Multi-donor support mechanisms for civil society

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Question

What is the current state of experience globally with multi-donor platforms for civil society, particularly in support for voice and accountability and/or social accountability? Identify initiatives (possibly in Africa) and results.

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1. Overview

This report identifies multi-donor support mechanisms\(^1\) for Civil Society Organisations (CSOs) with a particular role in voice and accountability and/or social accountability. The experience of multi-donor support mechanisms for CSOs is mixed. There are a number of potential advantages for donors engaging in pooled funding strategies, including working with donors who have a stronger presence and a track record in a particular context, and reducing transaction costs in the medium- to long-term (Tembo et al. 2007, p. 14). However, experts indicate that the difficulties of providing support to CSOs can be compounded when multiple donors are involved. There can be a tendency to 'over-manage', 'especially where the implementing agency feels under pressure to perform to its own targets'\(^2\). Further, the choice of management intermediaries (Scanteam 2007) and the application procedures for CSOs seeking support (Tembo et al. 2007) demands careful consideration.

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\(^1\) The definition of multi-donor support mechanisms utilised in this report is, ‘where two or more donors jointly finance a set of programmes or actions on the basis of commonly agreed objectives, criteria for allocations and reporting modalities’ (UNDP 2012, p. 9).

\(^2\) Expert comments
Programmes and results

While there are a range of programmes identified in this report, details on results are limited. Much of the project literature is descriptive rather than evaluative in nature, with limited mention of outcomes and results (Kassam et al. 2006, p. 11). In addition, many of the pooled funding programmes for CSOs are fairly recent, accounting for the lack of available evaluations (PARTICIP 2008, p. 39). With this in mind, the details presented in this report are limited. From the available literature, some of the identified programmes and results achieved include:

- **The Deepening Democracy Fund in Uganda** was used by seven parliamentary committees to commission 15 reports on various topics, and to provide resources to inform issues of electoral reform (International IDEA 2011, p. 34).

- **Samata in Bangladesh** achieved notable results in its Land Rights Programme, including the recovery and redistribution of over 90,000 acres of resources (land and water resources) among over 1.9 million landless families, and the election of 458 landless men and women group members to local government (Union Parishad) (Tembo et al. 2007, p. 39).

- **The Civil Society Support Programme to Ethiopia** deepened its direct relationships with CSO partners and indirect relationships with CSO partners through Learn and Share Events (CSSP 2013, p. 7).

Lessons learned

- **Choosing Intermediaries** – The choice of intermediary organisation is of crucial important to the performance of a multi-donor fund. International INGOs are often favoured in unstable/fragile contexts due to their having established programmes and relationships with the state (Tembo et al. 2007, p. 7).

- **‘Crowding out’ local CSOs** – Concerns have been raised that the organisational balance within the civil society sector could be upset if the multi-donor support mechanism became the main or only channel for civil society funding (Wiseman 2006, p. 18).

- **Targeting application procedures** – The application procedure to access funds should reflect the capacity of targeted CSOs. The Foundation for Civil Society in Tanzania, for example, was criticised for its application procedure that was deemed so complex, community CSOs had to hire consultants to complete application forms (DCU 2007, p. 24). The criteria for support should be flexible to facilitate small and emerging CSOs but robust enough to ascertain proper use of funds (Scanteam 2007, p. 34).

- **Local ownership** – Managing donor presence can be achieved through a gradual withdrawal from funding and steering committees (Tembo et al. 2007, p. 22).

- **Transaction costs and time** – Multi-donor instruments intend to reduce administration costs. However, the transition to pooled funding can be costly, and necessitate significant time, financial, and human resources (Tembo et al. 2007; Scanteam 2007).
2. Key documents

*Multi-Donor Support to Civil Society and Engaging with ‘Non-Traditional’ Civil Society: A light-touch review of DFID’s portfolio*

Tembo, F. et al. (2007). London: ODI.  

Undertaken on behalf of DFID, this study explores whether multi-donor support mechanisms enhance the effectiveness of civil society engagement with the state ‘for improved governance and poverty reduction’ (p. 6). The study’s methodology is multi-method, combining document review with first hand interviews with DFID Country Offices and programme staff (p. 6). There are a number of important key findings relating to multi-donor support to CSOs. Firstly, the report notes the potential advantages of engaging in pooled funding strategies for CSO support. These are: influencing the aid agenda; working through and with donors with a stronger presence and a track record in particular context; and reducing transaction costs in the medium to long term (p. 14).

