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DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

HOW DAC MEMBERS WORK WITH CIVIL SOCIETY ORGANISATIONS: AN OVERVIEW

This report is an output of the Learning through Peer Reviews Action Plan 2009-2010. It takes into account comments of a factual nature by 18 members of the Committee on the first draft that was circulated in March 2011.

Further to the written procedure launched on 1 June 2011, and further factual amendments requested by five members of the Committee, this document is now considered APPROVED and is issued as FINAL.

This document is now available through OLIS and will be disseminated publicly through the OECD/DCD website. The secretariat will organise a workshop on the topic of "How DAC donors work with CSOs" in the last quarter of 2011. Key lessons from the report and the workshop will be disseminated by the secretariat through future 12 Lessons publications, issue briefs and the OECD/DCD website.

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KEY FINDINGS

Civil society organisations (CSOs) have a high profile in development and are recipients and channels of significant levels of official development assistance (ODA). This report provides an overview of how members of the OECD Development Assistance Committee (DAC) work with civil society. Its key findings are:

- All 24 DAC members work with civil society - including non-governmental organisations focussed on development - based at the national level in the DAC member country. Twenty members work with civil society at the international level and 19 with organisations based in developing countries.

- Twenty-one DAC members have some sort of policy and/or strategy for working with CSOs in development co-operation.

- According to DAC statistics, aid channelled *to* and *through* NGOs amounted to USD 15.5 billion (USD 17 billion including the European Union) in 2009, representing 13% of total ODA.

- More ODA was channelled through NGOs (earmarked for donor-initiated projects implemented by NGOs) than allocated to NGOs (core aid - contributions used to fund organisations own projects). The volume of core aid to NGOs has remained relatively stable throughout the past decade. However, reporting by DAC members may differ especially if, and when, members have different views on what qualifies as core aid and earmarked aid

- Donors perceive CSOs as development partners, and recognise them as important implementers of aid and actors in their own right. At the same time, DAC members particularly appreciate civil society's capacity to help donors reach their development objectives. They feel that civil society has an important role to play in delivering services to the poor.

- DAC members identify the transaction costs of dealing with many diverse CSOs, and the co-ordination between donors and CSOs, as particular challenges.

- DAC members recognise the added value that consultations with civil society can bring to their policy making.

- DAC members use a variety of funding mechanisms for supporting civil society (e.g. core support, calls for proposals, project funding, co-funding and pooled funding). This allows donors to respond to a diverse civil society. The most commonly used mechanism is project/programme support to non-governmental organisations based in the DAC member country.

- Inconsistent and rigid requirements on donor funding proposals and reporting can put a heavy administrative burden on CSOs.

CHAPTER 1

INTRODUCTION

1.1   The objectives and methodology of the study

1.   This report presents an overview of how the 24 DAC members work with the non-governmental/non-state/civil society sector for development and, to a certain extent, humanitarian purposes.[1] It focuses more specifically on how DAC members work with CSOs as both ODA recipients and channels for achieving development and humanitarian outcomes. The report is part of the *Learning through Peer Reviews Action Plan 2009-2010* [DCD/DAC (2008)47] and attempts to fill some knowledge gaps on the tools donors use when collaborating with CSOs.[2] A medium-term objective is to build on this evidence-base by preparing policy guidance or lessons on DAC member-CSO co-operation. The primary sources of information for the study are DAC peer reviews and responses to a web-based survey of DAC members which was completed in March-April 2010 (see Annex C).[3] This information is complemented by a survey of NGO umbrella bodies based in seven DAC member countries.[4] Other sources of information for the study include DAC statistics, donors' policy and strategy documents on civil society, analysis by the *Advisory Group on Civil Society and Aid Effectiveness*[5] as well as other literature on civil society in development contexts.

2.   CSOs have a high profile in development and are recipients and channels of significant levels of ODA (see Figure 1). However, there is no comprehensive, comparative evidence base on how DAC members work with CSOs in development co-operation. The DAC has not produced guidance or benchmarks for working with CSOs. However, the Accra Agenda for Action (AAA) broke new ground when donors and partner countries committed to deepen engagement with civil society organisations (see Box 1). The AAA invites CSOs to reflect on how they can apply the aid effectiveness principles to improve development effectiveness, and encourages donors and governments to work with civil society to

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1.   The authors are grateful for the input and advice provided by members of the informal external steering group for the study - Anna Clancy (AusAID), Eve Derriennic (Coordination Sud), Camilla Lindstrom (Sida), Masaaki Ohashi (JANIC), Marc Purcell (ACFID), Brian Tomlinson (CCIC), and Jacqueline Wood (CIDA) - however the analysis and conclusions are the sole responsibility of the Development Co-operation Directorate. We are equally grateful for statistical assistance by Yasmin Ahmad, Olivier Bouret and Aimée Nichols, research assistance by Maria Zandt and guidance by Michael Ward and Karen Jorgensen of the OECD Development Co-operation Directorate.

2.   A comparative advantage of this study is that it covers all DAC members. Other, less comprehensive, studies exist, e.g. by the United Kingdom's Department for International Development (Griffin, J. and Judge, R, 2010), Sida (Karlstedt, C., 2010), the University of Antwerp (Nijs, L. and Renard, R, 2009), Norad (2007) and Dublin University (2007).

3.   In total, 26 survey replies were submitted to the DAC Secretariat covering the 24 DAC members: 22 DAC members submitted replies from one agency/Ministry and Germany and France submitted replies from two agencies/Ministries. Annex A summarises each respondent's answers to a selection of survey questions.

4.   Seven responses were received from NGOs: ACFID (Australia), 11.11.11 and ACODEV jointly (Belgium), CCIC (Canada), Coordination Sud (France), Dochas (Ireland), JANIC (Japan) and Forum Syd (Sweden). Some of these organisations also co-ordinated inputs from other NGO groups. Respondents were selected based on the principle of representation in terms of region and size of the DAC member country but it cannot be assumed that generalisations based on these responses reflect the experience of civil society groups in all DAC countries.

5.   Hereafter referred to as the Advisory Group.

provide an enabling environment and support models that maximises CSO contributions.[6] DAC peer reviews address various aspects of donor-civil society relations including consultation on development policy, support to civil society efforts to raise public awareness of development issues within the donor country, how donors manage their co-operation with CSOs as well as the role and contribution of CSOs to making aid more effective. DAC statistics compile comparative data on ODA allocations to and through NGOs and private organisations.

3.   The majority of DAC members make efforts to promote dialogue and to support an enabling environment for civil society at the partner country level, in line with the AAA. However, it was beyond the scope of this study to investigate, in a comprehensive manner, the implementation of the aid effectiveness principles when working with civil society. Future work could look at this issue.

4.   This report presents the findings of the two surveys administered to DAC members and seven umbrella NGO bodies along with key lessons from DAC peer reviews and analysis by the Advisory Group. It is organised in five chapters. The first addresses the objectives and methodology of the study and definitions of CSOs. The three following chapters focus respectively on CSO financing, and the key features and instruments for DAC members' work with CSOs including policy and strategy, the instruments and funding mechanisms, and monitoring and accountability. The fifth chapter concludes with preliminary policy suggestions for DAC members, CSOs and the DAC. Annex A provides a snapshot profile, based on the questionnaire, for all DAC members' co-operation with CSOs. Annex B presents statistical tables on ODA to and through CSOs and the questionnaires are in Annex C.

1.2   Defining civil society organisations

5.   Civil society organisations vary in structure, governance, formality, and the scale and scope of their operations and revenue. Importantly, CSOs include many more forms than the term 'non-governmental organisation' suggests" (Anheier and Themudo, 2002). According to BOND – the UK membership organisation for non-governmental bodies working in international development – "Sometimes [NGOs] have been treated as synonymous [to CSOs], and the funding of development NGOs has been rephrased as support for civil society (BOND, 1997). However, development NGOs only form one group of organisations within civil society." The definition of CSOs agreed by the Advisory Group is used for this study: "CSOs can be defined to include all non-market and non-state organisations outside of the family in which people organise themselves to pursue shared interests in the public domain. They cover a wide range of organisations that include membership-based CSOs, cause-based CSOs and service-oriented CSOs. Examples include community-based organisations and village associations, environmental groups, women's rights groups, farmers' associations, faith-based organisations, labour unions, co-operatives, professional associations, chambers of commerce, independent research institutes, and the not-for-profit media." Finally, according to the Advisory Group, CSOs derive their legitimacy from the values that inform their actions and institutional philosophy, the results they deliver, their expertise and experience, the governance and accountability mechanisms that they have in place, and the transparency of their operations (OECD, 2009).

6.   DAC members work with CSOs, including NGOs, for development at different geographical levels. This study distinguishes between three levels in line with DAC statistical reporting directives on channels of delivery (DCD/DAC (2007)39/FINAL/CORR5):

- *National:* A donor country-based NGO is an NGO organised at the national level, based and operated either in the donor country or another developed (non-ODA eligible) country.

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6.   A multi-stakeholder donor-civil society-partner government task team on CSO Development Effectiveness and Enabling Environment was established following the Third High Level Forum on Aid Effectiveness (2008).

- Local: A developing country-based NGO is an NGO organised at the national level, based and operated in a developing (ODA-eligible) country.

- International: An international NGO (INGO) is an NGO organised on an international level. Some INGOs may act as umbrella organisations with affiliations in several donor and/or recipient countries.

7.   All 24 DAC members work with CSOs - including NGOs - at the national level, while 22 work with CSOs at the international level[7] and 22 with locally-based organisations.[8] Twenty-one DAC members also support umbrella bodies for development NGOs[9] at the national level and 22 members support organisations focused specifically on humanitarian assistance.[10] Responses to the survey indicate that it is more common for DAC members to work with NGOs than with other CSOs such as foundations, co-operative societies, trade unions, and research institutes. For example, all 24 DAC members support NGOs based in the DAC country while only 18 support other CSOs based in their country.

8.   While DAC members have traditionally used the term NGO, the term CSO has become more prominent recently in DAC members' discourse on development co-operation. DAC members, notably through their reporting to the DAC but also in several members' policies and strategies, use the term NGO. All the same, the definition of NGOs used by the DAC's statistical reporting directive is close to the one used by the Advisory Group. DAC statistical reporting directives define NGOs as any a non-profit entity in which people organise themselves on a local, national or international level to pursue shared objectives and ideals, without significant government-controlled participation or representation. NGOs include foundations, co-operative societies, trade unions, and ad-hoc entities set up to collect funds for a specific purpose. NGO umbrella organisations and NGO networks are also included. The development and welfare expenditures of religious bodies or of private profit-making entities may also be included, provided such expenditures do not have a primarily religious or commercial motive" (DCD/DAC, 2010). Many DAC members in their response to the survey stated that they use both terms interchangeably when referring to the non-state and non-market actors with whom they work. Nevertheless, certain members favour one term over the other and differentiate between them in their support modalities. For example, Germany makes a clear distinction between NGOs on the one hand and political foundations and faith-based organisations on the other, including in terms of funding mechanisms and levels. Others such as Canada, Denmark, Finland, Ireland, Sweden and the United Kingdom consistently refer to civil society, while for example Japan mainly refers to NGOs and Australia tends to distinguish between international development NGOs and CSOs more broadly, seeing NGOs as a subset of the CSOs.

9.   This report uses both terms. NGO is used in relation to DAC statistics and to specific issues addressed in the survey conducted for this report because it used the term NGO. It should, however, be noted that the issues identified through the survey are often relevant to all kinds of CSOs. The term CSO is therefore used for broader discussions and analysis covering civil society actors ranging from global networks like the Open Forum[11] to national bodies like trade unions and to community based and faith based organisations, all of which contribute to development in different ways.

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7.   Belgium and Greece responded that they do not work with international NGOs and CSOs. Italy works with international NGOs as long as they are registered in Italy.

8.   Greece and Korea responded that they do not work with local NGOs and CSOs.

9.   Those who do not are Greece, the Netherlands and the United States.

10.   Those who do not are Greece and Korea.

11.   The Open Forum is an initiative led by an international group of 25 civil society organisations, and is co-ordinating a global process of consultations involving civil society organisations around the world. The aim of these consultations is to offer a platform for CSOs to discuss and agree on their own principles of

1.3 *CSOs: actors in their own right*

10.   CSOs are key, distinct players in development processes and were recognised as such by donors and developing country governments in the 2008 Accra Agenda for Action (see Box 1). The Advisory Group outlines two significant roles of CSOs: (i) as development actors and change agents whereby they are fundamental to the vibrancy of democratic rule and good governance, drawing attention to issues that might otherwise be ignored; (ii) as aid donors, channels and recipients which raise their own resources privately, which receive ODA to support their development activities and which act as channels when playing an intermediary role between official donors and other CSOs (OECD, 2009). All DAC members work with and allocate ODA to some kind of CSOs, either to support the organisations own development related activities or to channel funds through them for the implementation of specific programmes and projects. Very often, it is their experience as development actors which makes CSOs eligible for ODA. Ongoing international processes such as the task team of the working party on aid effectiveness on civil society development effectiveness and enabling environment involve CSOs, donors and developing countries and are identifying how CSOs can continue to retain their status as an actor in their own right even when they are aid recipients and serve as aid channels. This is a challenge that all donors will need to address as follow-up to the AAA (see Box 1).

Box 1. A definition of CSOs as development actors in their own right

CSOs stress that they are development actors in their own right implying that they are not instrumental agents for donors or governments (Open Forum, 2010a: 7). The essential characteristics of CSOs as distinct development actors are that they are voluntary, diverse, non-partisan, autonomous, non-violent, working and collaborating for change (Open Forum, 2010b).

Shifts in their funding structure, that is, away from public finance (ODA), have made CSOs independent actors in their own right which also means that they have their own priorities, plans, strategies, approaches, that may not be fully aligned with a government (or donor) priorities and plans (Worthington and Pipa, 2010).

Paragraph 20 of the *Accra Agenda for Action* states that developing and donor countries will "deepen our engagement with CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector. [We] share an interest in ensuring that CSO contributions to development reach their full potential. In paragraph 20, donors and developing countries:

a)   invited CSOs to reflect on how they can apply the Paris principles of aid effectiveness from a CSO perspective.

b)   welcomed the CSOs' proposal to engage with them in a CSO-led multistakeholder process to promote CSO development effectiveness. As part of that process, [we] they will seek to i) improve co-ordination of CSO efforts with government programmes; ii) enhance CSO accountability for results; and iii) improve information on CSO activities.

c)   will work with CSOs to provide an enabling environment that maximises their contributions to development."

The *2010 Istanbul CSO Development Effectiveness Principles* and ongoing work on a *Framework for CSO Development Effectiveness* respond to AAA para 20(b) while also suggesting minimum standards with respect to donor policies and practices for working with CSOs (Open Forum, 2010a).

Sources : Accra Agenda for Action (2008); Worthington and Pipa, (2010*), Private Development Assistance: The Essential Role of INGOs and Foundations in a 21st Century Aid Architecture,* Brookings Institute, Washington DC; Open Forum (2010a), *A Draft Framework for CSO Development Effectiveness*, Version 2; Open Forum (2010b), *Istanbul CSO Development Effectiveness Principles.*

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development effectiveness, and on minimum standards for the enabling environment in which to do their work. See: http://www.cso-effectiveness.org/.

