and support to civil society? Fragile states, conflict and post-conflict situations create special challenges for support to NGOs/CSOs. There is a need to know how to strengthen civil society in partner countries on its own terms. The Nordic+ donors want to explore better ways of supporting civil society in different circumstances. To further this goal, the Nordic+ donors want to harmonise both the goals for their support to civil society and the modalities of operation. A starting point in formulation an ambition like this will be to make a study of current support models in selected countries. One of the objectives of the study is to investigate possibilities for improving and increasing effectiveness of direct support to NGOs/CSOs through country level support models.

##### **Operational value**

Direct support from embassies/missions/country offices to civil society has shown varied results. Direct support to CSOs may be useful for meeting political objectives, for promoting good governance, for targeting specific stakeholders, and for providing opportunities for information sharing and policy dialogue. On the other hand, this sort of approach requires adequate personnel and material resources to avoid heavy administrative burdens on existing staff or favouring urban-based, elitist NGOs. In many partner countries, funds provided by different embassies/missions and INGOs are distributed in an uncoordinated manner without considering potential overlap or the possible advantages of a joint approach.

A Sida survey from 2005 of direct support to CSOs distinguished between two broad categories, direct and indirect support models. It also looked at the aim of the support and found it useful to distinguish support intended to strengthen civil society itself and instrumental support for some other theme (such as health, education, rights, environment, gender etc.). However, the survey did not attempt to measure or compare the different arrangements in terms of administrative effectiveness or in terms of impact on the stakeholders.<sup>13</sup>

Support through intermediary arrangements at country level has in some countries been encouraging, in particular the establishment of joint funding mechanisms. However, the modalities vary greatly, from very instrumental donor mechanisms, through national institutions with a high degree of autonomous decision-making authority, to multipurpose or thematic trust funds with steering committees.

Support to politically sensitive areas such as human rights and media, including freedom of expression and access to information are more contested than similar arrangements for support to health and education. In countries with high political tensions, limited democracy and/or violent conflicts such support is even more difficult. Providing direct support to national funds in such circumstances represents particular difficulties. Other challenges are connected to national funds related to legitimacy and representation, religious – class - ethnic biases, accountability, undermining of parliament/government, lack of coordination, bureaucratic procedures excluding the poor, and elitism, to mention some. The usefulness of intermediary arrangements also depends on their identity and modus operandi in the specific contexts. This calls for studies and comparative analysis of policy initiatives, analytical tools and new support models.

### **Complementary studies and processes**

The planning of the current study, including the selection of countries, will have to take into account the existence of several other studies focussing on ways to enhance co-operation with and support to civil society, including their profile, progress and preliminary findings.

These include:

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<sup>13</sup> The **direct support model** was sub-divided into three sub-categories: (i.) ad hoc incoming applications, (ii.) CSO funds run by the embassy, (iii.) basket arrangements. The **indirect support model** encompassed five sub-categories under which the provision of grants was outsourced on contract to some other institution: (iv.) to a private enterprise, (v.) to a government agency or local authority, (vi.) to international organisations like a UN body, (vii.) to a local organisation or (viii.) to a Swedish organisation in that country. “A survey of Civil Society Support Models”, (Sida 2005).

- (i) “Multi-donor approaches to working with civil society and engaging with non-traditional civil society”; a review commissioned by DFID’s Effective States Team to ODI (January 2007).
- (ii) “Evaluation of Citizens’ Voice and Accountability: Evaluation Design and Framework Development, DAC partners (October 2006).
- (iii) “Trends and Impacts of Shifting Financial Flows and Aid Effectiveness to CSOs in Southern Africa”, a study by Elling Tjønneland, CMI of current approaches to funding mechanisms for civil society in seven countries in Southern Africa (February 2007).

The results of the present study should also tie in with other studies and processes aimed at strengthening aid effectiveness. First, the study and its main findings and recommendations could be presented at Sida Civil Society Centre’s international conference in Härnösand scheduled for 28-30 August, with its focus on “Civil Society and the Paris Agenda towards Accra 2008”. This gathering would include a wide range of North- and South-based actors. In the same vein, such a presentation should be made available for the Advisory Group on Civil Society and Aid Effectiveness, and could be presented at one of several points leading up to (notably the regional consultations), or indeed at, the international conference to be held in Canada in early February 2008.

## **II. The study: Country level support models**

A study of support models to NGOs/CSOs in a selected number of partner countries may help clarify contextual preconditions and necessary programme inputs for more effective support to civil society. The study should explore the possibility of expanding the number and effectiveness of country-based joint support models, by sharing knowledge of successful initiatives to provide general, thematic or geographically specific support to NGOs/CSOs.

### **Purpose, aims and objectives**

The purpose of this study is to carry out a number of country analyses as stepping stones towards a strategic policy framework for Nordic+ support to a vibrant, pluralistic and democratic civil society.

The aim is to identify and analyze different support models intended to enhance the contribution of civil society to development at country level. This includes support aimed at strengthening civil society over time and enabling civil society to fulfil its many diverse roles.

The objectives are: i) to investigate possibilities for improving and increasing effectiveness of direct support to NGOs/CSOs through country level support models; ii) to shed light on constraints and possibilities of different types of support models, bearing in mind the need to apply different modalities in different contexts; and iii) to increase outreach to a wider range of civil society organisations and reduce transaction costs.

The output will be an analytical framework consisting of specific tools and modalities for support to civil society. In turn, such a toolbox can be used for increased effectiveness of direct support to CSOs at country level.

### **Work plan**

This study builds on the three studies mentioned above. It will take as its starting point questions about key design features of the selected programmes. This will include issues such

as different types of management by donors – direct versus via intermediary organisations, disbursement rate versus capacity development of recipients, supplementary or alternative to other support programmes. Furthermore, the study will look at how and by whom the initiatives were undertaken; objectives and types of grant giving programme lines; risk assessment of funding lines; indicators of aggregated programme outcomes (e.g. in CS strengthening, or in the pursuit of particular sector or thematic outcomes), including consequences for different CS stakeholders (NGOs versus less formal CSOs, urban versus rural associations, service versus humanitarian and advocacy work, themes/sector approaches, bilateral/basket/multi-donor funds), and compatibility with the broader governance context in country. This assessment will be supplemented by a literature review of experiences with similar mechanisms in other case countries.