The study found that most multi-donor civil programmes are managed by intermediaries, which includes INGOs, local CSOs, multilaterals, local foundations, and community organisations (p. 6). The choice of intermediaries is framed by policy objectives, the credibility of the state, managerial capacity, and the ability to provide capacity building support to smaller CSOs (p. 7). International INGOs are often favoured in less stable environments due to their having established programmes and relationships with the state (p. 7). However, the report cautions that the choice of INGOs can risk ‘crowding out’ local interlocutors (p. 7). To combat this negative effect, DFID have transferred some ING-managed programmes to local foundations, such as the Foundation for Civil Society in Tanzania which was initially managed by Care International (p. 7). The report cautions that such transitions should to be carefully managed, particularly in a fragile state context where national legal frameworks might be opaque and applied differently to donors, INGOs, and local CSOs (p. 7). An alternative to the intermediary model is the core-funding model, where donors fund a CSO programme based on its record of achievement and strategic objectives (p. 16). This is found to be a form of ‘long-term but light-touch support’ that enables flexibility for CSOs to set priorities (p. 7).

Some of the identified challenges from multi-donor support modalities include:

- **Local ownership** of multi-donor instruments can be problematic: Despite the use of intermediaries, donors can still have control over priorities and management (p. 22). The report notes that it is possible to address this concern and manage ‘donor presence’ through a gradual withdrawal from funding and steering committees, as the capacity of intermediaries or core-funded bodies improves (p. 22). There may also be tensions around donor support to organisational development, with CSOs having high expectations or interest in capacity building assistance (p. 22).

- **Multi-donor instruments and accountability:** It is unclear whether multi-donor instruments are more effective at delivering accountability than bilateral approaches. The programmes examined in the study focus on ‘enhancing citizen voice’ (such as coalition-building, dialogue and access to information) and provide little evidence of accountability (p. 23).

- **Sector-based programming:** A sector approach to CSO assistance may make it easier to align grants to specific policy outcomes, and deliver capacity building in a way that better responds to the needs of CSO partners (p. 24). Sectors that directly impinge on peoples’ livelihoods may provide effective entry points for accountability relationships (p. 24). Working through sectors,
However, can incur greater transaction costs than a single, stand-alone fund, and require more active facilitation and mediation by donors (p. 24).

\begin{itemize}
\item **Transaction costs**: The shift to multi-donor instruments can reduce transactions costs where donors invest into basket funds headed by liked-minded partners, such as the UNDP’s Deepening Democracy programme (p. 25). In most cases, however, the shift demands significant short- to medium-term investment (p. 25). Donors may need to pilot civil society funds on a bilateral basis before other donors buy-in (p. 25).
\end{itemize}

**Evaluation of EC Delivery through Civil Society Organisations: Final Report, Vol. 1**


Covering the period 2000 to 2006, this evaluation assesses European Commission (EC) aid channelled through CSOs and offers key lessons learned. While the focus is not specifically on multi-donor instruments, it does offer comment and observations on multi-donor approaches throughout. The report notes that the movement towards joint funding mechanisms has been fuelled by the harmonisation concerns of the Paris agenda and related to the need to reduce high transaction costs of direct support to CSOs (p. 26). It furthers, that the EC has some experience in channelling aid to CSOs through multi-donor basket funding, for example by contributing funds to a UNDP-managed multi-donor fund for CSOs in electoral education (p. 26). The evaluation notes that such practice can present **strategic and operational challenges**. Streamlining finance could limit the range of CSOs that can access funding – to the detriment of smaller organisations (p. 26). The use of intermediaries can ‘create imbalances, competition and distrust between CSOs’ (p. 26), and there ‘is no guarantee that these intermediaries will function in an efficient, effective and transparent way’ (p. 26). In addition, the report notes that basket funds tend to be perceived by CSOs as lacking CSO consultation and ownership, and regarded as a donor-driven initiative (p. 26).