CHAPTER 2

THE FINANCING LANDSCAPE

2.1   *Aid raised by NGOs privately*

11.   NGOs are significant players in development finance. According to DAC data, aid raised privately by these organisations amounted to USD 22 billion in 2009, which when compared to official aid flows is 18%. However, data on aid raised privately by these organisations were reported by OECD governments and not directly by the non-governmental organisations themselves. It seems likely, therefore, that the committee's database does not capture fully the aid raised privately by non-governmental organisations for development and humanitarian purposes. For example, Worthington and Pipa (2010) estimated that private philanthropic aid from fourteen developed countries totalled USD 49 billion in 2008.[12] Moreover, the bulk resources are concentrated in a small number of international organisations: the nine largest members of InterAction – the NGO platform in the United States - accounted for 47% of all revenue, compared to 1.2% for the 63 smallest. The top 34 InterAction members each manage individual budgets over USD 100 million per year, and the largest global international organisation, World Vision International, counts 46,000 staff, managing a USD 2.57 billion global budget with over 80% private funding (ibid).

2.2   *Official aid to and through NGOs*

12.   The DAC records two types of official support to non-governmental organisations: (i) aid *to* NGOs and other private bodies, which includes contributions used to fund the organisations' projects (core support); and (ii) aid channelled *through* NGOs and other private bodies (earmarked contributions for donor-initiated projects which are implemented by these organisations). According to DAC statistics, members (excluding the EU institutions) allocated USD 15.5 billion *to* and *through* non-governmental organisations in 2009, or 13% of total aid disbursements.[13]

13.   The increase in total aid to and through NGOs between 2001 and 2009 is mainly composed of aid channelled *through* them, which, in 2009, was significantly higher (USD 6.3 billion in constant 2008 dollars[14]) than aid allocated *to* them (USD 2.7 billion in constant 2008 dollars) (see Figure 1).[15] While the volume of core aid has remained relatively stable over the past nine years, earmarked aid has increased implying that donors use non-governmental organisations mostly as implementing partners or contractors. However, reporting from DAC members may differ especially if, and when, members have different views on how to report core contributions and earmarked aid to NGOs (see Annex B, DAC statistical explanations). DAC members' reporting on aid to/through NGOs should improve from 2011 onwards with the implementation of the new typology of aid; this should make the data more consistent (see paragraph 15).

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12.   Foundations are included in this calculation. According to the authors, USD 49 billion represents a lower bound since it counts "identified flows" only.

13.   Aid allocated by the EU institutions through NGOs in 2009 was USD 1.5 billion.

14.   This includes aid allocated through NGOs by the EU institutions.

15.   Germany, Norway and the United States do not provide any core aid to NGOs. The United States is not included in this figure.

Figure 1. Total ODA to and through NGOs from DAC members, 2001 to 2009, USD billion (2008 constant prices)
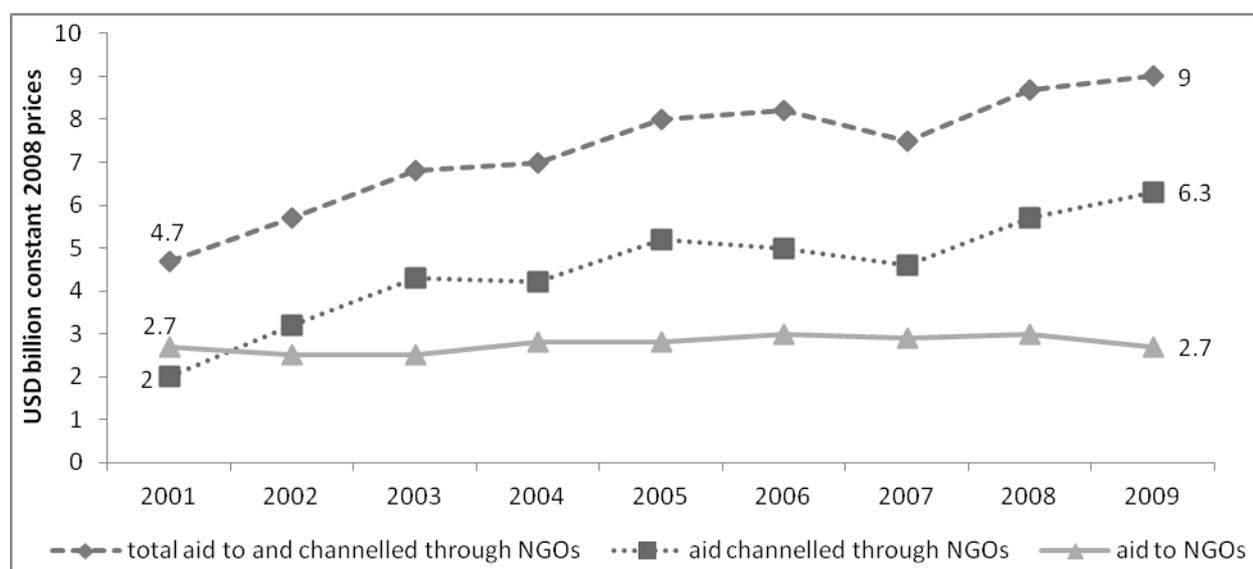
Source: DAC Statistics.

Note: This excludes the United States which does not report an aggregate for core and earmarked aid for NGOs in the DAC statistical questionnaire.

14.   When disaggregated by DAC member, data show that support for NGOs as a share of total bilateral aid differs significantly between members (Figure 2). In 2009, support ranged from 1% (France[16]) of bilateral aid to more than 37% (Ireland). This partly reflects the relative importance that members place on working with civil society to deliver aid. Eleven members all reported shares greater than 20% of bilateral aid allocated *to* or *through* NGOs in 2009. In contrast, five members spent 3% or less of their bilateral aid on funding for these organisations. Figure 2 also shows that members prefer earmarking to providing core aid (see also Tables 2 and 3 in Annex B). However, yearly fluctuations in the percentage share of aid *to* and *through* NGOs do not necessarily correspond to a decrease in aid to these organisations but may reflect changes in the volume of total aid and the level of reporting.

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16.   The amount of ODA allocated by France to NGOs increased by 44% between 2007 and 2009 (see Annex B).

Figure 2. Percentage of bilateral ODA going to and through NGOs in 2009

The value at each bar equals the sum of the % of aid 'to' and 'through' NGOs
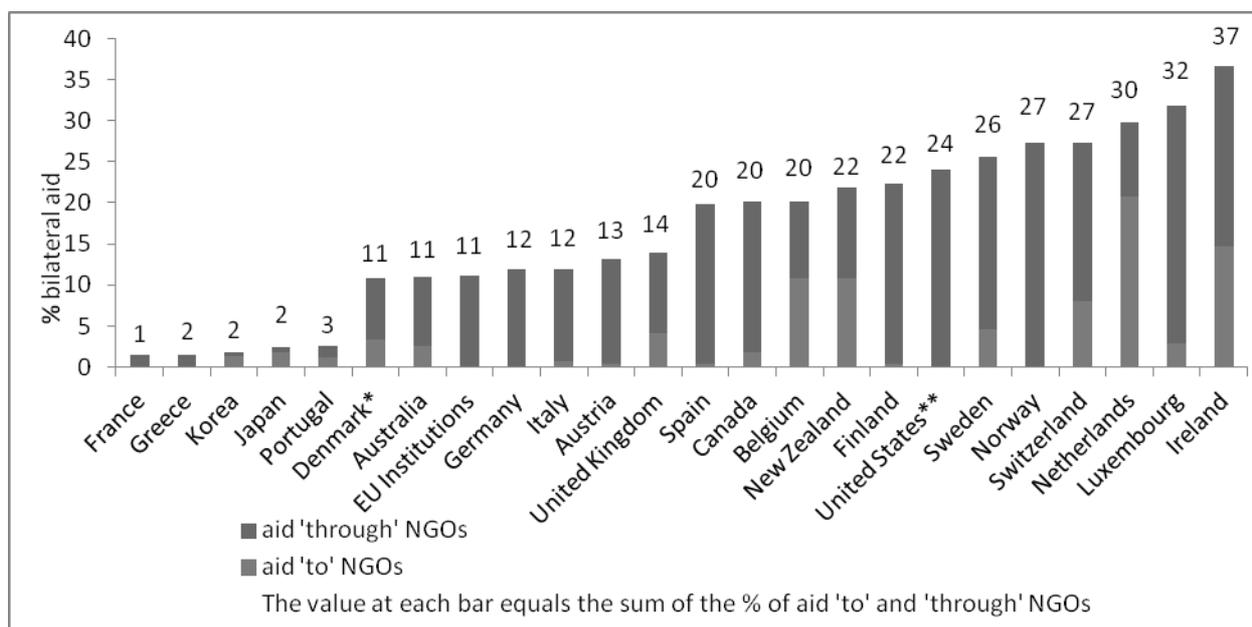
Source: DAC CRS.

Note: This table uses the CRS database on donors' reporting aid to and through NGOs. The 'to' NGO aid flows are based on the bi/multi field which indicates '3' or purpose codes starting with 920. The 'through' NGO aid flows are based on the bi/multi field which indicates '1', channel codes starting with 20 but excluding the purpose code starting with 920.

 * Denotes where 25% or more of channel codes are blank/not completed.

 ** Data for the United States on ODA through NGOs is incomplete.

2.2.1   *Geographical categories and sectoral allocations*

15.   DAC members currently report official aid for NGOs in two geographical categories: national (based in the DAC member country) and international (funded internationally). Direct support to local organisations in developing countries is reported at present under the category "international NGOs". It is, therefore, not possible to get an accurate picture from DAC statistics of how much aid is channelled to local NGOs. Aware of this situation, the committee agreed in 2010 to add a third category in its statistical database on flows from 2010 for reporting on the aid allocated directly to 'developing country-based NGOs'.

16.   In 2009, DAC members provided around five times more aid to national than to international (including local) NGOs. However, some of the aid allocated to organisations based in the member country is re-allocated by these organisations to local organisations in partner countries (see section 4.1.4). To complement DAC data, our survey invited respondents to state whether they provide funding directly to developing country-based organisations. Twenty of 26 respondents allocate 1% to 30% of their support for NGOs directly to local organisations.[17] Since the majority of committee members seem to track aid allocations to and through developing country-based NGOs they are encouraged to report these data to the DAC, following good practice in the use of channel codes.

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17.   Out of 18 donors who responded to the follow-up question, 6 noted that aid figures for local organisations are already recorded in their statistical system, 6 that figures are an estimate because they are currently not - but could be - tracked, and 6 responded that aid figures for local organisations are an estimate because they cannot be tracked with the statistical system used by the donor institution.

17.   The sectors in which non-governmental organisations receiving official development assistance were most active in 2009 are: food aid, disaster prevention, population policies and reproductive health, emergency response, government and civil society (which includes support for women's and human rights organisations), health, agriculture and forestry, business and other services (see Figure 3 and Table 2, Annex B). The data fit with the various objectives that donors try to achieve through their work with civil society organisations for example, humanitarian assistance, enabling civil society and service delivery (see Chapter 3).

Figure 3. Percentage of bilateral ODA through NGOs in each sector in 2009
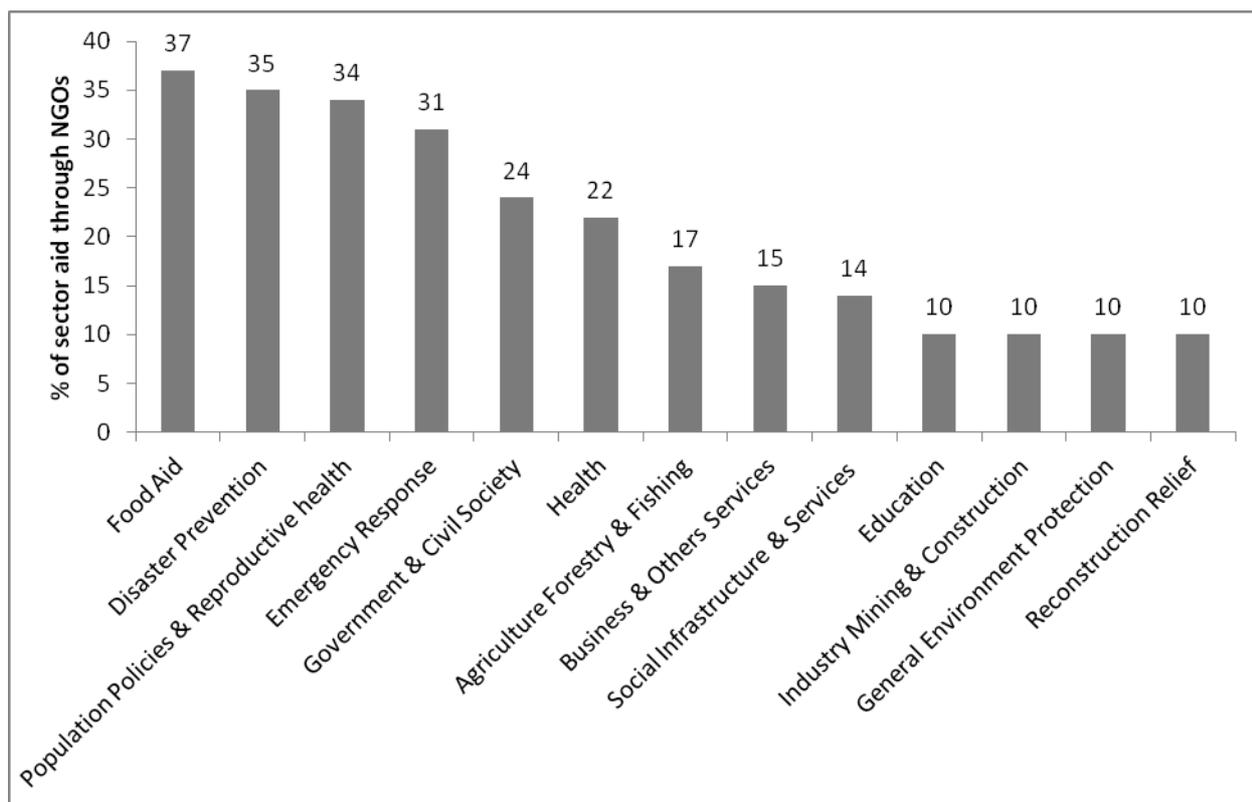
Source: DAC CRS.
Note: This figure uses the CRS database on donors' reporting ODA through NGOs based on the channel of delivery.

18.   While the DAC Working Party on Statistics is clarifying the reporting directives by type of NGO, there is still room for improvement in reporting on aid channelled *to* and *through* these organisations to make this type of aid more transparent. In particular, members should make better use of the channel codes in the creditor reporting system in order to have more comprehensive reporting on this type of aid.