### **Country level case studies**

Countries were selected on the following criteria: (1) Continental spread; (2) Effective vs. fragile state; (3) Strong vs. weak civil society; (4) Aid dependency; (5) Spread of modalities (notably including pooled funding); (6) Performance; (7) Francophone.

Based on these criteria, the countries selected include one in Asia, one in Latin America and four in Africa: Asia: Bangladesh; Latin-America: Guatemala; Africa: Zimbabwe, DRC, Tanzania and Zambia. Country reports will assess strengths and weaknesses of different types of support models, highlight lessons learned (“promising practices”), possibilities and constraints in existing models, and recommendations for institutional improvements.

### **Bringing it all together**

The process described above should lead to a synthesis report drawing generic lessons, showing examples of good practices and providing recommendations for policy coherence and practical cooperation between donors at country level to be presented at a donor conference.

## **III. Expected output**

Six country reports (no more than 20 pages each) and the final synthesis report (no more than 40 pages, excluding annexes). The final synthesis report shall include an executive summary of no more than two pages, as well as chapters from each country (case); a discussion of the key research questions; analysis; findings and recommendations). In terms of content, the country reports will:

- Describe existing support models in the six case countries, including experiences (both the goals and mechanisms of support should be covered).<sup>14</sup>

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<sup>14</sup> For example: “How to work with Civil Society”, (DFID 2004), Civil Society Index Country reports, (CIVICUS 2006); Sida’s Policy for Civil society, Rapport Care and ActionAid: “Where to now? Implications of changing relations between DFID, recipient governments and NGOs in Malawi, Tanzania and Uganda” (Helen Collinson, June 2006); relevant handouts of the presentations of the seminar such as the presentation of DFID Development Effectiveness Group, White Paper 3 with attention for accountability); DFID-evaluate Voice & Accountability, Background paper “Aid Instruments, Social Exclusion and Gender”; DFID working paper 17, “Citizens, Accountability and Public Expenditure: a rapid Review of DFID Support”, Intrac Conference on Civil Society and Capacity Building: Changes, Challenges and Charting the Future, planned on 11-13 December 2006, Oxford; “New Roles for Non-Governmental Organisations in Developing Countries” (Norwegian MFA 2006).

- Assess positive and negative aspects of these models for civil society support by embassies/missions, including the use of trust funds/basket funds.
- Suggest, if possible, country specific principles/guidelines for more harmonised, transparent and collectively effective support to NGOs/CSOs.

The final synthesis report will:

- Draw together lessons learned from the six case studies.
- Suggest an analytical framework consisting of specific tools and modalities for supporting civil society. In turn, this toolbox can be used for increased effectiveness of direct support to CSOs at country level.
- Identify new generic support models for NGOs/CSOs suitable for sectoral, thematic and geographical stakeholders that can be financed by Nordic+ and other donors.

## IV. Lead agency, participants

**Lead agency:** Norway

**Participants:** Canada, Ireland, Finland, Sweden and the UK

The lead agency is responsible for hiring the consultant, managing the contract, assisting the team in administrative issues and receiving progress reports and the final report.

The participants from the donor countries compose a reference group tasked with providing advice on the draft TOR, including the selection of case countries, commenting on country reports and the final synthesis report and assisting in disseminating the results of the study as an example of useful donor collaboration.

## V. Selection of Consultant

Five Norwegian research institutions and consultant companies were invited to participate in a ‘light touch’ tender process. All have frame agreements with Norad to deliver professional advice and studies in pre-qualified fields of specialisation...

## VI. Timeline

### Oslo Meeting 27-28 February

The reference group met in Oslo on 27 and 28 February to discuss a draft TOR which had been sent out by 30 January and later edited on 22 and 27 February. The meeting started with presentations of the preliminary findings from the two studies by ODI and CMI referred to above, where also three representatives from Scanteam were present. This was followed by a session where Scanteam presented its bidding proposal. In the rest of the meeting only the donor representatives participated.

**By 16 March (end of week 11):** Participant countries agreed in principle on the selection of the consultant team, and urged Norway to negotiate the details and complete the contract procedures by the end of Week 11.

Furthermore, the donor group agreed to the following time schedule:

**12 – 30 March (weeks 11-13):** Literature review; preliminary discussions and phone consultations; planning field visits. Presentation of budget and plan for the further process including field trips to participant countries.

**Week 14:** Easter (vacation)

**23 April – 13 May (weeks 17-19):** Field visits.

**30 April – 28 May (weeks 18-22):** Consultants write 6 Country Reports and forward to donors by 28 May.

**29 May – 25 June (weeks 22-26):** Participants study Country Reports. Consultants draft Summary Report and forward to participant countries (donors) by 25 June.

**During 26 June - 9 July (weeks 26-28):** Participants discuss (by e-mail/phone) Country Reports and the draft Summary Report and give feedback to the consultants by 9 July.

**10 - 23 July (weeks 28-30):** Final report finalized and sent to participating countries by 23 July.

## **VII. Costs**

Total budget limit: The EUR equivalent of NOK 1 396 132 (ca. EUR 171 305 (at a rate of 1 EUR = NOK 8.15)). The donor group agreed on the following cost sharing key: Norway 28%; Sweden 18%; Finland 18%; Canada 18%; Ireland 18%. DFID's main contribution will be "in-kind", i.e. through their contract with ODI for a 'light touch scoping study'. In addition, DFID has agreed to contribute a financial component of EUR 5000 to the overall budget for the study. This does not include the subsequent costs of presenting the final report in events arranged jointly or individually by the participating donor countries.

## **VIII. Possible future follow-up**

### **Autumn 2007:**

- a. Conference to present the final summary report.
- b. Possible development of Nordic+ criteria/guidelines for support to civil society.
- c. Follow-up of these studies, including more countries.