**Donors’ Civil Society Strategies and Partnership Modalities: A Resource Guide**

UNDP (2012). New York: UNDP


This resource guide provides an overview of the policies, strategies, and various priorities of donors who provide assistance to CSOs (p. 4). The document is intended to be a brief, user-friendly guide introducing the civil society strategies of major donors. In particular, looking at donors’ definitions of civil society, approaches to supporting civil society partners, and funding modalities (p. 4). The guide notes that at the country level there is an observable trend toward pooled, basket, or other joint funding arrangements ‘where two or more donors jointly finance a set of programmes or actions on the basis of commonly agreed objectives, criteria for allocations and reporting modalities’ (p. 9). The guide cautions that although pooled funding mechanisms are increasingly common, some donors are cautious in their use (p. 10). The EC for example, recommends that pool funding should be limited to cases where it has been proven to be the most cost effective modality (p. 10). The use of intermediary agents to manage multi-donor funds is identified as a popular donor strategy. The guide notes that there is a tendency to use INGOs in this role but cautions that donor experience with this has not been entirely positive (p. 10).
Civil Society Policies and Practice in Donor Agencies: An overview report commissioned by DFID
Giffen, J. and Judge, R. (2010) INTRAC.

Giffen and Judge provide an overview of civil society policy and practice among both multilateral and bilateral donors (p. ii). At the outset, the paper identifies that there has been a push for harmonised multi-donor mechanisms for civil society support – broadly described as ‘pooled funds’ (p. 3). Pooled funding can be disbursed in various ways, including through trust funds, funds for sector programmes, or core funding to specific actors (p. 3). While there ‘seems no expectation that donors...will favour applications from their own national INGOs’, the overview notes that the procedures involved may preclude smaller local CSOs with less institutional capacity (p. 3). This raises concerns that INGOs may be ‘crowding out’ local CSO capacity rather than strengthening it (p. 18).

3. Case studies

Foundation for Civil Society, Tanzania

The Foundation for Civil Society (FCS) is the largest support mechanism for capacity building and grant support to CSOs in Tanzania (Kassam et al. 2006, p. v). Funding is provided by Britain, Ireland, the Netherlands, Norway, and Switzerland. The FCS is operated by a Secretariat and governed by an independent board and council members (Scanteam 2007, p. 33). To enhance networking among CSOs, the Foundation can provide support to Consortia or groups of organisations (p. 33). In addition, there are four priority geographical areas, which are the four poorest regions of the country (p. 33). CSOs that apply for assistance undergo a comprehensive organisational assessment (p. 34).

A 2006 institutional assessment of FCS describes the body as ‘a highly professional and competent grant-making organisation’, and rates the capacity to manage and administer grants to CSOs as ‘highly satisfactory’ (Kassam et al. 2006, p. v). However, the assessment also notes that the Foundation has not paid attention to the developmental results and outcomes it expects to achieve through funding CSOs (p. 4). The Foundation’s grant-making programme does not specify results, impacts or expected outcomes, while FCS’s Annual Reports do not identify results achieved. Wiseman’s (2006) analysis of the FCS on behalf of Care International, found that the Foundation often lacked the absorptive capacity to manage funds and fulfil donor expectations (p. 18). Concerns are also raised that the organisational balance within the sector could be upset if the Foundation became the main or only channel for civil society funding (p. 18). The complexity of the FCS application procedure has also received some criticism. An assessment of civil society support to Tanzania conducted by Dublin City University found that application procedures did not reflect the capacity of targeted CSOs (DCU 2007, p. 24). A diplomat who had been involved in the Foundation revealed that community organisations were hiring consultants to complete application forms due to their complexity (p. 24).

Multi-Donor Fund for Indonesia (Aceh and Nias)

Operating from 2005 to 2012, the Multi-Donor Fund for Aceh and Nias (MDF–AN) was established to respond to the immediate and longer-term needs of Indonesian populations that had been affected by earthquakes and tsunamis. The fund is administered by the World Bank and donors include the EC, DFID, SIDA, IrishAid, ADB, and USAID. There are ten specific objectives, including the need to support policy dialogue among the international community, civil society and government on progress in the recovery
process, and to avoid regional disparities in all MDF-AN funded projects (p. 1). The governance of the MDF-AN is by a steering committee comprised of donors, national and provincial government representatives, and civil society representatives (Multi Donor Fund 2012, p. 25).

The MDF-AN project – Support to Strengthen the Role and Capacity of Civil Society Organisations – provided significant and extensive support to build civil society capacity in Aceh and Nias (p. 51). The project was implemented by the UNDP. In addition to building the technical and organisational capacity of CSOs, the project also aimed to provide a platform to encourage dialogue with local governments (p. 51). Some of the civil society specific results include:

- The introduction of community-based monitoring of rehabilitation and reconstruction efforts, which improved coordination and collaboration and fostered mutual trust between local governments, CSOs and Community-based Organisations (CBOs) (p. 51).
- The provision of 142 grants to CSOs and CBOs to support initiatives such as restoring basic social services, women’s empowerment, and income generation (p. 51).
- The establishment of Civil Society Resource Centres in Aceh and Nias. These centres have enabled communities to better lobby government on developmental needs and priorities (p. 51).