2.2.2   Tying status of aid through NGOs

19.   Core aid allocated by DAC members *to* their national organisations is considered untied for statistical purposes because the donor has no control over the use of the expenditure. However, aid channelled *through* these organisations normally takes the form of earmarked funding and, for this reason, is considered tied, unless of course the organisation wins the contract through open international competitive procedures. One form of such earmarked funding is when the donor engages the NGO as the implementer of a programme or project over which the donor has a certain amount of control. In respect of treatment under the 2001 DAC Recommendation on Untying official development assistance to least

developed countries and heavily indebted poor countries, grants providing core support to development NGOs or their programmes are excluded; other official aid provided for activities is covered by the recommendation to the extent that the organisations are involved in procurement related activities included in its coverage.

CHAPTER 3

KEY FEATURES AND APPROACHES TO WORKING WITH CSOS

20.   Twenty-one DAC members have some sort of policy and/or strategy for working with CSOs (including NGOs) in development co-operation.[18] When the survey was conducted, Spain and the United States were preparing a policy and strategy as well as France's *Agence française de développement*.[19] While Germany's Federal Foreign Office has a CSO strategy for humanitarian aid, BMZ does not have a strategy for working with CSOs but is planning to develop one. However, it does have a number of objectives for providing support to NGOs.[20] Canada and Australia are also in the process of developing a new civil society policy and a civil society engagement framework. CSOs raise lack of clarity about donor policies as one of five key issues or challenges they have with respect to donors (Open Forum, 2010a:16).

21.   Eleven DAC members have a separate policy base for supporting humanitarian action by NGOs.[21] Half of DAC members that have a policy/strategy for working with CSOs address both development and humanitarian action in the same document. Such integrated policies could prove useful in promoting greater linkages between humanitarian and development co-operation provided by CSOs as recommended by the ninth Good Humanitarian Donorship principle.[22] At the same time, there is a risk that an integrated strategy would reduce the speed and flexibility that is necessary for emergency responses if the same funding procedures are applied for development and humanitarian assistance. For humanitarian assistance, it may be more efficient for donors to create partnership agreements with a few CSOs, under which they can have a more strategic dialogue, provide only lightly earmarked funding, reduce the administrative burden and create rapid draw-down arrangements for sudden onset emergencies. The Australian Government's humanitarian partnership with six NGOs is a good example of this model. The partnership has developed a streamlined funds distribution mechanism to assist NGOs to respond more rapidly to humanitarian crises (Peer Review of Australia, 2008).

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18.   What constitutes a policy and/or a strategy can be interpreted in different ways by different institutions and they often vary in nature and focus.

19.   France's Ministry of Foreign Affairs had a policy for CSOs but since transferring the CSO portfolio to the *Agence française development* in 2009 it is no longer responsible for managing CSO financing. Since 2009, co-operation with NGOs is part of the strategic direction provided by France's inter-ministerial committee for international co-operation and development (CICID). The 2010 framework document *Co-opération au développement : une vision française*, which was prepared in close consultation with CSOs, reaffirmed the importance of partnership with CSOs.

20.   Germany (BMZ) provided three objectives in its survey response: (i) creation and consolidation of democratic structures in partner countries based on the participation of all population groups, particularly women and men, on a basis of equal rights; (ii) promotion of autonomous, ecologically sustainable, and socially equitable development and; (iii) intensification of regional and international understanding and peaceful co-operation.

21.   They are Norway, Ireland, Austria, Denmark, Belgium, European Commission, New Zealand, Canada, Australia, the Netherlands and France. While Finland does not have an NGO-specific policy for humanitarian assistance, its humanitarian assistance guidelines cover assistance to NGOs.

22.   The principles states: "Provide humanitarian assistance in ways that are supportive of recovery and long-term development, striving to ensure support, where appropriate, to the maintenance and return of sustainable livelihoods and transitions from humanitarian relief to recovery and development activities. See: http://www.goodhumanitariandonorship.org/background.asp.

3.1   Rationale and objectives for working with CSOs

22.   Our literature review shows that CSO (including NGO) capacity to reach development objectives is an important reason why DAC members work with them.[23] DAC members perceive CSOs as one essential development partner amongst others. For example, Australia highlights the cost-effectiveness of their development work and NGOs' important role in filling governance gaps and promoting policies that are not always being met or supported by government-led strategies (AusAID, 2008), while Korea and Japan both note the importance of building partnerships with NGOs to achieve better aid (Korea, *not dated*, and Ministry of Foreign Affairs International Cooperation Bureau, Japan, 2007). This type of objective was confirmed by respondents to the survey: over half of respondents (14 of 26) identified the objective of "reaching a specific development objective linked to service delivery" as very important. Only three respondents (Belgium, Denmark and Germany's Federal Foreign Office) said that service delivery was not an objective of their support to NGOs (Figure 4).[24] However, while immediate service delivery to the local population by a Belgium NGO is generally not an objective, service delivery provided by the local NGOs partnered with Belgium NGOs is often intended; the Belgium NGOs should build the capacity of the local NGOs to do this.[25]

Figure 4. Objectives: why DAC members support NGOs (*n:26*, multiple answers)
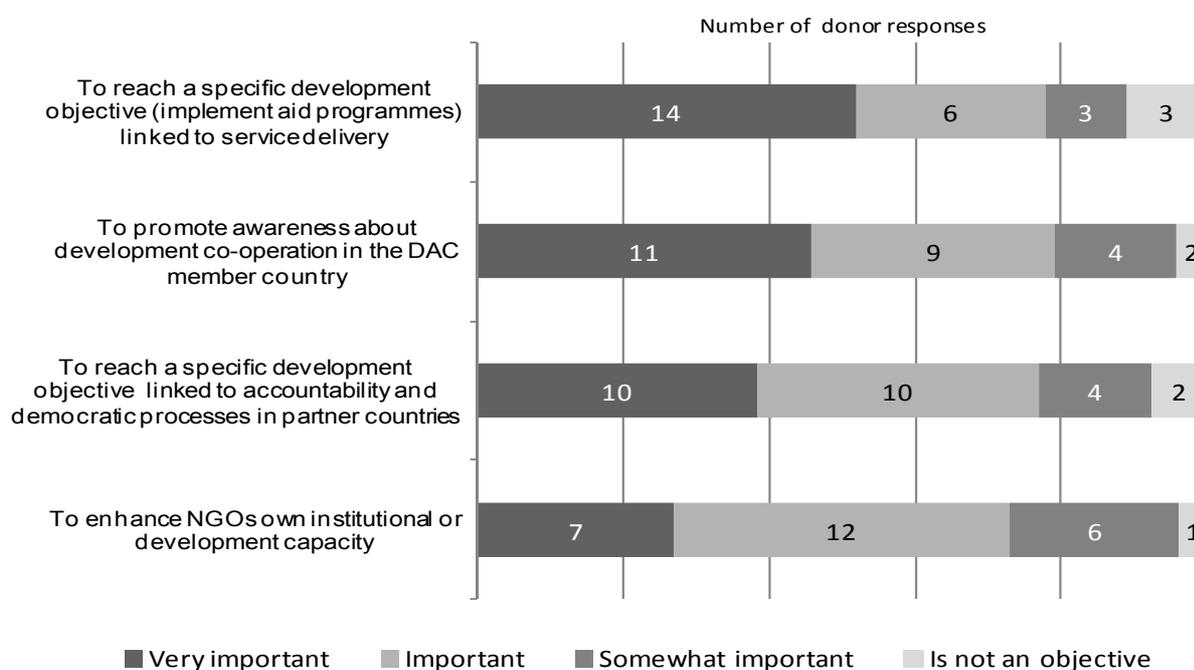
Source: Response to the survey on how donors work with civil society (March-April 2010).

23.   DAC donors also appreciate that NGOs and other CSOs play an important role within the DAC members' country in stimulating public debate about development issues; delivering development

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23.   See bibliography, this included a review of donors' NGO/CSO policies and strategies.
24.   Germany's FFO, whose answers apply to their support to humanitarian assistance, responded that all four objectives are either somewhat important or not an objective.
25.   The role of Belgian NGOs in building capacity is outlined in an agreement between the Minister for Development Co-operation and the Belgian NGOs, 4 May, 2009.

education to youth and other sections of society; being advocates for increasing the quantity and quality of ODA; and holding governments to account for their development commitments. Most DAC peer reviews recommend DAC members to engage actively with civil society in raising public and political support, and awareness, of development. The survey found that 20 respondents consider the objective of promoting awareness very important or important (Figure 4).

24.   Nineteen DAC members also think it is very important or important to support NGOs in order to strengthen civil society (term used in the survey was "enhance NGOs' own capacity") (Figure 4). This is in line with the Advisory Group's recommendation that donors should consider the overall strengthening of civil society as an objective worth supporting in its own right (OECD, 2009). According to the Netherlands, a vibrant civil society is considered a vital part of a functioning society where CSOs also promote the good governance and democracy agenda in a globalising world (Ministry of Foreign Affairs, Netherlands, 2009). The Netherlands also notes that "[CSOs] are crucial to the development of a stable society". Sweden's rationale for supporting CSOs is to ensure "a vibrant and pluralistic civil society in developing countries" (Ministry for Foreign Affairs, Sweden, 2009). Denmark, Finland and Norway similarly highlight the importance of supporting local civil society in partner countries (Ministry of Foreign Affairs of Denmark, 2008, Norad, 2009 and Ministry for Foreign Affairs of Finland, 2010). The objective to strengthen civil society correlates closely with donor efforts to create an enabling environment for civil society in partner countries: 19 DAC members stated that they engage in policy dialogue with partner country governments to enhance an enabling environment for civil society. This includes dialogue on topics such as free media, freedom of expression and association, and civil society legislation.

25.   Twenty survey respondents also encourage partner country governments to engage directly in policy dialogue with CSOs, for example by consulting with them when developing a poverty reduction strategy or development plan. This is welcome in terms of strengthening democratic ownership of policies in developing countries, greater transparency and accountability and ultimately aid effectiveness. For example, when Germany provides general budget support it also supports dialogue between government, parliament, civil society and donors on the national budget process and the content of budget support agreements. At the same time, participation in policy dialogue is not an end in itself; it is the results it achieves that count. A forthcoming evaluation of donor support for civil society participation in policy dialogue should produce learning on how and when policy dialogue works best.[26] However, NGO survey respondents are not convinced that DAC members are active enough in this area: with the exception of one, the respondents to the NGO survey stated that DAC members could do more to support an enabling environment for civil society in partner countries. NGOs suggest that DAC members give support for CSOs under threat from political regimes that harden their stance towards free and vibrant civil societies, encourage partner governments to establish legal frameworks that enable a free and vibrant civil society and strengthen the capacity of local CSOs in partner countries. Country and sectoral consultation conducted by the Open Forum found that CSOs in developing countries face several challenges in this regard (Open Forum, 2010a:16).

3.2   Comparative advantage of CSOs according to DAC members

26.   According to the survey, NGO proximity to beneficiaries and reaching constituencies in partner countries is the main comparative advantage of NGOs identified by DAC members (Figure 5). NGO speed in providing humanitarian assistance and their capacity to provide support in fragile states and situations are the next most important comparative advantages. Donors place less emphasis on using NGOs to broaden the geographical and/or thematic focus of ODA; on using NGOs to pilot initiatives and using NGO capacity to innovate.

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26.   Austria, Canada, Denmark, Finland and Sweden are undertaking in 2011 a joint evaluation of civil society engagement in policy dialogue at the country level and the role donor support is playing in supporting CSOs in this role. Switzerland is an associated partner to this evaluation.

Figure 5. NGO comparative advantages according to DAC members

n:26, multiple responses
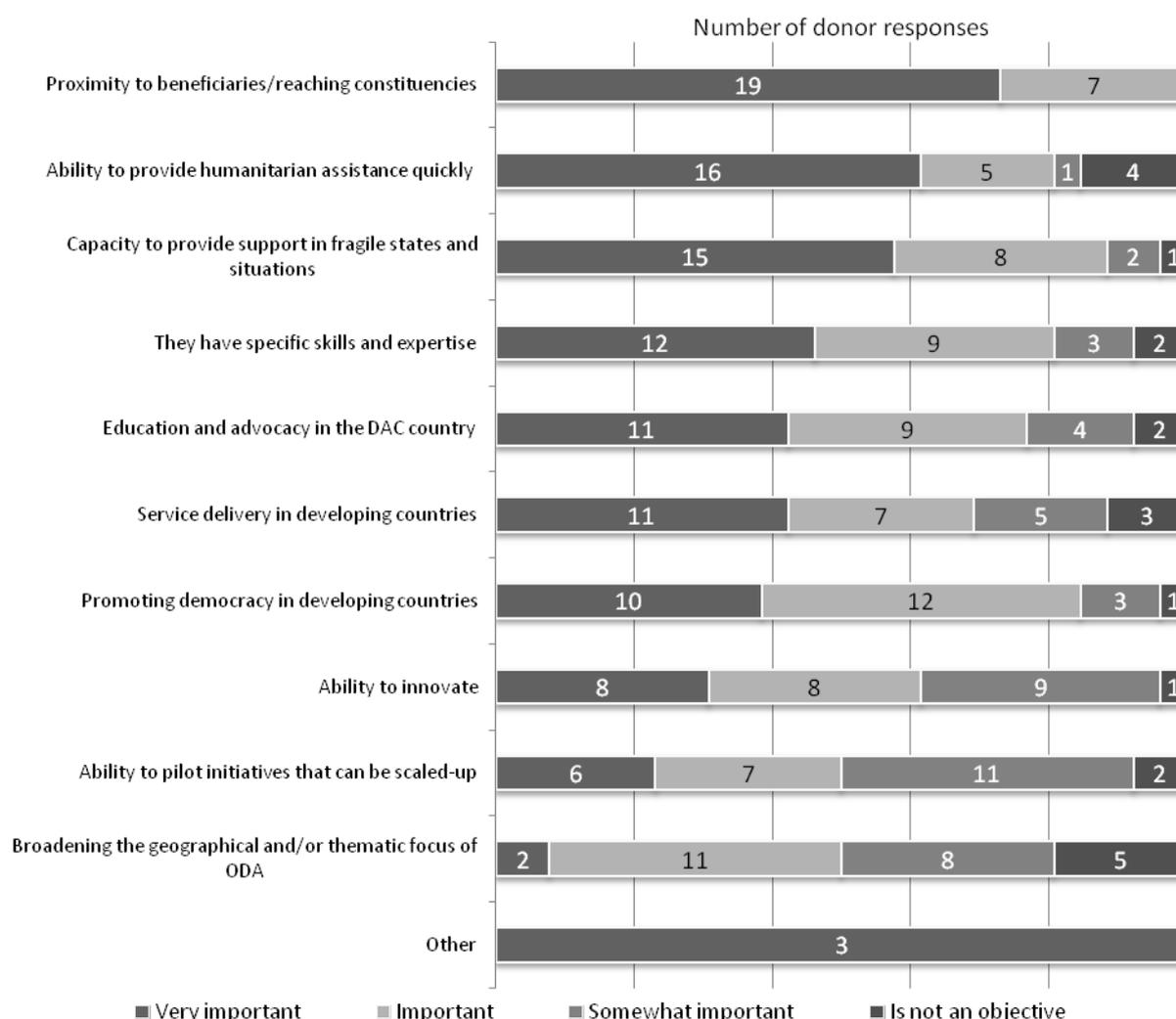
Source: Response to the survey on how donors work with civil society (March-April 2010).