## **IX. Issues that may be addressed at a later stage**

- a. NGOs in humanitarian situations.
- b. Coordination among Nordic+ INGOs that work in the same areas and with the same partners?
- c. How NGOs respond to the Paris Declaration and how they are positioning themselves in the context of Joint Assistance Strategies – what are their comparative advantages and how are they using this to influence policy development and its implementation?
- d. Strengths and weaknesses of civil society within the development context and how the aid architecture incorporates civil society in a coherent way.
- e. Common approach to selected global INGOs (such as PANOS, IUCN, IDLO, IPPF).



## Annex B: Documents Reviewed

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## Annex C: Country Study Findings, by Country and Donor

Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
BGD	CAN	Steps Towards Development	J-D-C			A	35 000
BGD	CAN	Bashaboo Friends Association (BFA)	U-D-P			SD	6 050
BGD	CAN	Panchbibi Upazilla Adibasi Multipurpose	U-D-P			SD	7 400
BGD	CAN	Banchte Shekha	U-D-P			A	8 860
BGD	CAN	Network for Research and Training (NRT)	U-D-P			A	19 600
BGD	CAN	SARPV	U-D-P			SD	29 050
BGD	CAN	Friendship	U-D-P			SD	29 550
BGD	CAN	Parbatya Bouddha Mission (PBM)	U-D-P			SD	32 000
BGD	CAN	National Institute of Neuro- Sciences (NINs)	U-D-P			SD	32 070
BGD	CAN	Center for the Rehabilitation of the Paralyzed (CRP)	U-D-P			SD	32 450
BGD	CAN	Chaindha Rakkhita	U-D-P			A	5 800
BGD	CAN	Youth Initiative for Socio-Economic Activity (YISEA)	U-D-P			SD	25 770
BGD	CAN	UTTARAN	U-D-P			A	27 040
BGD	CAN	Gono Kalyan Sangstha-GKS	U-D-P			A	27 600
BGD	CAN	Gandhi Ashram Trust (GAT)	U-D-P			A	15 350
BGD	CAN	ESDO, Uttaran, YPSA	U-D-P			A	21 700
BGD	CAN	Technical Assistance Inc	U-D-P			A,SD	26 900
BGD	CAN	MROCHET	U-D-P			A	27 600
BGD	CAN	LOSAUK	U-D-P			A	29 340
BGD	CAN	Unnayan Shamannay	U-D-P			A	31 460
BGD	CAN	Dhrubo Society (DS)	U-D-P			A	32 890
BGD	CAN	Mass-Line Media Centre (MMC)	U-D-P			A	33 590
BGD	CAN	AKOTA	U-D-P			A	34 180
BGD	CAN	Unity for Social and Human Action (USHA)	U-D-P			A	34 300
BGD	CAN	Bangladesh Resource Centre for Indigenous Knowledge (BARCIK)	U-D-P			A	34 540
BGD	CAN	Rural Economy & Agriculture Development Organization of Bangladesh (READO)	U-D-P			A	34 850
BGD	CAN	Chinishpur Dipshikha Mohila Samity (CDMS)	U-D-P			A	32 160
BGD	CAN	South Asia Partnership (SAP) Bangladesh.	U-D-P			A,SD	34 780
BGD	CAN	Fareea Lara Foundation (FLF)	U-D-P			A	32 880
BGD	CAN	Dustha Shasthya Kendra (DSK)	U-D-P			A,SD	33 510
BGD	CAN	Bangladesh Nari Sanbadik Kendra (BNSK)	U-D-P			A	31 590
BGD	NOR	BLAST - Bangladesh Legal Aid and Services Trust	J-D-P				146 875
BGD	NOR	TIB - Transparency International Bangladesh	J-D-P				237 500
BGD	NOR	SAMATA - Land rights network	J-I-C				290 000
BGD	NOR	CPD - Centre for Policy Dialogue	J-I-P				0
BGD	NOR	Asia Foundation - Domestic Election Monitoring	J-I-P				62 500
BGD	NOR	WLC - World Literature Centre	U-D-C			A,SD	0
BGD	NOR	MLAA - Madaripur Legal Aid Association	U-D-C			A,SD	40 000
BGD	NOR	KN - Karmajibi Nari	U-D-C			A,SD	85 920
BGD	NOR	ACD - Association for Community Development	U-D-C				160 250
BGD	NOR	Naripokkho	U-D-C			A,SD	182 750
BGD	NOR	UCEP - Under Privileged Children's Education Prog	U-D-C			A,SD	182 750
BGD	NOR	BMP - Bangladesh Mahila Parishad	U-D-C			A,SD	187 375
BGD	NOR	BRAC Institute for education	U-D-C			A,SD	236 250
BGD	NOR	BRAC Basic education/NFE	U-D-C			A,SD	3 781 500
BGD	NOR	CPD - Pre WTO Ministerial meeting	U-D-P				17 125
BGD	NOR	ASK - Ain o Shalish Kendro				A,SD	295 000
BGD	SWE	Steps Towards Development	J-D-C			A	118 800
BGD	SWE	Samata	J-I-C			A,SD	446 400
BGD	SWE	Bangladesh National Woman Lawyers' Association (BNWLA)	U-D-C			A,SD	91 800
BGD	SWE	Ain O Salish Kendra (ASK)	U-D-C			A,SD	98 500
BGD	SWE	Transparency International, Bangladesh (TIB)	U-D-C			A,SD	268 380
BGD	SWE	Integrated Development Foundation (IDF)	U-D-P			A	31 320
BGD	SWE	Centre for Policy Dialogue (CPD)	U-D-P			A	55 860
BGD	SWE	Centre for Mass Education in Science (CMES)	U-D-P			A,SD	355 850
BGD	SWE	International Centre for Diarrhoeal Diseases and Research, Bangladesh (ICDDR,B)	U-I	Research org		A,SD	108 000
BGD	SWE	National Democratic Institute for International Affairs (NDI)	U-I	INGO		A	198 700
BGD	SWE	The Asia Foundation (TAF)	U-I	INGO		A	16 200
BGD	UK	TIB	J-D-P			A	1 658 340
BGD	UK	SAMATA – CSO	J-I-C			A	3 180 060
BGD	UK	FIVDB-Education	U-D-C			A	448 650
BGD	UK	BRAC CFPR	U-D-C			A	9 390 950
BGD	UK	UCEP-Education	U-D-C			A	1 709 300
BGD	UK	BLAST	U-D-C			A	1 351 670
BGD	UK	NK	U-D-C			A	1 489 400
BGD	UK	MJ	U-I-C	Umbrella		A,SD	14 630 370
ETH	CAN	Ethiopian Economic Association	J-D-C		CBO	A	
ETH	CAN	EWLA	U-D-C		CBO	A	
ETH	CAN	NEWA	U-D-C		NGO Network	A	
ETH	CAN	PANE	U-D-C		NGO network	OS	
ETH	CAN	Enterprise Ethiopia	U-D-P		CBO	ED	
ETH	CAN	CHF	U-D-P		NGO	SD	
ETH	CAN	EHRCO	U-D-P		NGO	A	
ETH	CAN	IPMS	U-D-P		NGO	SD	
ETH	CAN	JAF/PFE	U-D-P		NGO	A	

Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
ETH	CAN	EACC	U-D-P		NGO	A	
ETH	FIN	Ethiopian Women Lawyers' Association (EWLA)	J-D-C		PRO	A	37 000
ETH	FIN	Afar Pastoralist Development Association (APDA)	J-D-P		SRC	A, SD	32 191
ETH	FIN	Action Professionals' Association for the People (APAP)	J-D-P		PRO	A	36 000
ETH	FIN	Justice for All-Prison Fellowship Ethiopia (JFA-PFE)	J-D-P		PRO	A,SD	45 000
ETH	FIN	Integrated Holistic Approach - Urban Development Project	U-D-P		SSU	LD	5 900
ETH	FIN	Ethiopian National Association of the Blind (ENAB)	U-D-P		SSU	A	9 289
ETH	FIN	Community Development Services Ethiopia (CDSE)	U-D-P		SSU	LD	15 619
ETH	FIN	Siqqee Women's Development Association (SWDA)	U-D-P		SRC	A	16 939
ETH	FIN	Organization for Development in Action (ODA)	U-D-P		SRC	SD	17 482
ETH	FIN	Tesfa Social and Development Association (TSDA)	U-D-P		SSU	A,LD	17 487
ETH	FIN	Cheshire Services Ethiopia (CSE)	U-D-P		PRO	LD,SD	18 265
ETH	FIN	Initiative Africa	U-D-P		PRO	A	18 265
ETH	FIN	Kembatta Women's Self Help Center	U-D-P		SRC	LD	18 285
ETH	FIN	Safe Environment Association (SEA)	U-D-P		SSU	A	22 997
ETH	FIN	Institute for Sustainable Development (ISD)	U-D-P		PRO	SD	24 327
ETH	FIN	Agency for the Assistance of Refugees, Displaced and Returnees	U-D-P		SSU	LD	24 770
ETH	FIN	Ethiopian Gemini Trust (EGT)	U-D-P		SSU	A	28 303
ETH	FIN	Center for Local Capacity Building and Studies (CLCBS)	U-D-P		PRO	A	30 000
ETH	FIN	Maedot Family Based Integrated Development	U-D-P		SSU	LD,SD	30 000
ETH	FIN	Addis Ababa University, Faculty of Law	U-D-P			A	30 000
ETH	FIN	Ethio-Wetlands and Natural Resources Association (EWNRA)	U-D-P		PRC	LD,SD	34 000
ETH	FIN	LEM the Environment and Development Societ of Ethiopia	U-D-P		PRO	SD	34 000
ETH	FIN	Addis Development Vision (ADV)	U-D-P		SSU	A,SD,LD	34 716
ETH	FIN	Enweyay Civic and Social Education Center (ECSEC)	U-D-P		PRO	A	35 000
ETH	FIN	Prognist (Zema SEF)	U-D-P		SSU	A,SD	35 685
ETH	FIN	Forum on Street Children-Ethiopia (FSCE)	U-D-P		SSU	A,LD,SD	36 000
ETH	FIN	Jerusalem Children and Community Development Organization (JeCCDO)	U-D-P		PRO	SD	39 945
ETH	IRE	BEA (basic Education Association) NGO	J				
ETH	IRE	Farm-Africa and SoS Sahel INGO	J				
ETH	IRE	FSS (Forum for Social Studies) NGO	J				
ETH	IRE	Ethiopian Economic Association (EEA) CBO	J-D-C				
ETH	IRE	DKT-Ethiopia	J-I-P		NTR; PRO	A; SD	
ETH	IRE	Network of Ethiopian Women Associations (NEWA) CBO	U-D-C		NTR; PRO	A, OS	
ETH	IRE	Association of Ethiopian Microfinance institutions (AEMFI) CBO	U-D-C				
ETH	IRE	Ethiopian Women Lawyers Association (EWLA) CBO	U-D-C				
ETH	IRE	FGAE (Family Guidance CBO (Association-Ethiopia)	U-D-C				
ETH	IRE	IIRR (International Institute for Rural Reconstruction) NGO	U-D-C			OS	
ETH	IRE	SCF-UK INGO	U-D-C				
ETH	IRE	SNV INGO (Dutch)	U-D-C				
ETH	IRE	SoS Sahel (INGO)	U-D-C				
ETH	IRE	TESFA (Tourism in Ethiopia for Sustainable Future) NGO	U-D-C				
ETH	IRE	CRDA (Christian Relief and Development Association) NGO	U-I-P	Umbrella	PRO	SD/OS	
ETH	NOR	Civic Education Ethiopia (CEVEA)	J-I				
ETH	NOR	Ethio- Wetland and Natural Resource Association	U-D			A	
ETH	NOR	Development Fund	U-I			A	
ETH	NOR	Farm Africa Ethiopia	U-I			A	
ETH	NOR	NCA	U-I			A	
ETH	NOR	Save the Children- Norway	U-I			A	
ETH	SWE	Civic and voter Education association	J-D-C	NGO-HR/Democracy	PRO	A	108 000
ETH	SWE	Ethiopian Economists Association	J-D-C		PRO	A	108 000
ETH	SWE	The Inter Africa Group	J-D-C	RESEARCH	PRO	A	108 000
ETH	SWE	Prison Fellowship Ethiopia	J-D-C	NGO-HR/Democracy	PRO	A	216 000
ETH	SWE	APAP	J-D-C	NGO-HR/Democracy	PRO	A	64 800
ETH	SWE	Ethiopian Arbitration and Reconciliation Center	J-D-C	NGO-HR/Democracy	PRO	A	64 800
ETH	SWE	Ethiopian Woven lawyers Association	J-D-C	NGO-HR/Democracy	PRO	A	64 800
ETH	SWE	Human Rights council	J-D-C	NGO-HR/Democracy	PRO	A	
ETH	SWE	Pathfinder	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS	1 144 800
ETH	SWE	JeCCDO	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS/A	224 640
ETH	SWE	CORHA	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS	274 320
ETH	SWE	NEWA	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS/A	274 320
ETH	SWE	SLUF	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS/A	274 320
ETH	SWE	SCDK	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS	299 160
ETH	SWE	Initiative Africa	U-I-P	Specialised Thematic Umbrella	PRO	A/OS/MW	498 960
ETH	SWE	CRDA	U-I-P	Specialised Thematic Umbrella	PRO	SD/OS	648 000
ETH	SWE	Pact Ethiopia	U-I-P	Specialised Thematic Umbrella	PRO	SD/A/OS	648 000
ETH	UK	Ethiopian Human Right Council	J-D-C		PRO	A; MW	14 348
ETH	UK	Ethiopian Women Lawyers Association	J-D-C		NTR; SSU	A	14 942
ETH	UK	Forum for Social Studies	J-D-C		PRO; SSU	A	14 942
ETH	UK	Ethiopian Economic Association	J-D-C		PRO	OS; LD	29 659
ETH	UK	Prison Fellowship Ethiopia	J-D-C		PRO	A	96 674
ETH	UK	Forum on Street Children Ethiopia (FSCE)	J-D-P		PRC	SD	4 515
ETH	UK	Afar Pastoralist Development Association	J-D-P		SRC	SD	6 877
ETH	UK	DKT-Ethiopia	J-I-P	DCI handle the funds for DFID	NTR; PRO	A; SD	1 962 860
ETH	UK	Network of Ethiopian Women Association	U-D-C		NTR; PRO	OS; A	30 020
ETH	UK	Arba Minch Rehabilitation Centre (AMRC)	U-D-P		SRC	SD	2 827
GUA	CAN	Anglican Church of Canada	U-D-P			A	
GUA	CAN	Asociación Ak'Tenamit	U-D-P			A	
GUA	CAN	Asociación Ceiba	U-D-P			A	

Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
GUA	CAN	ASOCIACIÓN DE Estudios Sociales ASIES	U-D-P			A	
GUA	CAN	Asociación Nueva Concepción	U-D-P			A	
GUA	CAN	Asociación OKMA (Proyecto Lingüístico Francisco Marroquín)	U-D-P			A	
GUA	CAN	Asociación para el Desarrollo de las Comunicaciones Sociales ACDS	U-D-P			A.	
GUA	CAN	Asociación Sokombal Pokón, ASOSAP	U-D-P			A	
GUA	CAN	Asociación Transiciones	U-D-P			A	
GUA	CAN	Asociación Vivamos Mejor	U-D-P			A	
GUA	CAN	Bomberos Municipales de Guatemala	U-D-P			A.	
GUA	CAN	Canada Nursing School	U-D-P			A	
GUA	CAN	Canada World Youth	U-D-P			A	
GUA	CAN	Canadian Co-operative Association	U-D-P			A	
GUA	CAN	Canadian Crossroads International	U-D-P			A	
GUA	CAN	Canadian Friends Service Committee (Pop Atz'ia in Guatemala)	U-D-P			A	
GUA	CAN	Canadian Labour Congress	U-D-P			A	
GUA	CAN	Canadian Rotary Committee of International Development	U-D-P			A	
GUA	CAN	Casa Alianza	U-D-P			A	
GUA	CAN	CECI (Centro Canadiense de Estudios y Cooperación Internacional)	U-D-P			A.	
GUA	CAN	CODESMAJ	U-D-P			A	
GUA	CAN	CUSO program support	U-D-P			A	
GUA	CAN	CUSO, como administradora del Programa FEG	U-D-P			A	
GUA	CAN	Fundación de la Caficultura para el Desarrollo Rural FUNCAFE	U-D-P			A	
GUA	CAN	Fundación Nueva Esperanza	U-D-P			A	
GUA	CAN	Fundación Sergio Paiz Andrade y Tecnología para Educar	U-D-P			A	
GUA	CAN	Horizons Development Program	U-D-P			A	
GUA	CAN	Horizons of Friend Learning Network	U-D-P			A	
GUA	CAN	Instituto de Investigación y Desarrollo IDEMAYA	U-D-P			A	
GUA	CAN	Instituto para la Enseñanza para el Desarrollo Sostenible IEPADES	U-D-P			A	
GUA	CAN	Inter pares Program	U-D-P			A	
GUA	CAN	Joint WUSC –CECI	U-D-P			A	
GUA	CAN	Kairos	U-D-P			A	
GUA	CAN	Médicos Descalzos	U-D-P			A.	
GUA	CAN	Organization Catholique Canadienne pour le Developpement et la Paix	U-D-P			A	
GUA	CAN	Oxfam Canada	U-D-P			A	
GUA	CAN	Servicios Profesionales Educativos Integrales SEPREDI	U-D-P			A	
GUA	CAN	Society of Obstetricians and Gynaecologists of Canada	U-D-P			A	
GUA	CAN	SOCODEVI	U-D-P			A.	
GUA	CAN	Tatmagouche Center	U-D-P			A	
GUA	CAN	Universidad de San Carlos de Guatemala	U-D-P			A.	
GUA	CAN	Universidad del Valle de Guatemala – Sololá	U-D-P			A	
GUA	CAN	URL Redieg	U-D-P			A	
GUA	CAN	World Accord	U-D-P			A	
GUA	CAN	YMCA of Canada	U-D-P			A	
GUA	CAN	York University; Latin American Human Rights Education	U-D-P			A	
GUA	CAN	FEDECOAG	U-I	INGO		A.	
GUA	CAN	FEDECOVERA	U-I	INGO		A.	
GUA	CAN	ALIANZA DE MUJERES RURALES	U-I-P	INGO		A	
GUA	CAN	CENTRACAP	U-I-P	INGO		A	
GUA	CAN	CICAM	U-I-P	INGO		A	
GUA	CAN	Comité de Unidad Campesina -CUC-	U-I-P	INGO		A	
GUA	CAN	FUNDESCO	U-I-P	INGO		A	
GUA	CAN	GGM	U-I-P	INGO		A	
GUA	CAN	ICCPG	U-I-P	INGO		A	
GUA	CAN	MADRE TIERRA	U-I-P	INGO		A	
GUA	CAN	MOLOJ	U-I-P	INGO		A	
GUA	CAN	UNAMG	U-I-P	INGO		A	
GUA	FIN	Waqib Aj	U-D-P		NGO	A	21 000
GUA	FIN	Fundacion para el Desarrollo del Atea Rural FUNDAR/					
		Centro Cultural El Romero	U-D-P		NGO	SD	3 450
GUA	FIN	Fundacion Guatemalteca para Ninos con Sordoceguera Alex, FUNDAL	U-D-P		Foundation	A	4 500
GUA	FIN	Movimiento Tzuk Kim-Pop	U-D-P		NGO umbrella org.	A	8 000
GUA	FIN	FUNDAMAYA	U-D-P		Ethnic based NGO		
GUA	FIN	Consejo Nacional de Educacion Maya CNEM	U-D-P		Ethnic based NGO umbrella	CS	
GUA	FIN	Accion Ciudadana	U-D-P		NGO	A	
GUA	FIN	Asociacion de Profesionales Consultoras Asociadas	U-D-P		Professional NGO A, OS		
GUA	NOR	UNDP Guatemala	J-I-P	UN Agency	PRO, SSU, PRC MW, SCE		1 250 000
GUA	NOR	ICEFI Instituto Centroamericano de Estudios Fiscales	U-D-C		PRO	SD, MW, OS	125 000
GUA	NOR	Asociacion DOSES	U-D-C		PRO	A, SD	1 500 000
GUA	NOR	OKMA	U-D-C		Professional NGO A, SD		
GUA	NOR	FUNDAECO	U-D-P		SRC	A	125 000
GUA	NOR	Consejo de Pueblos MAYAS COPMAG	U-D-P		NTR	SD	12 500
GUA	NOR	CNP- Tierra 2006. Strategic Alliance for 2007 CEIDPAZ-CNP-Tierra	U-D-P		PRO	A	125 000
GUA	NOR	MAYANIZACION	U-D-P		PRO	SD	14 375
GUA	NOR	Asociación KAKCHUMIL	U-D-P		SRC	A	31 250
GUA	NOR	CODECA	U-D-P		NTR	A	37 500
GUA	NOR	CONSEJO MAM	U-D-P		SRC	A	37 500
GUA	NOR	ASEM	U-D-P		PRO, SRC	SD	43 750
GUA	NOR	ADECOP	U-D-P		SRC	A	46 250
GUA	NOR	IXMUCANE	U-D-P		SSU	SD	56 250
GUA	NOR	Instituto de estudios Interétnicos IDEI	U-D-P		PRO	SD	62 500



Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
GUA	NOR	CADISOGUA	U-D-P		PRO, SRC	A	75 000
GUA	NOR	AEPDI Asociación Estoreña para el Desarrollo Integral	U-D-P		PRO	A	81 250
GUA	NOR	LA LIGA MAYA	U-D-P		PRO	A	81 250
GUA	NOR	CEIDPAZ	U-D-P		PRO	A	100 000
GUA	NOR	Consejo Nacional de Educación Maya	U-D-P		PRO	A	112 500
GUA	SWE	UNDP)	J-I-P	UN Agency	Varied	CS	864 000
GUA	SWE	PROPAZ	U-D-C		CSO with Gov. rep in board	A	444 100
GUA	SWE	Flacso	U-D-P		Professional NGO	A	108 000
GUA	SWE	Soros Foundation)	U-D-P		Varied	OS, ED, A	1 080 000
GUA	SWE	CIRMA	U-D-P		Professional NGO	OS	
GUA	SWE	Cuso	U-I-P	Private enterprise	Varied	ED	0
GUA	SWE	CATIE	U-I-P	Private enterprise	Varied	ED	1 200 750
GUA	SWE	Forum Syd)	U-I-P	INGO	proffs umbrella NGO		291 600
GUA	SWE	Diakonia	U-I-P	INGO	Varied		540 000
GUA	SWE	UNICEF)	U-I-P	UN Agency	Professional NGO		648 000
GUA	SWE	DEMI (UNDP)	U-I-P	UN Agency	Professional NGO		
GUA	SWE	Caritas Suiza	U-I-P	INGO	Varied		
GUA	SWE	SMC/CS)	U-I-P	INGO	Varied		
GUA	SWE	OAS)		Regional body	Member based		324 000
TAN	CAN	Chama cha Viziwi Zanzibar (CHAVIZA)	U-D				
TAN	CAN	Global Network of Religions for Children (GNRC)	U-D				
TAN	CAN	Hands Across Borders Society	U-D				
TAN	CAN	Missionary Sisters of Our Lady of Africa (MSOLA)	U-D				
TAN	FIN	Legal and Human Rights Centre	J-I-C		PRO		
TAN	FIN	Zanzibar association of the disabled	J-I-C				
TAN	FIN	Campaign for Good Governance	U-D				
TAN	FIN	Zanzibar Legal Service Centre	U-D-P				
TAN	FIN	Institute of Journalism and Mass Communication	U-D-P				
TAN	FIN	NGO Network for Dodoma Region	U-D-P				
TAN	FIN	Tanzania Eco Development Trust Limited	U-D-P				
TAN	IRE	Media Fund	J-I	Joint Fund(Basket)			100 000
TAN	IRE	RFE – Rapid Funding Envelope for HIV/AIDS	J-I	Foundation/National Govt			1 000 000
TAN	IRE	Haki Elimu	J-I-C	Basket-with Board	PRO	A	250 000
TAN	IRE	Foundation for Civil Society	J-I-C	Foundation			700 000
TAN	IRE	Other small projects (Name of the organisations are not known yet)	U-D	Direct support to NGO			175 000
TAN	IRE	CARE International - Pastoralist Civil Society groups	U-D	Embassy's own CSO funds. this will become a basket. Danida to join.			400 000
TAN	IRE	Health Civil Society (Funding to a number of CSO's and name of the organisations are not known yet)	U-D	Embassy's own CSO funds			600 000
TAN	IRE	Agricultural and Livestock Production Development Association (ALPDA)	U-D-P				
TAN	IRE	Arkaria & Mti Mmoja Village Governmaent.	U-D-P				
TAN	IRE	Bwatangabo Livestock Development Association	U-D-P				
TAN	IRE	CORDS	U-D-P				
TAN	IRE	Dogodogo Centre	U-D-P				
TAN	IRE	Kibaigwa Water Supply Project	U-D-P				
TAN	IRE	Maji na Maendeleo Dodoma (MAMADO)	U-D-P				
TAN	IRE	National Organisation for Legal Assistance(NOLA)	U-D-P				
TAN	IRE	SAHOTA Foundation	U-D-P				
TAN	IRE	Tanzania Health Care Career Awareness Programme	U-D-P				
TAN	IRE	AMREF - MKV	U-I	research organization			500 000
TAN	IRE	UNDP-Deepening Democracy Programme	U-I	UN Agency			550 000
TAN	NOR	Legal and Human Rights Centre	J-D-C	project	PRO	A, SD	125 000
TAN	NOR	Hakielimu	J-D-C	Basket-with Board	PRO	A	250 000
TAN	NOR	Tanzania Cultural Trust Fund	J-I	Basket - with board?	SSU	A	187 500
TAN	NOR	Foundation for Civil society	J-I-C	Foundation	SSU/SRC	A, SD	187 500
TAN	NOR	Rapid Funding Envelop	J-I-C	Foundation/National Govt	SSU/SRC	A	437 500
TAN	NOR	Women Legal Aid Centre	U-D-C	Project	PRO	A	150 000
TAN	NOR	Nowegian peoples's Aid	U-D-P	INGO	SSU/SRC	A, SD	325 000
TAN	NOR	Norwegian Church Aid	U-D-P	INGO	SSU/SRC	A, SD	562 500
TAN	SWE	TGNP	J-I				
TAN	SWE	HakiElimu	J-I-C	Basket-with Board	PRO	A	
TAN	SWE	Legal & Human Rights Centre	J-I-C		PRO		
TAN	SWE	FEMINA	J-I-C				
TAN	SWE	Media Center Tanzania	J-I-C				
TAN	SWE	REPOA (Research Institute)	J-I-C	Research			
TAN	SWE	TEN/MET	U-D-C				
TAN	SWE	Mfuko wa Utamaduni	U-D-P				
TAN	SWE	PINGO' Forum-Pastoralists Indigenous NGO's Forum	U-D-P				
TAN	SWE	Save the Children (NGO) in Zanzibar for HIV/AIDS	U-D-P				
TAN	SWE	SPW-Student Partnership WorldWide	U-D-P				
TAN	UK	Save the Children Fund	J-I	INGO			
TAN	UK	Tanzania Media Fund	J-I	Basket - with board?			
TAN	UK	Rapid Funding Envelop	J-I-C	Foundation/National Govt	SSU/SRC		
TAN	UK	Best Advocacy	J-I-C	Umbrella			
TAN	UK	Foundation for Civil Society	J-I-C	Foundation			
TAN	UK	REPOA (Research Institute)	J-I-C	Research			
TAN	UK	Women's dignity programme	U-D				
TAN	UK	Policy Forum	U-D-C				
TAN	UK	UNDP	U-I-P	UN Agency			



Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
TAN	UK	Financial Sector Deepening Trust		Basket - with board?			
TAN	UK	SUNY					
TAN	UK	Water Aid		Intermediary INGO			
ZAM	CAN	Mumfwa Crafts Center	U-D-P		A,SD	SRC	27 163
ZAM	CAN	Mwandasengo Middle Basic School	U-D-P		A,SD	SRC	27 163
ZAM	CAN	YWCA Center for Abused Women	U-D-P		A,SD	PRO	33 206
ZAM	CAN	FODEP	U-I-P	Private enterprise (PC Marketing) A		PRO	28 081
ZAM	CAN	SACCORD	U-I-P	Private enterprise (PC Marketing) A		SSU	29 972
ZAM	CAN	Chipata Jungle Theater	U-I-P	Private enterprise (PC Marketing) A		NTR	7 570
ZAM	FIN	Zambia Land Alliance	J-I-C	Network org	NGO (a network) A		30 000
ZAM	FIN	Transparency International Zambia	J-I-C	INGO	NGO	A	80 000
ZAM	FIN	Justice for Widows and Orphans	U-D-C		NGO (a network) A		122 369
ZAM	FIN	Zambia National Tourist Board	U-D-P		Public institution	SD	16 000
ZAM	FIN	Kasanka Trust	U-D-P		Trust	OS	26 000
ZAM	FIN	Africa Wildlife Foundation	U-D-P		Professional NGO	OS	55 000
ZAM	FIN	Mansa District Women Development Association	U-D-P		CBO	A,CS	19 500
ZAM	FIN	Women in Law and development in Africa, Zambia office	U-D-P		NGO	A,CS	22 000
ZAM	FIN	Community Radio Musi-O-Tunya	U-D-P		Church-body	OS	23 000
ZAM	FIN	Eastern Province Women Development Association	U-D-P		CBO	A,CS	25 000
ZAM	FIN	Zambia Association on Employment for People With Disabilities	U-D-P		CBO	SD	30 000
ZAM	FIN	National Archives of Zambia	U-D-P		Public institution	SD	68 917
ZAM	FIN	Students Partnership Worldwide Zambia	U-D-P		NGO	A,SD	98 000
ZAM	FIN	Our Lady's Hospice	U-D-P		NGO	SD	144 444
ZAM	FIN	P C Marketing (intermediary)	U-I-P	Private enterprise	NGOs, CBOs	A	100 000
ZAM	FIN	Legal Resources Foundation	U-I-P		NGO	A	115 400
ZAM	FIN	UNDP (intermediary)	U-I-P	UN Agency	Professional NGO	A	142 800
ZAM	NOR	National Legal Aid Clinic for Women	J-D-C		NGO, Legal	A,SD,MW	395 500
ZAM	NOR	Transparency International - Zambia	J-I-C	INGO	INGO	A, MW, SCE	6 330
ZAM	NOR	NGOCC	J-I-C	Umbrella for CSOs	All categories, SRC ca 20%	A,OS, MW, LD, SD	108 250
Support to NGOCC as an umbrella, including Core support - as well as to a Basket Fund							
ZAM	NOR	Zambia National Aids Network (ZANAN)	J-I-C	Umbrella for CBOs	CBOs	A	158 230
ZAM	NOR	Zambia National Aids Network (ZANAN)	J-I-C	Umbrella for CBOs	CBOs	A	
ZAM	NOR	PC Marketing	J-I-P	Private enterprise	All categories	A, MW, SCE	17 400
ZAM	NOR	Matantala RIDE	U-D-C		SRC	A, LD, SD	11 700
ZAM	NOR	Media Trust Fund	U-D-C		Media development	A, OS, MW	79 115
ZAM	NOR	Legal Resources Foundation	U-D-C		NGO, Legal	A,SD,MW	94 940
ZAM	NOR	Save the Children Norway Zambia Office (SCN)	U-D-C		International NGO	A	177 215
ZAM	NOR	Involving traditional leaders	U-D-P	Private enterprise	SRC	A,OS,LD	6 300
ZAM	NOR	Norwegian Church Aid (NCA) - Zambia Office	U-I-C	INGO	International NGO	A,SD	190 000