Civil Society Support Programme, Ethiopia

The Civil Society Support Programme (CSSP) to Ethiopia is a five year multi-donor investment that provides support to CSOs to contribute to Ethiopia’s national development. The programme was launched in September 2011 and donors include Ireland, Norway, Denmark, Britain, the Netherlands, and Canada. CSSP is managed by a consortium of organisations led by the British Council. Day-to-day management is the responsibility of an independent programme team, based in the British Council in Addis Ababa. The most recent project report (published in October 2012) identifies a number of results that have been achieved (CSSP 2013). These include:

- CSSP has deepened its direct relationships with 87 CSO partners and indirect relationships with 185 CSO partners through 12 specialist ‘Learn and Share Events’ (p. 7).
- The proportion of CSSP programmes which target ‘hard to reach’ issues is 46%, and women and girls 33% (p. 7).
- Respondents to the first Partner Satisfaction Survey overwhelmingly rated CSSP’s overall support as very good or good (94%). Identified areas where there is room for improvement include, disbursement of funds, support for the use of monitoring and evaluation tools, and the provision of more systematic and structured capacity development support (p. 8).

Tanzania Media Fund

Established in 2008, the Tanzania Media Fund (TMF) is a grant making organisation which seeks to foster an independent and high-quality media in Tanzania to improve national transparency and accountability (DFID 2012, p. 13). Funding for the initiative is provided by the UK, Ireland, and the Danish and Dutch embassies in Tanzania. The TMF provides grants to individual journalists and media organisations, which is accompanied by learning support such as coaching, mentorship and networking. Each individual

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3 See: http://east-africa.hivos.org/activity/tanzania-media-fund
4 See: http://east-africa.hivos.org/activity/tanzania-media-fund
grantee is also assigned a personal mentor. In the absence of available evaluations, project documentation identifies some results of the initial pilot phase (2008-mid 2012). These include:

- Funding has been provided to 347 journalists and 58 media organisations.
- TMF has had a presence in national print media. Over 2000 articles were published, with over 50% focusing on issues relating to transparency and accountability (p. 9).

Samata, Bangladesh

Samata (from the Bengali word meaning ‘equality’) is a national NGO that works across Bangladesh to support landless poor to work for rights to land. The NGO is funded by Britain, Norway, Sweden, and Bread for the World. In addition to land rights, Samata works in six other programme areas: Gender relations and development; democratisation; land and agrarian network for development; production support; national policy and advocacy; and organisation strengthening. Samata’s primary activities are in training, advocacy and awareness raising - making local populations aware of their democratic rights (Sørvald and Nurul Alam 2005, p. 22). Key elements of the organisation’s strategy include building capacity, providing technical and legal assistance, and mobilising people at the grass roots level (p. 22).

Samata’s achievements are most notable in the Land Rights Programme (Tembo et al. 2007). These include:

- The recovery and redistribution of approximately 93,000 acres of khas resources (defined as land and water resources) among 1.9 million landless families. These are registered in the names of both husband and wife to avoid potential intra-family marginalisation (p. 39).
- The election of 458 landless men and women group members to local government (Union Parishad) and the election of 163 members to standing committees of the Union Parishad (p. 39).
- The amendment of three government acts relating to land (Transfer of Property Act, Registration Act, and Specific Relief Act) (p. 39).
- The establishment of a Land Rights Day National Observation Committee, that includes 275 local, national, and international organisations, to observe Land Rights Day.

Asia Foundation, Indonesia

The Asia Foundation (TAF) is a non-profit international NGO whose programmes target five themes: governance and law, economic development, women’s empowerment, environment, and regional cooperation. Multi-donor funding to TAF seeks to provide connections between technical NGOs and key Islamic mass-based organisations working on pro-poor budget advocacy and economic policy reform (Tembo et al. 2007, p. 37). Though highly influential, and with membership bases spanning millions, many Islamic organisations lack technical skills in policy advocacy (p. 37). TAF has successfully facilitated partnerships between NGOs and Islamic organisations – for example, between the Solo Regional Study and Information Centre and LABDA, an affiliate of Muhammadiya, Indonesia’s principal Islamic organisation (p. 37). TAF also facilitates work by the Indonesian Muslim Entrepreneurs Network to advocate for regulatory reform, in particular, to reduce the cost of halal certification for small and medium enterprises (p. 35).