3.3   Challenges encountered

27.   DAC members were invited by the survey to identify challenges they encounter when working with NGOs (Figure 6). The two top challenges identified are (i) transactions costs of dealing with many small organisations; and (ii) duplication of activities and co-ordination between donors and NGOs. Transaction costs can be reduced by funding fewer and larger organisations and by finding efficient mechanisms for managing small grants and/or the administrative, co-ordination and functioning aspects of donor-NGO/CSO partnerships and programmes. For example, Denmark has outsourced the management of its small grants for NGOs and Australia is increasingly establishing and funding secretariat support mechanisms for its NGO partnership programmes. Australia takes a flexible approach to such secretariats recognising that there is no 'one size fits all' approach. With the objective to free up space for policy dialogue between AusAID, NGO/CSO partners and partner governments, it funds a secretariat to manage other aspects of the partnership such as co-ordination, developing a monitoring and evaluation framework for the programmes, reporting, and preparing policy papers. It should also be noted that transaction costs

are also encountered by NGOs through donors' burdensome procedures for reporting and auditing (see Chapter 4). Peer reviews have made several recommendations to DAC members on how to reduce transactions costs and simplify procedures, pointing to the importance of developing more strategic and standardised approaches to working with NGOs at headquarters and in partner countries and of setting out procedures that are sufficiently streamlined, harmonised and supportive of NGO capacity.[27]

Figure 6. Challenges of working with NGOs

Number of donor responses

Challenge	Number of donor responses
Duplication/co-ordination challenges between donors and other NGOs	17
Transaction costs of dealing with many small organisations	17
Limited NGO capacity (e.g high staff turnover)	15
Lack of accountability & transparency, corruption issues	12
Limited legitimacy of NGOs	8
Limited profile/leverage with the partner country government	8
Compete with partner government (issue: CSO role in state-building and service delivery)	7
Other	5

Source: Response to the survey on how donors work with civil society (March-April 2010).

28.   Limited capacity in NGOs, not least because of high staff turnover, poses challenges for DAC members in their dealings with NGOs. Interestingly, NGO survey respondents also identify high staff turnover in the NGO/CSO unit of donor agencies as a challenge for their relationship with the donor. They stated that high staff turnover leads to lack of continuity in donors' priorities and approaches and, therefore, predictability for NGOs. This can be the case especially when there is no official NGO policy and strategy. The challenge of high staff turnover in donor agencies has also been highlighted in DAC peer reviews (e.g. Belgium in 2010). Having an official medium-term policy and/or strategy for working with CSOs can help ensure consistency.

3.4   *To what extent do donors steer NGO activities?*

29.   Survey findings show that steering by donors ranges from determining where NGOs will work and in which sectors; letting the NGOs decide these things; and combining the two approaches.[28] Survey respondents and DAC peer reviews confirm that donors provide more direction in the realm of sectors and themes than concerning geographic focus. Sixteen DAC members identify priority areas/themes for the NGOs they fund (Annex A). The degree of steering by official donors is also linked to the funding mechanism (see Chapter 5). Sweden, for example, takes a mixed approach: support provided by Sida's

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27.   See, for example, Peer Reviews of Japan and Switzerland.
28.   Australia, Belgium, Canada, European Commission, Finland, Italy, Ireland, Portugal, Sweden, Switzerland and the United Kingdom, combine the two approaches.

civil society unit to organisations with framework agreements is fully unrestricted while activities financed by Sida's country, regional and global teams is usually tied to the relevant geographical areas and some support is also tied to thematic sectors. There is intensive complementarity - where NGOs will receive support if they work in the same sectors or countries as the donor - in five DAC members.[29] DAC peer reviews find that members are increasingly trying to improve synergies between bilateral government activities and the NGOs they finance. The 2009 Peer Review of the United Kingdom pointed to DFID's greater recognition of the role that civil society can play in development and a willingness to integrate these organisations further in DFID's work, both at policy and implementation level (Peer Review of the United Kingdom 2010: 61). Half of DAC members ensure compliance with their priorities through financial incentives. The other half ensure *ex ante* compliance through dialogue and *ex post* compliance through monitoring and evaluation, and reviewing NGO annual reports.

30.   Four of the five NGO platforms responding to the survey feel that the donors' defined priorities influence their work overall positively. They commented, however, that donor priorities influence NGO work negatively when there is a lack of guidance, transparency and consistency in the priorities. One NGO respondent noted that donor priorities which change at the last minute cause problems to the programme design process. Donors need to find a balance between respecting NGOs' and other CSOs' autonomy and directing them so that they help meet the donors' development co-operation objectives. A consequence of steering could be a loss in the independence of NGOs to challenge official policies and to play their role as a watch dog and in demanding accountability. Recognising this, in its partnership agreement with the national platform for development NGOs, ACFID, Australia explicitly respects the independence of ACFID and its members including their right to comment on government policy and to advocate for policy change. DAC members can reasonably expect CSOs to align with their priorities when it is clear to both CSOs and the donor that the stated objective is to implement an aid programme using CSOs as intermediaries. According to the Open Forum, that heavy directive donor conditionality is a major challenge CSOs face. It is contrary to recognition of CSOs as development actors in their own right and could hamper CSOs' right of initiative (Open Forum, 2010a:16). At the same time, CSOs should assume multiple accountabilities - to their beneficiaries, to donors, to their CSO partners and to their constituencies - and should demonstrate results. When providing core support for CSOs, donors should clarify beforehand whether they expect the CSO to align with partner country government development priorities or to fill gaps in these priorities. Donors and NGOs can also find consensual ways of working by defining their priorities, including focus sectors and themes, jointly. In Belgium, for example, the Minister of Development Co-operation and NGOs signed an agreement containing mutual commitments to make aid more effective. While Belgium does not restrict its support to NGOs by sector, theme or region, Belgian NGOs will, from 2014, have to focus on a maximum of 10 partner countries and on cross-cutting themes of gender and environment.

3.5   *Donor – civil society consultation*

31.   DAC members recognise the added value that consultations with CSOs can bring to policy making.[30] CSOs often work close to beneficiaries as well as to citizens of donor countries through their fundraising and awareness raising activities and can therefore bring their perspectives into consultations. It is positive, therefore, that the survey found that all DAC Members consult with civil society. Consultations are held on overall aid and development policies (22 of 26 survey respondents), the donor's civil society policy or strategy (21 of 26 respondents), the donor's country-level strategies and programmes (16 of 26 respondents) and the donor's multilateral development policies (11 of 26 respondents). Consultations are most commonly held with national CSOs at headquarters level. Consultations held at the partner country level are less common. These replies are confirmed by the seven NGO respondents.

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29.   They are; Norway, France, Korea, Spain and Canada.
30.   This survey question referred to CSOs in the wider sense (not solely NGOs).

32.   Fourteen of the 24 DAC members who responded to this survey question hold *ad hoc* consultations, while 10 organise consultations on a regular basis (see Annex A). While all DAC members claim that civil society is satisfied with the consultation process this view is not shared by NGO survey respondents or the findings of DAC peer reviews.[31] Five of the NGOs that responded to the survey do not consider that consultations are timely or well managed. They criticise the lack of a consistent process. They also note the lack of time for preparation and consultation amongst NGOs due to documents being provided late. While recent peer reviews of, for example, Italy (2009) and Portugal (2010) noted improved consultation mechanisms, others, such as the review of Germany (2010) and of Denmark, note that NGOs were dissatisfied with consultations on overall development policy. NGO survey respondents also criticise the quality of consultations and point to the lack of a meaningful dialogue. Even though NGO respondents state that the opinion of civil society is "sometimes" taken into account by the DAC member, they also observe that "sometimes one could wonder whether the consultation is being held for the sake of the consultation" and "often a consultation appears like a tick box exercise at the end of the government process". The Advisory Group also notes that "regular and systematic spaces should be provided for the voice of CSOs of different persuasions and orientations to be heard at all stages of the development process (planning, negotiation, implementation, monitoring, and evaluation [...]" (OECD, 2009:29). Griffin and Judge (2010) stress that even though there is strong commitment to dialogue on the part of DAC members, this has not been as comprehensively and strategically supported as it could be. DAC Members need to improve their consultation processes making them more strategic, timely and thus more meaningful.

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31.   13 of 24 respondents reply that NGOs are "satisfied', 10 of 24 respondents that they are "partially satisfied" and 1 that they are "very satisfied".

CHAPTER 4

FUNDING MECHANISMS AND APPLICATION PROCESSES[32]

4.1   Funding mechanisms

33.   Donors indicate in the survey that they have several funding mechanisms for supporting NGOs (Figure 7).[33] Mechanisms include project/programme support (the most common), partnership/framework agreements (comprising but not limited to core support) and calls for proposals - at the national, international and local level. Australia, for example, continuously develops new funding mechanisms depending on the context and purpose of their support and Switzerland promotes NGO partnerships based on negotiation, relevancy and dialogue. Having a diversity of funding mechanisms is good practice when it suits actors of different sizes, strengths and interests, and helps ensure a diverse civil society (see also Griffin and Judge, 2010). Most NGO survey respondents confirm that the mechanisms used by DAC donors are appropriate for supporting their work. Having different mechanisms is also in line with recommendations by the Advisory Group to implement a range of support mechanisms (OECD, 2009).

34.   Funding modalities and choice of partners should be relevant to the context and the specific development objectives that donors want to support. Nijs and Renard (2009) argue that donors' support models depend, or should depend, on what they wish to achieve through working with CSOs. In this respect it is important that CSOs are both well informed and own the CSO strategy and the associated funding guidelines. This is the case in Denmark where Danish organisations were actively consulted and engaged in developing the CSO strategy in 2008. Having a shared CSO strategy is a factor of success for CSO – donor aid partnerships. Donors also need to examine strategically the effects of their choice of funding mechanisms in different contexts. For example, core support is a suitable modality for NGOs that have the strategic, organisational and professional capacity to manage it effectively. Core support and ear marked support can also strengthen local CSO capacity by giving these CSOs the responsibility to manage and account for the aid.

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32.   While Section 4 mainly discusses NGOs in line with the survey questions on which the text is based, the issues raised in this section are also relevant to other kinds of CSOs.

33.   This survey question applied to funding for NGOs.

Figure 7. Number of funding mechanisms by donor[34]
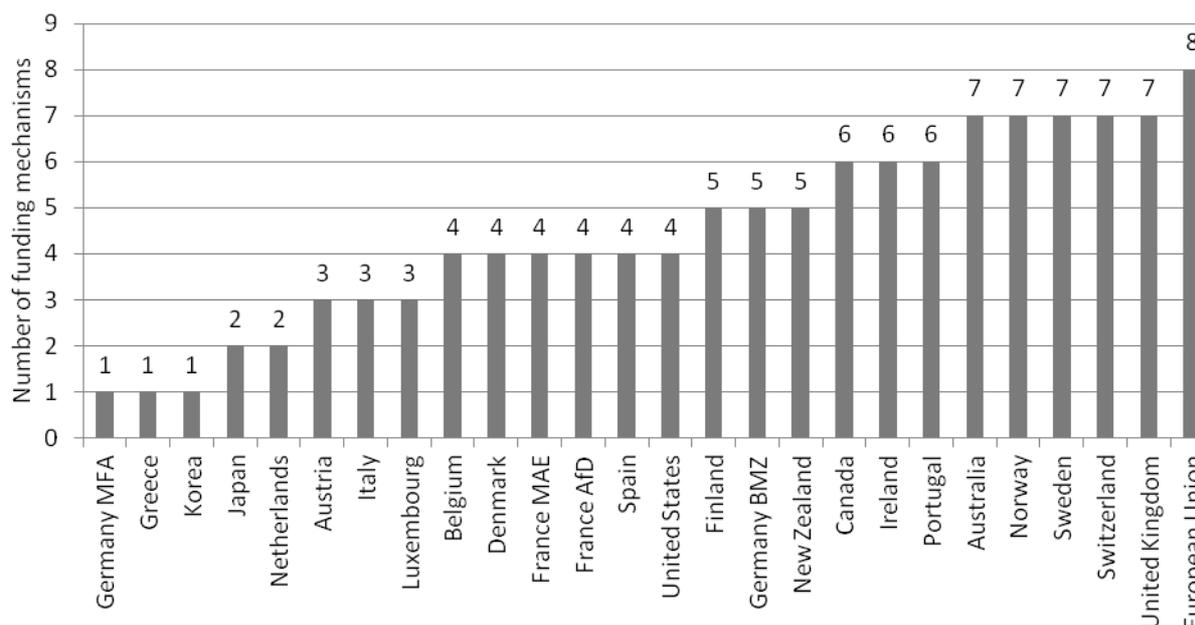
Source: Response to the survey on how donors work with civil society (March-April 2010).

35.   Some of the surveyed NGOs, however, draw attention to the challenges of long funding delays and unclear guidelines for funding mechanisms -- an issue also highlighted in DAC peer reviews (see section 4.2). CSOs consulted in the Open Forum identify several challenges with funding mechanisms which they consider to have an impact on their effectiveness (Open Forum, 2010a). They include: unpredictable finance, lack of funds for management and programme oversight and one-off project oriented competitive funding. Another challenge for NGOs, as found in the peer reviews of Norway (2008) and Japan (2010), is when institutionally dispersed funding procedures increase transaction costs for NGOs dealing with them. In Japan for example, different funding schemes resulted, in some instances, in Japanese NGOs receiving funding from different pools for similar activities but with very different application/reporting/monitoring procedures for each pool. The review of Norway noted that funding provided from several different institutions and budget lines, often with different procedures, can be confusing for CSOs. While it is good to have access to diverse sources of financing, efficiency gains would be made if official procedures and conditions were harmonised.

4.1.1   Project/programme support to national and international NGOs

36.   Project and programme support is a good way to support small NGOs with limited absorption capacity. It is also appropriate when donors wish to reach a specific development objective by channelling aid through NGOs as intermediaries. However, this kind of support does not aim explicitly to strengthen NGO organisational capacity even though capacity should inevitably be strengthened through implementing the projects and programmes. In line with DAC statistics which show that more NGO aid goes through than to NGOs (see Chapter 2) project and programme support is the funding mechanism used by the largest number of donor respondents – 23 provide project and programme support (Figure 8).[35]

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34.   The funding mechanisms referred to in this study are presented in Figure 8.
35.   All except Luxembourg, the Netherlands and Greece.

According to 14 DAC members, the largest share of their aid for NGOs is channelled as project/programme support.

Figure 8. Type of funding mechanisms used by donors

Number of donor responses

Mechanism	Number
Project/programme support to national and international organisations	23
"Calls for proposals" at headquarters level	20
Project/programme support to local organisations at the partner country level	19
Partnership/framework agreements (multi-annual, including core) at headquarters level	19
"Calls for proposals" at partner country level	13
Support to local organisations provided through partner country governments	11
Partnership/framework agreements (multi-annual, including core) at partner country level	9
Other mechanisms	2

Source: Response to the survey on how donors work with civil society (March-April 2010).