ZAM	SWE	Forum for Democratic Process, FODEP	J-D-C	NGO	NGO	OS	194 400
ZAM	SWE	OASIS Forum	J-D-C	NGO	NGO	A	
ZAM	SWE	Election fund for Civil society (I)	J-I-P	NGO	NGO	A	864 000
ZAM	SWE	Mindolo Ecumenical Foundation	U-D-C	NGO	Training Institute	OS	648 000
ZAM	SWE	Paralegal project	U-D-C	NGO	NGO/Paralegal	OS	108 000
ZAM	SWE	Media Institute for Southern Africa, MISA, Zambia Chapter	U-D-P	NGO	NGO	A	129 600
ZAM	SWE	Legal Resources Foundation	U-I-C	NGO	professional NGO	A	216 000
ZAM	SWE	Save the Children (I)	U-I-C	Umbrella /NGO	International NGO	A	820 800
ZAM	SWE	Diakonia (I)	U-I-C	Umbrella / NGO	International NGO	A	810 000
ZAM	SWE	National Legal Aid Clinic for Women	U-I-C	NGO	professional NGO	A,SD	
ZBW	NOR	lawyers for human rights	J-D-C		professional	A	50 000
ZBW	NOR	csu	J-D-C		professional	SD	53 750
ZBW	NOR	zesn	J-D-C		member based CSO	A	125 000
ZBW	NOR	hr ngo forum	J-D-C		member based CSO	A	131 125
ZBW	NOR	cpia	J-D-C		professional	A	231 250
ZBW	NOR	sahrit hr basket	J-D-C		professional	A	237 500
ZBW	NOR	lrf	J-D-C		professional	A	250 000
ZBW	NOR	shelter trust	U-D-C		professional	SD	25 000
ZBW	NOR	chipawo	U-D-C		professional		26 250
ZBW	NOR	zimbabwe women writers	U-D-C		member based CSO	A	37 500
ZBW	NOR	hifa	U-D-C		professional		37 500
ZBW	NOR	mmpz	U-D-C		professional	A	40 000
ZBW	NOR	national gallery	U-D-C		professional		50 000
ZBW	NOR	abdo	U-D-C		professional	A	87 500
ZBW	NOR	sahrit anti corruption	U-D-C		professional	A	313 500
ZBW	NOR	sapp	U-D-C		professional	SD	579 000
ZBW	NOR	searcwl	U-D-C		professional	A	743 750
ZBW	NOR	epiz	U-D-C		professional	A	
ZBW	NOR	safdem	U-D-P		professional	A	6 250
ZBW	NOR	eyes for zim	U-D-P		professional	SD	15 000
ZBW	NOR	howard hospital	U-D-P		professional	SD	79 375
ZBW	NOR	ctdt	U-I-C	Regional body	professional	A	25 000
ZBW	NOR	ims)	U-I-C	Foundation	professional		125 000
ZBW	NOR	aias	U-I-C	Local Govt	professional	A	150 000
ZBW	NOR	esp - (undp)	U-I-C	UN Agency	professional	SD	187 500
ZBW	NOR	papst	U-I-C		professional	A	262 500
ZBW	NOR	hivos)	U-I-C	INGO	professional		
ZBW	NOR	international video fair)	U-I-C	Regional body	professional		
ZBW	UK	Support via IOM)	J-I-P	UN Agency	SRC/SSU	LD,SD, OS	3 383 300
ZBW	UK	OVC programme to 23 NGOs)	J-I-P	UN Agency	All types	SD/LD	5 884 000

Country	DONOR	CSO or Intermediary Org	Support Model	Type of Intermediary	Outreach: type of "end-CSO"	Main activity	2006 expend's, EUR
ZBW	UK	Expanded Support Programme) to several NGOs	J-I-P	UN Agency	?	SD	646 600
ZBW	UK	Joint Initiative for Urban Development) to several NGOs	J-I-P	INGO	PRO/SSU	LD/SD	
ZBW	UK	ACPP Support to many NGOs	U-D-P	N/A	PRO, SSU, SRC, NTRA, MW		3 677 500
ZBW	UK	Protracted Relief Programme) to 12 NGOs	U-D-P	N/A	PRO/ PRC/ SSU/ SRC	LD/SD	11 768 000
ZBW	UK	EGPAF	U-D-P	N/A	?	?	
ZBW	UK	Zvitambo	U-D-P	N/A	?	?	
ZBW	UK	PSI	U-D-P	N/A	PRO	SD	

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