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5 See: http://asiafoundation.org/about/
Deepening Democracy Programme and the Democratic Governance Facility, Uganda

Established in 2008 and running until 2011, the Deepening Democracy Programme (DDP) was a multiple intervention project that sought to support democratic elections in Uganda. The DDP was supported through a basket fund involving Denmark, Ireland, Sweden, Norway and Britain. DPP had five components: enhancing the integrity of elections; institutionalising an effective multiparty political system; strengthening parliamentary autonomy and oversight; encouraging more active and participatory civic engagement; and strengthening a free media to promote accountability (International IDEA 2011, p. 32). International IDEA’s assessment of the DDP notes that underlying these components was a clear political objective: ‘principally to increase the influence of the opposition parties and address the imbalance of political power’ (p. 32).

The programme’s parliamentary assistance component concentrated on four areas that would enhance scrutiny: a Research Fund for the opposition cabinet; an Expert Advisory Fund (EAF) for committees; IT capacity building; and legislative training and seminars (p. 33-34). International IDEA found that the implementation of these four components had some successes, particularly the EAF (p. 34).

In terms of results, the Fund was used by seven committees to commission 15 different reports on various topics and also to provide resources to inform issues of electoral reform (p. 34). International IDEA’s assessment and analysis notes that the overtly political nature of the interventions presented challenges of the project’s timeframe, particularly in securing the compliance of the ruling political party (p. 36). The positive aspects of programme were its flexibility, willingness to adapt, and local ownership. The DPP did not ‘impose a formula or a linear development plan on local stakeholders from the outside’ (p. 36). Rather, it provided parties with funds and they themselves decided how to use them (p. 36). International IDEA concludes, ‘the programme...is regarded as a positive example of political programming, which integrates the objectives of parliamentary and party support. However the assessment also highlights the difficulties of quantifying results (p. 37). Though indicators exist, several of the assessment interviewees expressed the view that they did not capture the extent of change (p. 37).

The Democratic Governance Facility (DGF) was launched in 2011 following the closure of the DPP. DGF is a multi-donor instrument that seeks to strengthen democratisation and accountability in Uganda through three separate, but interlinked, challenges: Deepening Democracy; Rights, Justice and Peace; and Voice and Accountability 6. Funding is provided by Denmark, the Netherlands, Sweden, Norway, Ireland, Britain, Austria, and the EC. The project is operational until 2016. As yet, there are no results available.

Ghana Research and Advocacy Programme (G-RAP)

The Ghana Research and Advocacy Programme provides grants to local CSOs who are engaged in pro-poor policy research and advocacy7. It is an example of a core funding mechanism (as opposed to project support), with donors including DFID, GTZ, the Dutch Embassy in Ghana, WomanKind and ActionAid (Care 2009, p. 3). G-RAP targets organisations that seek to contribute to national policy dialogue. To this end, its beneficiaries have included think-tanks, development organisations and advocacy networks8.

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6 See: http://www.dgf.ug/
7 See: http://www.g-rap.org/
8 See: http://www.g-rap.org/
An **independent review of the programme** from 2004-2006 rated its overall performance as ‘positive’ (Brown and Atampugre 2007 p. 3). The review found that the principle of core funding had received wide support in Ghana and that services have been delivered in a professional manner (p. 20). Recipient CSOs identified a number of areas in which G-RAP support has improved their performance. These included (p. 20):

- Facilitating strategic planning
- Helping to develop new programmes and ideas
- Aiding staff development
- Providing a platform for CSO dialogue and networking
- Facilitating organisational reflection and change

**Tilitonse Fund (formerly Civil Society Governance Fund), Malawi**

Tilitonse is a **multi-donor grant making facility** that supports more accountable, responsive and inclusive governance in Malawi through grants to projects led by civil society and other local organisations. Contributors to the Fund are DFID, Irish Aid, and the Norwegian Embassy. The Tilitonse Fund is a ‘results-focused fund’ that provides grants to civil society organisations that seek to achieve outputs in three main programme areas: (i) citizen empowerment; (ii) social inclusions; (iii) and service provision (UNDP 2012, p. 11). An independent evaluation of the Tilitonse Fund has been scheduled for 2015.

**4. Additional references**


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9 See: http://tilitonsefund.org/


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**About this report**

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