4.1.2   *Calls for proposals at headquarters level*

37.   According to donor survey respondents, calls for proposals are useful for meeting donor objectives because they can be conducive to innovation, create a competitive environment amongst NGOs and ensure value for money for the donor. Twenty survey respondents use calls for proposals as a mechanism for working with NGOs. In France, the *Agence française de développement* uses calls for proposals when it uses NGOs as implementing partners. It defines and publishes terms of reference and NGOs submit proposals. The European Commission works in a similar way and the Netherlands has decided to use this mechanism extensively for national, international as well as local CSOs. However, when this results in having a large number of tendering processes it can lead to high transaction costs for donors and CSOs. NGO survey respondents also caution about inconsistent timing and unclear guidance for calls for proposals. There is also some concern that this modality, which uses NGOs as implementers, hampers their initiative. Koch (2009) argues that competitive NGO funding procedures stimulates donor preferences. Others argue that increasing competition among CSOs through calls for proposals reduces chances of co-ordination and information-sharing on good practice among CSOs (European Commission, 2010). It can however be argued that if a competitive mechanism is just one of a mix of funding mechanisms which serve to achieve the donors' and CSOs' strategic objectives, it is justified. Donors must ensure that they have a transparent, strategic basis for choosing this and other modalities.

4.1.3   *Core support*

38.   Some studies indicate that there is a trend towards providing core support to NGOs based in DAC countries and internationally, although DAC data show that the level of core support has been constant since 2001 (See Figure 1, Norad/Scanteam, 2008, Griffin and Judge 2010, Nijs and Renard, 2009). Core support is appropriate when the NGO has clear objectives which the donor is willing to support, and when

the CSO/NGO can deliver results effectively and efficiently in line with the aid effectiveness principles, as outlined in the Paris Declaration (2005) and the Istanbul CSO Development Effectiveness Principles (2010).[36] This funding mechanism is welcomed by many NGOs because it transfers responsibility to them to manage the funds and finance activities they prioritise with more flexibility. NGOs appreciate core support which is provided with a multi-annual agreement and covers part of the NGOs administrative costs because it gives them greater predictability for planning and job security for staff. DAC members often face challenges when deciding whether to fund NGO overheads and would benefit from sharing experiences in dealing with this issue. In some countries (e.g. USA) it is normal to expect funding bids to come with overhead costs, in others (e.g.UK) guidance documents recommend funding overheads when supporting NGOs, while in others (e.g. Japan) support to overheads is very limited and NGOs are expected to cover most of their own costs. At the same time, NGOs based in DAC member countries should pass on this predictability to the organisations they support in developing countries.

39.   Several donors[37] place a strong emphasis on and have good experience with core support which tends to be more easily accessible for large, well-established national and international NGOs. For example, Ireland's multi-annual partnership scheme improved financial stability for NGOs and reduced the administrative burden on them, though primarily for large Irish NGOs which could absorb the resources (Peer Review of Ireland, 2009). Peer reviews of the United Kingdom (2010), Belgium (2010), New Zealand (2010) and Denmark (2011) attest to this trend. All four provide high levels of predictable, core support to NGOs which must meet specific criteria to be eligible for this support. Denmark requires Danish organisations receiving core support through multi-year framework agreements to meet preconditions regarding relevance of the organisation's mandate and programme objectives (Danida, 2008) (see Box 2). In Australia, NGOs receiving core support from AusAID must adhere to a robust code of conduct managed by the national NGO platform (ACFID).

Box 2. Danida's general requirements for framework organisations

Framework organisations must satisfy the following fundamental conditions:

1.   Capacity to document lengthy engagement, continuity in the planning of development assistance efforts and to describe core competences and focus areas.

2.   Provide a minimum of 10% in self-financing, calculated on the basis of the project and programme support under the framework grant.

3.   Activities financed over the frame, including selection of partner countries, partners, target groups, specific areas of focus and types of activity, must be in accordance with Danish development assistance policy with the Strategy for Danish Support to Civil Society in Developing Countries and Denmark's overall development policy as the main basis.

4.   Concentrate efforts financed over the frame in a limited number of countries and develop country strategies.

5.   Have a strategy for dealing with the HIV/AIDS issue in focus areas.

6.   Activities financed over the frame must be formulated as part of larger, coherent development programmes within delimited sectors.

7.   Programmes financed over the frame must relate to the strategies of the programme country for poverty reduction.

8.   Organisations must co-operate or co-ordinate closely with other donors and other relevant actors and support the capacity of local partners to co-ordinate contributions to its activities.

9.   Organisations must ensure that they maintain and further develop a satisfactory level of administrative and

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36.   The global CSO-led Open Forum on CSO Development Effectiveness agreed, in 2010, to the Istanbul Principles on CSO Development Effectiveness as a global framework for assessing and improving the development effectiveness of CSOs as actors in development. CSOs are proposing that these principles also guide donors in assessing the capacities of CSOs to be supported through core funding mechanisms. See the Istanbul Principles and the Draft International Framework on CSO Development Effectiveness at www.cso-effectiveness.org.

37.   For example, Denmark, Ireland, Sweden, Norway, the Netherlands and the United Kingdom.

technical capacity for implementation and quality assurance of the development activities.

10. Organisations must ensure that partner organisations and others that receive part of the framework grant are not registered on either the UN or EU list of terrorist organisations.

11. Organisations must observe good administrative practice and follow Danida provisions concerning proposals for framework consultations, reporting, accounts, audit and internal administration.

12. Organisations must document the outcomes of development assistance efforts.

13. Organisations must document strong, sustained popular rooting.

Source: Danida (2006), *Administrative Guidelines – Framework Agreements, June 2006*, available at: http://amg.um.dk/NR/rdonlyres/7CA23C7E-75E6-482B-B253-026E5C3B5078/0/AdmguidelinesfordanishframeworkorganisationsJune2006.pdf.

40.   Nineteen DAC members have a multi-year partnership/framework agreement with a group of national NGOs at headquarters level. This could indicate that they all provide core support. However, survey replies and DAC data on aid to and through NGOs indicate that earmarked funding is more common than core support amongst DAC members overall.

4.1.4   *Support to local organisations in partner countries*

41.   Griffin and Judge (2010) suggest that donors increasingly support civil society based in partner countries. Survey respondents highlight the need to support local organisations. Donors can do this by providing support directly to and through local organisations usually through embassy/country offices; providing funding to partner country governments for on-granting to local civil society or reserving a percentage of general budget support for civil society; using NGOs based in DAC countries or internationally as intermediaries or by requiring their national NGOs to have local CSO partners.[38] Twenty donors provide direct support for local NGOs based in partner countries[39]: 19 of these provide project/programme support while only nine have framework/partnership agreements with local NGOs. This is in line with Griffin and Judge's (*ibid.)* research findings that there is little core support for local organisations.

42.   While donors can reach many small and diverse groups in partner countries through project and programme grants they also need to consider the efficiency of managing many small grants and be careful that they do not transfer the transaction costs to local CSOs which could result in diverting their time and capacity away from their primary roles. The DAC peer review of the United Kingdom (2010), for example, notes that support to and dialogue with local organisations can be resource intensive. Providing funding through intermediaries at the country level may be a more effective means of reaching many small grassroots organisations. This is what Sweden did in Ethiopia. It funded nine Ethiopian umbrella organisations in 2004-2008 which, in turn, provided grants to 150 community-based CSOs through-out the country. The umbrella organisations were selected based on their capacity to take on a supervisory partnership role towards the CSOs. This way Sweden supported hundreds of small projects with significant outreach to underserviced groups while managing only nine agreements directly. Donors also use donor country or international CSOs as funding intermediaries. DAC members, such as Norway, only allocate aid to national and international organisations that have local partners. An advantage of using national and international NGOs is that their relationships with organisations based in partner countries can go beyond funding, and can provide scope for different development outcomes.

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38.   Other kinds of intermediaries have been addressed in studies by, for example, the European Commission, and are not treated here.

39.   Those who do not are Austria, Greece, Korea and Italy. 11 DAC members use funding mechanisms that are decentralised to the country level. Those who do not are: Austria, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Spain and Portugal. Usually, priority/partner country strategy papers provide the strategic framework for this decentralised co-operation with local NGOs/CSOs.

43.   The survey found that 11 donors provide support to local organisations through partner country governments. The United Kingdom, for example, has a policy of reserving 5% - 10% of general budget support for support to CSOs. Budget support to partner governments can be valuable in strengthening local CSO capacities and goals if it assists and encourages the development of effective relationships between civil society and governments. This is particularly important in democratic environments where donor support to civil society should not become an alternative to working directly with governments. However, funding modalities should be relevant to the context. In fragile and conflict situations with weak governments and in countries with repressive CSO policies, direct funding or funding via international civil society to organisations at the partner country level may be more effective. This includes funding CSOs for service delivery and meeting other development objectives, such as building civil society's role as a countervailing power to the state - usually for unreceptive or authoritarian regimes - and/or deepening the participation of citizens in the governance process (AusAID, 2010).

4.1.5   Pooled funding

44.   Eighteen DAC members can pool funding for NGOs with other donors. This helps respond to one of the main challenges identified by donors, which is reducing transaction costs.[40] An example of a joint, headquarter based, fund exists for donor support to the international process on civil society and aid and development effectiveness.[41] However, there is some concern that joint donor funds at the country level may reduce the number of funding sources available and lead to support for only a few large organisations. Griffin and Judge (2010) caution that there may be a tension between the aid effectiveness agenda with its focus on donor harmonisation and donor support for a diverse civil society at the partner country level. A study conducted by Sida on support to civil society in Zambia concludes that local organisations prefer funding by individual donors, while donors favour joint support models arrangements (Fällman, 2010). Local organisations are concerned that under joint funding mechanisms, disagreements with one donor may jeopardise the support of all donors and that there will be less space for dialogue with individual donors compared to when they received bilateral project support. International CSOs/NGOs tend to be more comfortable with joint funding arrangements.

4.1.6   Co-funding

45.   Twenty-four survey respondents require NGOs to co-fund activities. The share of co-funding required varies greatly, from 10 per cent to 80 per cent of the total budget. Donors like this approach and perceive it to be an indication of NGOs' ownership, a successful way to leverage additional resources for development co-operation and a push for NGOs to diversify their sources of financing which should also increase their independence from the official sector. NGOs also usually consider co-funding important in order to ensure their independence (DAC Peer Review of the United Kingdom, 2006). DAC peer reviews tend to support this approach too.

4.1.7   Funding humanitarian actions

46.   Fourteen DAC members have predictable multi-annual or/and pre-positioned support available for NGOs providing humanitarian assistance. Sweden and Denmark, for example, have initiated draw-down type arrangements, where a pre-selected group of organisations obtain immediate funding for sudden-onset crises through simple email exchanges. Germany and Australia have similar arrangements with major national NGOs, who can rapidly receive funds for disaster response. Much of humanitarian

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40.   These mechanisms still encounter start up transaction costs.
41.   A number of donors harmonise funding at the headquarters level since 2009 to support the Better Aid Platform and the Open Forum on Development Effectiveness and Enabling Environment. The donors, co-ordinated by the Austria, Sweden and the United Kingdom, have put in place a common Memorandum of Understanding, which has helped decrease transaction costs for the CSOs.

response, however, takes place in protracted crises with funding stretching over five years or more, for example in Sudan and the Democratic Republic of Congo. In these cases, NGOs need the security of longer-term funding arrangements that allow for operational flexibility to address the priority needs, divert funds to new emergency areas, and work towards sustainable programming and prevention. In this light, Sweden and Denmark's new partnership agreements, some of which are multi-annual, are good models that could be followed by other donors.

47.   Funding provided by donors to multilateral organisations for humanitarian programming also often ends up being passed on by those multilaterals to NGOs at operational level. Donors need to be aware that this funding, initially provided in a timely and programmatic manner, perhaps even as core funding, to the multilateral organisation, often ends up as short-term, project-based funding for the "end-user" NGO, with funds arriving in a less than timely manner, and subject to major administrative constraints. Hence, although the Good Humanitarian Donorship principles are met by the initial funding flow from the donor to the multilateral, by the time the funds reach the NGO, the principles may have been compromised. The same can also be true of funding made through some common humanitarian funds.

4.2   *Funding applications*

48.   The majority of DAC members have standard format(s) for NGO project/programme proposals.[42] Only five DAC members allow NGOs to prepare funding applications using their own formats.[43] According to the seven NGOs participating in this survey there needs to be a transparent, co-ordinated and formal process for submitting funding proposals. The process should not be dependent on the personal priorities and knowledge of individual staff in donor agencies, which may sometimes be the case. Four of the seven surveyed NGOs are concerned with the lack of information and/or inconsistent processes, while two respondents feel that information about available funding from donors is generally timely and clear.

49.   NGO respondents also feel that donor requirements on NGO proposals are too complex (four NGO respondents). They identified challenges such as requests for too much detail, rigid requirements for short-term results-management and proposal formats that fall outside of normal planning documents for the NGOs. Because of these requirements, NGOs need additional resources and capacity to prepare successful funding applications. This is a challenge in particular for small and new organisations, which in some cases are unable to access funding due to heavy procedures. DAC peer reviews have also pointed to the high transactions costs on both donors and NGOs that come with these heavy procedures and often recommend streamlining of requirements across support instruments. Multi-year core funding procedures for CSO partners with long standing track records help reduce transaction costs.

50.   One potential adjustment to reduce demands on CSO capacity – especially CSOs in developing countries - could be to harmonise contracting, funding and reporting requirements amongst donors, as recommended by the Advisory Group (OECD, 2009). Eleven DAC members conducted a mapping of donors' conditions and requirements for CSO funding with a view of harmonising requirements for national CSO funding which is then allocated to CSOs in developing countries (Karlstedt, Sida 2010). The study concluded that it should be feasible for donors to harmonise at least some of their requirements on national CSOs, especially regarding requirements for applications as donors tend to ask for more or less the same information. This should then reduce the administrative burden which trickles down to CSOs in developing countries. Harmonised requirements should also apply to pooled or basket funds for CSOs.

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42.   Sweden and Switzerland do not have a standard format for proposals.
43.   Norway, Ireland, Finland, Sweden and Switzerland. In Finland, organisations use their own format but the content of the application is regulated by the funding guidelines for partnership organisations.

CHAPTER 5

MONITORING AND ACCOUNTABILITY[44]

5.1   Reporting

51.   Five of seven NGO respondents feel that donors' reporting requirements could be simplified. NGOs are most often required to report in a template provided by the funding donor: 21 donor respondents have a reporting template for at least some of their NGO support. However, eight donors[45] allow NGOs to report in the format it chooses, for at least some of the available funding. Swiss NGOs, for example, must prepare an analytical report about their activities but in the format they choose.

52.   Reporting requirements could be made more manageable for NGOs and other CSOs, especially international organisations which have several donors, if donors used common reporting templates or accepted each other's reports. For example, DFID and Swiss Development Co-operation are open to accepting the reports that organisations submit to other donors. For Switzerland the report can serve different funding partners of an NGO but the report must be analytical, contextualised and give relevant information (including difficulties and challenges faced) about progress. Karlstedt (2010) suggests that donors could agree on the frequency of reports and remove the requirement for separate end-term financial reports. They could instead accept the organisations' audited annual accounts, with each donor's contribution clearly stated, as financial reports. DFID already uses this approach for its Programme Partnership Agreements (PPAs): organisations funded through this mechanism are free to allocate their funds as they wish and asked only to provide their audited account on an annual basis ensuring that the PPS funding is shown as an identifiable income line, along with the narrative reporting of the organisation's activities.

53.   Moreover, 19 respondents require NGOs to take anti-corruption measures and several DAC members include anti-corruption clauses in their contracts or agreements with NGOs. For example, some donors encourage NGOs to make regular financial audits, including by an external financial expert, or have requirements for anti-money laundering. This is important as NGOs and other CSOs are as susceptible to corruption as other institutions.

5.2   Results

54.   DAC members highlight the importance of a results-based approach to reporting. Increased parliamentary and public pressure for demonstrating results has stimulated this. In line with this, 20 donors ask NGOs to complete results-frameworks when reporting activities.[46] Thirteen DAC members state that the NGOs define their own results indicators, six that the NGOs and the donor define indicators jointly, and one that the donor defines the indicators.

55.   DAC members emphasize that NGOs sometimes fail to acknowledge the need for describing and recognising the results of their interventions. Yet donors need to be aware of the challenges of imposing results reporting on NGOs. The DAC Peer Review of the Netherlands (2006) advised the Netherlands to factor in a number of potential challenges when defining results reporting for NGOs. They include: i) the

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44.   While Section 5 mainly discusses NGOs in line with the survey questions on which the text is based, the issues raised in this section are also relevant to other kinds of CSOs.

45.   Denmark, Finland, France/AfD, Ireland, the Netherlands, Norway, Sweden and Switzerland. In Denmark, this applies to framework organisations only. Other organisations follow a standard format.

46.   16 members use a contract with objectives or milestones which can meet this need. See Annex A.

cost-effectiveness of NGOs having to prepare detailed information on forward plans for results; ii) the danger that this might encourage a culture of risk-avoidance (NGOs may increasingly focus on more easily measurable service provision outputs and move away from addressing underlying political issues); and iii) potential tensions between the requirement for NGOs to plan the results they will be delivering over several years and the need to remain flexible. Moreover, CSOs consulted in the Open Forum state that results-based management required by donors solely for accountability purposes is a major issue for them (Open Forum, 2010a). The Advisory Group recommends a more meaningful approach to results that includes greater attention to institutional and social changes needed to address the underlying causes of poverty. It states that measures should be put in place to ensure that organisations are transparent and accountable to their constituencies and stakeholders first and foremost while accounting to donors for the use of public funds (OECD, 2009). NGO respondents for this study confirm that results-reporting requirements are often too detailed and not necessarily productive. It is important that donor reporting requirements correspond to their real needs regarding results, is calibrated on the objective of the support and NGO capacity, and respect the long-term nature of demonstrating results. DAC members can manage NGO reservations and disagreements on what is the relevant result by, for example, identifying and agreeing to results indicators jointly.

5.3   *Evaluation*

56.   DAC donors evaluate and monitor the programmes and projects implemented by NGOs through various approaches: reports submitted by the implementing NGO (all respondents use this approach), visits to project sites by the donor (24 of 26 respondents), independent evaluations by external experts (23 of 26), and meetings with the implementing NGO (22 of 26). Half of the respondents state that partner country governments are sometimes involved in monitoring and evaluating programmes/projects by NGOs. Twenty respondents have commissioned an evaluation of overall support to NGOs, or of a support mechanism. DAC members should share these evaluation reports to enhance mutual learning. They could, for example, make them publicly available on the DAC Evaluation Resource Centre (DeRec).[47]

5.4   *Capacity development*

57.   Twenty-three DAC members support (financially or otherwise) capacity development and training for national or international NGOs, either regularly (15 respondents) or *ad hoc* (8 respondents). Capacity development is carried out for several purposes but principally on substantive issues, funding mechanisms and monitoring and reporting (Figure 9).

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47.   www.oecd.org/dac/evaluationnetwork/derec.

Figure 9. Type of donor-supported capacity building for NGOs
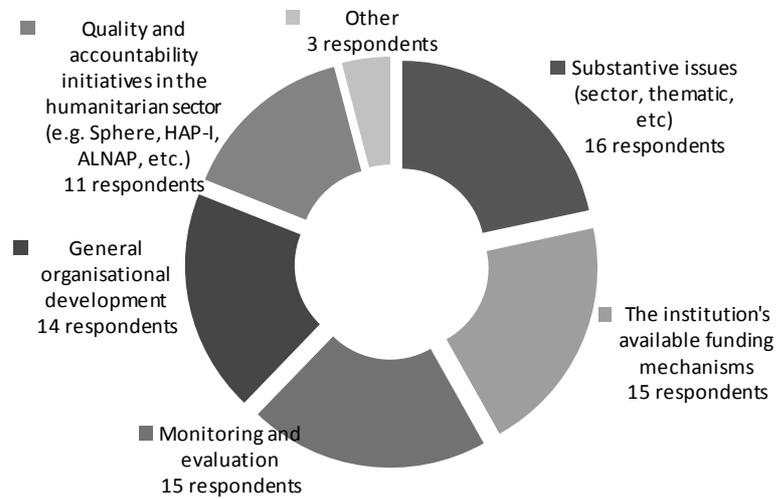
Source: Response to the survey on how donors work with civil society (March-April 2010).

CHAPTER 6

POLICY CONSIDERATIONS

58.   CSOs are key development partners playing a useful role in policy analysis and advocacy. They are also important implementers of aid and independent actors for development in developing countries. Data from the Creditor Reporting System database reveals that 13% of total ODA is implemented by CSOs. This is significant. It also justifies increasing donor attention to how this public money is spent and the results it achieves. Global efforts by CSOs to identify how they can make their efforts more effective for development are therefore timely and welcome. DAC members and CSOs can give greater emphasis to the Paris Declaration principles, the Accra Agenda for Action commitments and the Istanbul Principles for CSO development effectiveness when working together towards the collective, long-term objectives of reducing poverty and supporting development in the poorest countries. CSOs, like DAC members, should be accountable both to beneficiaries and their donors – public and private. In addition, DAC members need to work with national CSO platforms and with international processes on making CSO actions more effective so that their civil society policies and funding conditions accompany and support CSO efforts to increase the quality of the aid for development.

59.   CSOs play an essential role in most DAC member countries in respect of communicating about aid and development and building public awareness. Having public support for development co-operation is in the interest of the development ministry/agency and CSOs. This is an area where there is scope for close collaboration. However, it needs continuous reinforcement and resources to engage the public better in development issues. Civil society can also review how their communication for fundraising purposes can build deeper awareness about development challenges.

60.   DAC members and CSOs can start improving the efficiency and effectiveness of their collaboration in seven specific areas:

1.   **Terminology:** Non-governmental development organisations are not synonymous with civil society organisations which include many more forms than the term non-governmental organisation suggests. Given the trend in DAC countries to use the broader term civil society organisation, DAC members should consider agreeing to use a common terminology which would also be reflected in statistical reporting directives.

2.   **Policies and strategies:** DAC members should have transparent policies and strategies for working with CSOs. They should be forward looking, results-oriented and outline the overall objectives, the principles and the conditions for working with CSOs. It is good practice to prepare these policies and strategies in close consultation with CSOs so that CSOs own the policies and understand the conditions.

3.   **Strengthening civil society:** DAC members have a role to play in strengthening civil society in developing countries in various ways. They can, and do, seek to provide an enabling environment - in their own countries, but especially in developing countries - that maximises the contribution of civil society to development. The study found that DAC members provide ODA, directly and indirectly, to developing country civil society organisations. DAC members should also identify good practice for working with developing country civil society.

4. **Policy dialogue:** as independent development actors CSOs have extensive experience, expertise and exposure to development challenges and successes. CSOs can bring knowledge of and proximity to beneficiaries and give voice to beneficiary needs and experiences. Given the variety of roles that CSOs play in the development process, they should be consulted by partner governments and donors as they prepare their development policies. DAC members should find ways to make policy dialogue with CSOs on development policy and strategies more meaningful by ensuring consultations occur systematically, early in the policy making process and with follow-up.

5. **Transaction costs:** DAC members and CSOs incur high transaction costs in relation to funding mechanisms, especially through application, monitoring and reporting procedures. Good practice suggests that DAC members should have a mix of predictable funding mechanisms with clear guidelines tailored to the capacity of the organisations, the objectives of the projects and programmes and the contexts in which they operate. Efficiency gains would be made if donors could simplify and harmonise contracting, funding and reporting requirements which would reduce the administrative burden which trickles down to CSOs in developing countries. DAC members should consider accepting and using CSOs' systems for monitoring and reporting as far as possible. Given the large number of CSOs involved in development, CSOs could support donor efforts to use their systems and processes by harmonising them. DAC member and international CSOs should transfer this flexibility and predictability to their partner CSOs.

6. **Steering/directing**: some donors determine where NGOs will work and in which sectors, while others let the NGOs decide and others combine the two approaches. The degree of steering by DAC donors is linked to the funding mechanism, that is, less for core funding and more when CSOs are implementers. Donors need to find a balance between respecting civil society's autonomy and steering CSOs so that they help meet the donors' development co-operation objectives. Better clarity of purpose of donor funding for CSOs should determine the most appropriate funding mechanism.

7. **Accountability and results: i**n managing and being accountable for taxpayers' money, DAC members must ensure that ODA is results oriented, and report on the results to parliament and taxpayers. This also applies to ODA channelled to and through CSOs. DAC members should, however, be mindful of their approach to accountability and results with CSOs, ensuring that results indicators and reporting requirements are meaningful and correspond to their real needs. To do this, donors should collaborate with CSOs to jointly identify achievable objectives, indicators, and realistic outcomes. CSOs, like donors, should also be accountable to beneficiaries.

8. **Aid transparency:** DAC members can increase the transparency of ODA allocated *to* and *through* NGOs. While the DAC Working Party on Statistics is clarifying directives to improve DAC member reporting on ODA to and through NGOs, there is room for improvement in the quality of reporting to the DAC, especially in relation to following good practice in the use of channel codes. CSOs also need to increase the transparency of the aid they raise privately and should consider establishing an international database on CSO financing.

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ANNEX A

DAC MEMBER PROFILES

Australia		**Austria**	
Responding institution(s):	AusAID	Responding institution(s):	Austrian Development Agency
Policy or strategy for working with civil society organisations:	Yes interim (2008), new civil society engagement framework being developed.	Policy or strategy for working with civil society organisations:	Yes (2007)
Support to and through NGOs (2009; USD million, CRS):	253	Support to and through NGOs (2009; USD million, CRS):	69
Share of bilateral ODA in 2009 (CRS):	11%	Share of bilateral ODA in 2009 (CRS):	13%
Stated objective on amounts of funding:	No	Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	No	AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	Yes (geographical, sectoral, thematic)	Stated priority areas for civil society:	No
Basis and format of reporting:	Results-framework, contract and partnership agreement	Basis and format of reporting:	Results-framework
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)	Consultations and Dialogue with civil society:	Yes (ad hoc)

Belgium		**Canada**	
Responding institution(s):	DGDC	Responding institution(s):	CIDA
Policy or strategy for working with civil society organisations:	Yes (2009)	Policy or strategy for working with civil society organisations:	Strategy being developed.
Support to and through NGOs (2009; USD million, CRS):	336	Support to and through NGOs (2009; USD million, CRS):	639
Share of bilateral ODA in 2009 (CRS):	20%	Share of bilateral ODA in 2009 (CRS):	20%
Stated objective on amounts of funding:	No	Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	Yes	AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	Yes (thematic)	Stated priority areas for civil society:	Yes, partly (geographical, sectoral, thematic)
Basis and format of reporting:	Results-framework	Basis and format of reporting:	Results-framework
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)	Consultations and Dialogue with civil society:	Yes (ad hoc)

Denmark		**European Union**	
Responding institution(s):	Ministry of Foreign Affairs	**Responding institution(s):**	European Commission
Policy or strategy for working with civil society organisations:	Yes (2008)	**Policy or strategy for working with civil society organisations:**	Yes (2006)
Support to and through NGOs (2009; USD million, CRS):	181	**Support to and through NGOs (2009; USD million, CRS):**	1,455
Share of bilateral ODA in 2009 (CRS):	11%	**Share of bilateral ODA in 2009 (CRS):**	11%
Stated objective on amounts of funding:	Yes	**Stated objective on amounts of funding:**	Yes (for thematic programme: at least 85% of funding to non-state actors.)
AAA action plan that includes civil society:	Yes	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	Yes (thematic)	**Stated priority areas for civil society:**	Yes (thematic)
Basis and format of reporting:	Results-framework and contract	**Basis and format of reporting:**	Results-framework and contract
Consultations and Dialogue with civil society:	Yes (regularly)	**Consultations and Dialogue with civil society:**	Yes (regularly and scheduled in advance)

Finland		**France**	
Responding institution(s):	Ministry of Foreign Affairs	**Responding institution(s):**	Ministry of Foreign and European Affairs, *Agence* française de développement
Policy or strategy for working with civil society organisations:	Yes	**Policy or strategy for working with civil society organisations:**	MFA: Yes (2009) AfD: being developed
Support to and through NGOs (2009; USD million, CRS):	176	**Support to and through NGOs (2009; USD million, CRS):**	118
Share of bilateral ODA in 2009 (CRS):	22%	**Share of bilateral ODA in 2009 (CRS):**	1%
Stated objective on amounts of funding:	No	**Stated objective on amounts of funding:**	Yes (€43 million in 2009 and €45 million in 2010
AAA action plan that includes civil society:	Yes	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	Yes (thematic)	**AAA action plan that includes civil society:**	MFA: Yes (geographical, sectoral, thematic) AfD: No
Basis and format of reporting:	Results-framework and contract	**Basis and format of reporting:**	Results-framework and contract
Consultations and Dialogue with civil society:	Yes (ad hoc)	**Consultations and Dialogue with civil society:**	MFA: Yes (ad hoc) AfD: YES (ad hoc)

Germany	
Responding institution(s):	Federal Foreign Office (FFO) and BMZ
Policy or strategy for working with civil society organisations:	FFO: Yes (2008) BMZ: No
Support to and through NGOs (2009; USD million, CRS):	993
Share of bilateral ODA in 2009 (CRS):	12%
Stated objective on amounts of funding:	FFO: Yes (50% of humanitarian aid through NGOs)
AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	FFO /BMZ: No
Basis and format of reporting:	FFO /BMZ: Contract
Consultations and Dialogue with civil society:	FFO: Yes (regularly and scheduled in advance) BMZ: Yes (ad hoc)

Greece	
Responding institution(s):	Hellenic Aid
Policy or strategy for working with civil society organisations:	Yes
Support to and through NGOs (2009; USD million, CRS):	5
Share of bilateral ODA in 2009 (CRS):	2%
Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	Yes
Basis and format of reporting:	Contract
Consultations and Dialogue with civil society:	N/A

Ireland	
Responding institution(s):	Irish Aid
Policy or strategy for working with civil society organisations:	Yes (2008)
Support to and through NGOs (2009; USD million, CRS):	255
Share of bilateral ODA in 2009 (CRS):	37%
Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	Yes
Basis and format of reporting:	Results-framework and contract
Consultations and Dialogue with civil society:	Yes (ad hoc)

Italy	
Responding institution(s):	Ministry of Foreign Affairs
Policy or strategy for working with civil society organisations:	Yes (2009)
Support to and through NGOs (2009; USD million, CRS):	126
Share of bilateral ODA in 2009 (CRS):	12%
Stated objective on amounts of funding:	Yes (67 million euro for 2010)
AAA action plan that includes civil society:	Yes
Stated priority areas for civil society:	Yes (thematic, geographical, sectoral)
Basis and format of reporting:	Results-framework
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)

Japan		Korea	
Responding institution(s):	Ministry of Foreign Affairs	**Responding institution(s):**	KOICA
Policy or strategy for working with civil society organisations:	Yes (2007)	**Policy or strategy for working with civil society organisations:**	Yes
Support to and through NGOs (2009; USD million, CRS):	321	**Support to and through NGOs (2009; USD million, CRS):**	11
Share of bilateral ODA in 2009 (CRS):	2%	**Share of bilateral ODA in 2009 (CRS):**	2%
Stated objective on amounts of funding:	Yes	**Stated objective on amounts of funding:**	Yes (2% of KOICA's total budget. By 2013, KOICA aims to increase this percentage to 5% and to gradually increase the co-financing ratio from 60% to 80%)
AAA action plan that includes civil society:	No	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	Yes (geographical, sectoral)	**Stated priority areas for civil society:**	Yes (geographical, sectoral)
Basis and format of reporting:	Contract	**Basis and format of reporting:**	Contract
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)	**Consultations and Dialogue with civil society:**	Yes (regularly and scheduled in advance)

Luxembourg		Netherlands	
Responding institution(s):	Ministry of Foreign Affairs, Directorate of Development Co-operation	**Responding institution(s):**	
Policy or strategy for working with civil society organisations:	Yes	**Policy or strategy for working with civil society organisations:**	Yes (2009)
Support to and through NGOs (2009; USD million, CRS):	84	**Support to and through NGOs (2009; USD million, CRS):**	1,480
Share of bilateral ODA in 2009 (CRS):	32%	**Share of bilateral ODA in 2009 (CRS):**	30%
Stated objective on amounts of funding:	No	**Stated objective on amounts of funding:**	No
AAA action plan that includes civil society:	Yes	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	No	**Stated priority areas for civil society:**	No
Basis and format of reporting:	Results-framework and Contract	**Basis and format of reporting:**	Results-framework and Contract
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)	**Consultations and Dialogue with civil society:**	Yes (regularly and scheduled in advance)

New Zealand	
Responding Institutions/Agencies providing funding to NGOs:	NZAID
Policy or strategy for working with civil society organisations:	Between strategies.
Support to and through NGOs (2009; USD million, CRS):	49
Share of bilateral ODA in 2009 (CRS):	22%
Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	No
Stated priority areas for civil society:	Yes (geographical and sectoral)
Basis and format of reporting:	Results-framework and Contract
Consultations and Dialogue with civil society:	Yes (as needed [ad hoc])

Norway	
Responding Institutions/Agencies providing funding to NGOs:	Ministry of Foreign Affairs
Policy or strategy for working with civil society organisations:	No
Support to and through NGOs (2009; USD million, CRS):	863
Share of bilateral ODA in 2009 (CRS):	27%
Stated objective on amounts of funding:	No
AAA action plan that includes civil society:	No
Stated priority areas for civil society:	Yes (thematic)
Basis and format of reporting:	Results-framework and Contract
Consultations and Dialogue with civil society:	Yes (as needed [ad hoc])

Portugal	
Responding institution(s):	Portuguese Institute for Development Support
Policy or strategy for working with civil society organisations:	Yes
Support to and through NGOs (2009; USD million, CRS):	8
Share of bilateral ODA in 2009 (CRS):	3%
Stated objective on amounts of funding:	Yes
AAA action plan that includes civil society:	No
Stated priority areas for civil society:	Yes (geographical, sectoral)
Basis and format of reporting:	Results-framework and Contract
Consultations and Dialogue with civil society:	Yes (regularly and scheduled in advance)

Spain	
Responding institution(s):	AECID – Spanish Agency for International Cooperation for Development
Policy or strategy for working with civil society organisations:	It is being developed
Support to and through NGOs (2009; USD million, CRS):	942
Share of bilateral ODA in 2009 (CRS):	20%
Stated objective on amounts of funding:	Yes (a min. of 5% of aid through national NGOs and 3% of total ODA to projects in education for development.)
AAA action plan that includes civil society:	No
Stated priority areas for civil society:	Yes (thematic, geographical, sectoral)
Basis and format of reporting:	Results-framework
Consultations and Dialogue with civil society:	Yes (ad hoc)

Sweden		**Switzerland**	
Responding institution(s):	SIDA	**Responding institution(s):**	SDC (Swiss Agency for Development and Cooperation)
Policy or strategy for working with civil society organisations:	Yes (2009)	**Policy or strategy for working with civil society organisations:**	Yes (2007)
Support to and through NGOs (2009; USD million, CRS):	777	**Support to and through NGOs (2009; USD million, CRS):**	480
Share of bilateral ODA in 2009 (CRS):	26%	**Share of bilateral ODA in 2009 (CRS):**	27%
Stated objective on amounts of funding:	No	**Stated objective on amounts of funding:**	No
AAA action plan that includes civil society:	Yes	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	Yes, partly (geographical, sectoral)	**Stated priority areas for civil society:**	Yes (thematic)
Basis and format of reporting:	Results-framework and Contract	**Basis and format of reporting:**	Results-framework and Contract
Consultations and Dialogue with civil society:	Yes (ad hoc)	**Consultations and Dialogue with civil society:**	Yes (ad hoc)
United Kingdom		**United States**	
Responding institution(s):	DFID	**Responding institution(s):**	USAID
Policy or strategy for working with civil society organisations:	Yes (2006)	**Policy or strategy for working with civil society organisations:**	It is being developed
Support to and through NGOs (2009; USD million, CRS):	1,068	**Support to and through NGOs (2009; USD million, CRS):**	6,239 (incomplete reporting)
Share of bilateral ODA in 2009 (CRS):	14%	**Share of bilateral ODA in 2009 (CRS):**	24% (incomplete reporting)
Stated objective on amounts of funding:	Yes	**Stated objective on amounts of funding:**	No
AAA action plan that includes civil society:	Yes	**AAA action plan that includes civil society:**	Yes
Stated priority areas for civil society:	Yes (thematic, geographical, sectoral)	**Stated priority areas for civil society:**	No
Basis and format of reporting:	Results-framework and Contract	**Basis and format of reporting:**	Results-framework
Consultations and Dialogue with civil society:	Yes (ad hoc)	**Consultations and Dialogue with civil society:**	Yes (regularly and scheduled in advance)

ANNEX B

**DAC STATISTICAL EXPLANATIONS AND TABLES ON ODA TO AND THROUGH NGOS
AND OTHER PRIVATE BODIES**

Extract from DAC Statistical Reporting Directives [DCD/DAC (2010)REV1, Box 1] on reporting aid to and through NGOs and other private bodies.

Aid *to NGOs* covers official funds paid over to national and international non-governmental organisations for use at the latter's' discretion. Aid *through NGOs* covers official funds made available to NGOs for use on behalf of the official sector, in connection with purposes designated by the official sector, or known to and approved by the official sector.

Aid *to NGOs* means official contributions to programmes and activities which NGOs have developed themselves, and which they implement on their own authority and responsibility. Aid *through NGOs* means payments by the official sector for NGOs to implement projects and programmes which the official sector has developed, and for which it is ultimately responsible. The latter includes "joint financing" schemes where government agencies and NGOs consult about activities, jointly approve them and/or share their funding.

When an activity could fit into either category, examine the characteristics of the activity approval process and the degree of control by the official sector in the allocation of funds so as to determine whether the NGO acts, or not, on behalf of the official sector. The examples below provide some further guidance.

Report as aid *to* NGOs, under core support to national NGOs and other private bodies (code 1211) or core support *to* international NGOs (code 1212).

Funding of NGOs' general programme of assistance: These subsidies, which are provided without endorsement by the official sector of the specific activities to be undertaken, could not be regarded as having been provided for use on the official sector's behalf.

Funding of project activities where the NGO contributes its own funds and where the official sector has essentially no say in the design or implementation of the project: This covers cases in which the official sector makes either a direct contribution to an existing NGO project, or a block grant to be used at the NGO's discretion on either general administrative overheads, or specific projects of the NGO's choice. These modes of funding cannot plausibly be viewed as supporting activities carried out on the official sector's behalf. Report as aid through NGOs, under specific-purpose programmes and funds managed by international organizations (multilateral, INGOs) (code 1220).

Funding of INGOs' specific-purpose programmes: When subsidies are for a programme that has a clearly identified sectoral, thematic or geographical focus, contributions should be classed as aid *through NGOs*. Report as aid through NGOs, under Project-type interventions (code 1300), Other technical assistance (code 1420), or Development awareness (code 1810).

Funding of project activities where the NGO does not contribute any of its own funds to the same activity: If the NGO is not contributing any of its own funds to an activity financed by the official sector, this is a clear indication that the NGO is acting on the official sector's behalf, and the expenditure should therefore be classed as aid *through* NGOs.

Funding of project activities jointly financed by the official sector and the NGOs, and approved after consultation between the two, should normally be reported as aid *through NGOs.* In most "joint financing" schemes, official and NGO representatives meet to review proposed projects and agree on those that will receive official funding. The original proposals will normally be drawn up by NGOs, but in response to guidelines as to the type of projects likely to receive official support. Officially funded projects will in principle meet these guidelines. During the review process, the official sector may in effect alter project design by making suggestions or imposing conditions on its support. It is also likely that most projects in this category would not take place unless official funding were received. In this context, it seems reasonable to regard such joint financing schemes as aid *through NGOs*, although the final determination depends on the degree of official sector influence in practice.

The total of aid *through* NGOs is reportable as a memo item ODA channelled through private entities (code 1903).

Table B.1. The sum of aid to and through NGOs, 2007-2009, USD million (disbursements)

DAC member	2007	2008	2009
Australia	171	192	253
Austria	76	70	69
Belgium	259	305	336
Canada	0	217	639
Denmark	203	207	181
Finland	135	160	176
France	82	91	118
Germany	788	940	993
Greece	0	2	5
Ireland	297	348	255
Italy	129	123	126
Japan	8	195	321
Korea	8	10	11
Luxembourg	0	82	84
Netherlands	1,491	1,766	1,480
New Zealand	0	54	49
Norway	784	853	863
Portugal	6	12	8
Spain*	0	1,468	942
Sweden	725	765	777
Switzerland	394	454	480
United Kingdom	963	982	1,068
United States	3,267	4,438	6,239
EU Institutions	639	761	1,455
Grand total	10,426	14,494	16,929

Source: DAC Creditor Reporting System,
Note: This table uses the CRS database on donors' reporting aid to and through NGOs. The 'to' NGO aid flows are based on the bi/multi field which indicates '3' or purpose codes starting with 920. The 'through' NGO aid flows are based on the bi/multi field which indicates '1', channel codes starting with 20 but excluding the purpose code starting with 920. Shading denotes where 25% or more of channel codes are blank/not completed. Data for the United States on ODA through NGOs is incomplete.
* While data for Spain on aid to and through NGOs in 2007 is not available in the DAC Creditor Reporting System, Spain informed the DAC Secretariat that it allocated EUR 650 million (890 million USD) through NGOs in 2007.

Table B.2. Aid through NGOs, 2007-2009, USD million (disbursements)

DAC member	2007	2008	2009
Australia	157	2	195
Austria	75	68	67
Belgium	113	137	155
Canada		217	585
Denmark	96	164	126
Finland	128	150	173
France	28	33	106
Germany*	788	940	993
Greece		1	5
Ireland	147	156	153
Italy	109	121	118
Japan	5	58	81
Korea	1	1	4
Luxembourg		74	77
Netherlands	479	543	453
New Zealand	0	28	25
Norway	784	853	863
Portugal	3	4	5
Spain**		1,439	922
Sweden	430	494	640
Switzerland	262	319	340
United Kingdom		637	745
United States	3,267	4,438	6,239
EU Institutions	639	759	1,455
Grand total	7,509	11,637	14,523

Source: DAC Creditor Reporting System.

Note: This table uses the CRS database on donors' reporting aid through based on the bi/multi field which indicates '1', channel codes starting with 20 but excluding the purpose code starting with 920. Shading denotes where 25% or more of channel codes are blank/not completed. Data for the United States on ODA through NGOs is incomplete.

 * Germany provides support to Southern NGOs but reports this support statistically under specific sectors. This core support is captured under aid through NGOs.

** While data for Spain on aid to and through NGOs in 2007 is not available in the DAC Creditor Reporting System, Spain informed the DAC Secretariat that it allocated EUR 650 million (890 million USD) through NGOs in 2007.

Table B.3. Aid to NGOs, 2007-2009, USD million (disbursements)

DAC member	2007	2008	2009
Australia	14	190	58
Austria	1	2	2
Belgium	146	168	181
Canada	0	0	55
Denmark	108	43	55
Finland	8	10	3
France	54	58	12
Germany*	0	0	0
Greece	0	0	0
Ireland	150	192	102
Italy	21	2	8
Japan	3	137	240
Korea	7	9	8
Luxembourg	0	8	8
Netherlands	1,011	1,222	1,027
New Zealand	0	27	24
Norway	0	0	0
Portugal	3	7	4
Spain	0	29	20
Sweden	295	271	137
Switzerland	132	135	140
United Kingdom	963	345	323
United States	0	0	0
EU Institutions	0	2	0
Grand total	2,917	2,857	2,406

Source: DAC Creditor Reporting System.

Note: This table uses the CRS database on donors' reporting aid to and through NGOs based on the bi/multi field which indicates '3' or purpose codes starting with 920. Shading denotes where 25% or more of channel codes are blank/not completed. Data for the United States on ODA through NGOs is incomplete.

* Germany provides support to Southern NGOs but reports this support statistically under specific sectors. This core support is captured under aid through NGOs (Table B.2)

Table B.4. Percentage of bilateral aid channelled 'to' and 'through' NGOs, 2009

DAC member	To	Through	Sum
Australia	3	8	11
Austria	0	13	13
Belgium	11	9	20
Canada	2	18	20
Denmark	3	8	11
Finland	0	22	22
France	0	1	1
Germany*	0	12	12
Greece	0	2	2
Ireland	15	22	37
Italy	1	11	12
Japan	2	1	2
Korea	1	1	2
Luxembourg	3	29	32
Netherlands	21	9	30
New Zealand	11	11	22
Norway	0	27	27
Portugal	1	1	3
Spain	0	19	20
Sweden	5	21	26
Switzerland	8	19	27
United Kingdom	4	10	14
United States	0	24	24
EU Institutions	0	11	11

Source: DAC Creditor Reporting System.

Note: This table uses the CRS database on donors' reporting aid to and through NGOs based on the bi/multi field which indicates '3' or purpose codes starting with 920. Shading denotes where 25% or more of channel codes are blank/not completed. Data for the United States on ODA through NGOs is incomplete.

* Germany provides support to Southern NGOs but reports this support statistically under specific sectors. This core support is captured under aid through NGOs (Table B.2)

Table B.5. Aid through NGOs in each sector, 2007-2009, USD million (disbursements)

	2007	2008	2009
Social Infrastructure & Services	3,541	5,836	8,030
Education	474	808	922
Health	389	696	957
Population Policies & Reproductive health	674	1,045	2,104
Water Supply & Sanitation	100	212	286
Government & Civil Society	1,538	2,538	3,268
of which: support of women's equality organisations	54	98	128
Other social Infrastructure & Services	367	537	493
Economic Infrastructure & Services	226	764	589
Transport & Storage	8	239	180
Communications	14	32	23
Energy	24	155	56
Banking Financial Services	32	165	144
Business & Others Services	147	173	187
Production	336	617	933
Agriculture Forestry & Fishing	265	459	768
Industry Mining & Construction	39	103	109
Trade Policies & Tourism	32	55	55
General Environment Protection	162	231	284
Food Aid	503	608	738
Humanitarian Assistance	1,957	2,640	2,829
Emergency Response	1,790	2,430	2,604
Reconstruction Relief	150	136	92
Disaster Prevention	18	73	133
Refugees in Donor Countries	56	88	150
Others	862	866	1,006
Grand total	7,643	11,649	14,558

Source: DAC Creditor Reporting System.
Note: This table uses the CRS database on donors' reporting ODA through NGOs based on the channel of delivery.

ANNEX C

QUESTIONNAIRES

QUESTIONNAIRE FOR DAC MEMBERS

Introduction to the survey:

The OECD DAC secretariat is preparing a synthesis study on how DAC members work with NGOs. For DAC members where more than one institution provides funding to NGOs (for example the Foreign Ministry and the development agency), each institution who reports its support to the DAC is invited to respond. Questions marked with * are mandatory. The estimated time for filling out this questionnaire is 30-40 minutes. Please note that the questionnaire needs to be fully completed and submitted in one go. Information cannot be saved and will be lost if the Internet browser is closed. If you have any questions when filling out the survey, please contact Jenny Hedman (jenny.hedman@oecd.org).

*Country:
*Institution:
*Contact person name, email and phone number:

SECTION I: **OVERVIEW, DEFINITIONS, CATEGORIES, FUNDING FLOWS**

This section of the report will provide an overview (including definitions and categories of civil society and NGOs) and present existing DAC statistics on aid "to" and "through" NGOs.

Questions marked with a ***** are mandatory

1. How does your institution define non-governmental organisations (NGO) and/or civil society organisations (CSO)?
Please state both if you use different definitions for NGOs and for CSOs.

[Free text box]

*2. Types of civil society organisations which your institution supports:
Select one or several options:

  a. National non-governmental development organisations (with headquarters in the DAC member country)
  b. National umbrella body for NGOs involved in development (with headquarters in the DAC member country)
  c. Other national civil society organisations (including trade unions, faith-based organisations, foundations, research institutes) present in the DAC member country

d. International development NGOs (which could have, but do not necessarily have, their headquarters in the DAC member country)

e. Other international civil society organisations including trade unions, professional associations, faith-based organisations, foundations, research institutes (which could have, but do not necessarily have, its headquarters in the DAC member country)

f. Local NGOs (with headquarters in a partner country)

g. Other civil society organisations with headquarters in a partner country (including farmers associations, not-for profit media, faith-based organisations, research institutes)

h. National, international or local NGOs focussed specifically on humanitarian action

i. Other

3. Does your institution have a stated objective to achieve on amounts of funding to NGOs or civil society?
- Yes - please set out [free text box]
- No

SECTION II: DONOR POLICY AND STRATEGY

This section of the report will address the donors' policies and strategies, and their motivations for supporting and working with development NGOs and civil society more broadly.

Questions marked with a ***** are mandatory

*1. Does your institution have a policy or strategy for working with civil society organisations?
- Yes
- It is being developed
- No
- N/A

If "yes" or "it is being developed":

If available to the public, please provide link in the form of http:// (or send document per email to Jenny.Hedman@oecd.org)

a) What organisations does the policy/strategy cover: Type

Select one option
- Non-governmental development organisations only
- Civil society groups more widely (including NGOs, trade unions, faith-based organisations, foundations, research institutes, professional associations)

b) What organisations does the policy/strategy cover: Location

Select one option
Organisations with headquarters in or based in the DAC member country (national and international) only
Organisations based in partner countries (local) and in the DAC member country (national and international)

c)   Does the policy or strategy apply to humanitarian action?

- Yes
- No

If you answered no to question 1c: Is there a separate policy base for humanitarian action?

- Yes
- No

If there is a separate policy base for humanitarian action, and this is available to the public, please provide link in the form of http:// (or send document per email to Jenny.Hedman@oecd.org)

2. Does your institution have stated priority areas/themes for NGO activities?
In case your institution distinguishes between work with NGOs and the wider civil society, please note that this question refers to NGOs specifically.

- No
- Yes

If yes:
a) Do these priorities apply to all support provided?

- Yes.
- No, but the majority
- No, only some

b) These priorities are:
Select one or several options

- Geographical
- Sectoral
- Thematic (including "cross-cutting")
- Other

Please specify. [Free text box]

c) These priority areas are:
Select one option

- The same as those of the funding DAC donor ("intensive complementarity")
- Different from those of the funding DAC donor ("extensive complementarity")
- Some are different and some are the same as the funding DAC donor's

d) Compliance with these priorities is ensured through:
Select one or several options

- Financial incentives or requirements
- No specific follow-up
- Other – please specify [free text box]

*3. What is your institution's main objective for working with NGOs?
If your institution distinguishes between NGOs and CSOs, please note that this question refers mainly to NGOs rather than civil society more widely.

Please tick either: very important, important, somewhat important, or is not an objective

- To promote awareness about development co-operation in the DAC member country
- To enhance NGOs own institutional or development capacity
- To reach a specific development objective (implement aid programmes) linked to service delivery
- To reach a specific development objective (implement aid programmes) linked to accountability and democratic processes in partner countries

Free text box:
If available, please copy your institution's overall objective/rationale for working with NGOs

4. Has this objective changed in the last 5 years?
- Yes
- No

If yes, please describe how [Free text box]

5. What does your institution identify as the comparative advantages of NGOs?
If your institution distinguishes between NGOs and CSOs, please note that this question refers mainly to NGOs rather than civil society more widely.

Please tick either: very important, important, somewhat important, not important, or n/a

- Education and advocacy in the DAC country
- Skills and expertise in a specific area (geographic, sectoral, thematic, technical, etc)
- Ability to innovate
- Ability to pilot initiatives in partner countries that can be scaled-up
- Proximity to beneficiaries/reaching constituencies in partner countries
- Opportunity to broaden the geographical and/or thematic focus of the DAC donors ODA
- Opportunity to provide support in fragile states and situations (including through local organisations)
- To support accountability and empowerment processes in developing countries (promote democracy)
- To support or provide service delivery in developing countries
- Their ability to quickly provide humanitarian assistance
- Other - please describe [free text box]

6. What disadvantages or challenges has your institution experienced when working with NGOs?
If your institution distinguishes between NGOs and CSOs, please note that this question refers mainly to NGOs rather than civil society more widely.

Select one or several options
- Limited legitimacy of NGOs
- Limited profile/leverage with the partner country government

- Limited capacity (including for example high staff turnover)
- Lack of accountability and transparency (including corruption issues)
- Compete with partner government (issues around the role in state-building and service delivery)
- Duplication of activities/challenges of co-ordination with donors and other NGOs
- Transaction costs for the donor in dealing with many small organisations
- Other, please describe [free text box]

*7. If your institution is responsible for or involved in policy making, do you consult with civil society for this?

- Yes
- No
- My institution is not responsible for or involved in policy making

   If yes:

   a) Consultations are held on:
   Select one or several options

   - The donor's civil society/NGO policies and strategies
   - The donor's aid and development policies at headquarters
   - The donor's strategies/programmes at partner country level
   - The donor's multilateral policies related to development co-operation
   - Other, please specify:

   b) Consultations are held with:
   Select one or several options

   - NGOs present in the DAC member country
   - Civil society groups present in the DAC member country (including NGOs, trade unions, faith-based organisations, foundations, research institutes, professional associations)
   - NGOs present in partner countries
   - Civil society groups present in the partner country (including farmers associations, not-for profit media, faith-based organisations, research institutes)
   - Other, please specify:

   c) Consultations are held:
   Select one option

   - Regularly and scheduled in advance
   - As needed (*ad hoc*)

   d) At what point in the policy-making process are consultations held?
   Possibility so select several options

   - During initial discussions about content
   - While drafting the policy

- At the final stages/once a draft of the policy has been prepared

e) How would you describe the NGOs' level of satisfaction with the consultation process?

- Very satisfied
- Satisfied
- Partially satisfied
- Not satisfied at all

8. If your institution has an action plan for implementing the Accra Agenda for Action, does it include civil society?

- Yes
- No
- The donor institution does not have an AAA action plan

If available to the public, please provide link in the form of http:// (or send document per email to Jenny.Hedman@oecd.org)

9. How do you ensure that your support to and through civil society is in line with the *Paris Declaration* principles and the *Accra Agenda for Action?*

[Free text box]

10. Is there anything else you would like to add about your policies and strategies related to civil society?

[Free text box]

SECTION III: SUPPORT MECHANISMS

This section of the report will address the instruments and mechanisms used by donors for working with development NGOs and civil society more broadly, including funding arrangements.

Questions marked with a ***** are mandatory

1. How many institutions of the DAC member provide funding to civil society (one of which is the responding institution)?

[Scroll-down menu with 1-5, none]

2. How many different funding mechanisms or modalities available to civil society organisations does your institution have in total?

[Scroll-down menu with "1-5", "5-10", "10-15" or "15 or more", n/a]

*3. What kind of funding mechanisms/modalities does your institution use?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to support to NGOs rather than civil society more widely.

Select one or several options

1. Partnership/framework agreements (multi-annual) at headquarters level, to national and international organisations (this funding would normally be reported to the DAC as "aid to NGOs")[48]
2. Partnership/framework agreements (multi-annual) at partner country level, to local organisations (this funding would normally be reported to the DAC as "aid to NGOs")
3. Project/programme support to national and international organisations (this funding would normally be reported to the DAC as "aid through NGOs")
4. Project/programme support to local organisations at the partner country level (this funding would normally be reported to the DAC as "aid through NGOs")
5. "Calls for proposals" at headquarters level – for donor initiatives – aimed to national and international organisations
6. "Calls for proposals" at partner country level – for donor initiatives – aimed to local organisations
7. Support to local organisations provided through partner country governments (i.e. through budget support)
8. Other: please specify [free text box]

4. Through what kind of mechanism (of 1-8) is most of your funding to NGOs channelled?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to support to NGOs rather than civil society more widely.

[Scroll down menu with the option of picking one of 1-8]

5. Funding proposals by NGOs:
If your institution distinguishes between NGOs and CSOs, please note that this question refers to support to NGOs rather than civil society more widely.

Select one option or, if answers differ between the funding mechanisms/modalities, please select all the options used by your institution.

- Have to be prepared in the institutions standard format
- Have to be prepared in a format agreed with other funding institutions
- Can be prepared in the format the civil society organisation wishes

6. Do any of your mechanisms require co-funding from the NGO?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to support to NGOs rather than civil society more widely.

- Yes
- No

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[48] In the DAC reporting directives, aid <u>to</u> NGOs is defined as "official funds paid over to (national and international) non-governmental organisations for use at the latter's' discretion." Aid <u>through</u> NGOs is defined as "official funds made available to NGOs for use on behalf of the official sector, in connection with purposes designated by the official sector, or known to and approved by the official sector". This includes joint financing schemes.

If yes, please specify the amount of co-funding required in % [free text box]

7. Is there any specific mechanism that you would like to highlight as a good (or bad) example? This may include innovative mechanisms responding to the provisions of the AAA.

[Free text box]

*8. Does your institution provide funding directly to local civil society organisations based in partner countries?

- Yes
- No

> **If yes:**
> **a) Please provide an indication of the share of aid that you allocate to local organisations, out of the total aid that your institution provides to *all* NGOs (as reported to the DAC):**
> *Please select one option*
>
> - 1-30%
> - 30-60%
> - 60% or more
>
> **b) These figures are:**
> *Please select one option*
>
> - An estimate – the exact figures cannot be tracked with the statistical system used by the institution
> - An estimate – the exact figures are not currently tracked in the statistical system even though they could technically be tracked if needed
> - Exact – these figures are recorded in the statistical system used by the institution

9. Are any of your institution's funding mechanisms fully decentralised to the country level?
- Yes
- No

If yes, please describe [Free text box]

10. Does any of your institution's funding mechanisms/modalities allow for pooling funding to NGOs or CSOs with other donors at country or headquarters level?
- Yes
- No

11. Is support to humanitarian organisations predictable (e.g. multi-annual and/or pre-positioned for draw-down in the event of an emergency)?
- Yes
- No

12. Is there any information you would like to add about your institution's support mechanisms and funding arrangements for NGOs and CSOs?

[Free text box]

SECTION IV: MONITORING, EVALUATION AND ACCOUNTABILITY

This section of the report will look at issues around accountability, monitoring and reporting of development NGO activities.

Questions marked with a ***** are mandatory

*1. What is the basis for reporting between your institution and NGOs?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to NGOs rather than civil society more widely.

Select one option or, if answers differ between the funding mechanisms/modalities, please select all the options used by the institution.

a) A results-framework, for example a logical framework or a results-matrix with indicators
b) A contract with objectives or milestones
c) A contract without specific objectives/indicators
d) Other: please specify [free text box]

> **If you use a results-framework (answer a), how are results-indicators defined?**
> *Select one option*
>
> - The institution define indicators
> - The institution and the NGOs jointly define indicators
> - The NGO defines its indicators

2. What is the format for reporting for NGOs?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to NGOs rather than civil society more widely.

Select one option or, if answers differ between the funding mechanisms/modalities, please select all the options used by the institution.

- The reporting has to be done in a reporting template provided by the institution
- The reporting has to be done in a common format co-ordinated with other donors
- The NGO can submit the report in the format it chooses

3. Is there anything you would like to highlight or add about reporting requirements on CSOs or NGOs?

[Free text box]

4. How are programmes/projects that are implemented by organisations monitored and evaluated by the DAC donor institution?
If your institution distinguishes between NGOs and CSOs, please note that this question refers to NGOs rather than civil society more widely.

Select one or several options:

- Visits to project sites by the donor institution
- Reports submitted by the organisation
- Meetings with the organisation
- Independent evaluations by external experts
- Other [Free text box]

5. Are partner country governments involved in monitoring and evaluating programmes/projects by NGOs which are funded by the DAC donor institution?
- Yes, always
- Yes, sometimes
- No

6. Has your institution ever commissioned an evaluation of its overall support to NGOs (or to civil society more broadly) or of a support mechanism?
- Yes
- No

   If yes, and available to the public, please provide link in the form of http:// (or send document per email to Jenny.Hedman@oecd.org)

7. Does the DAC member require NGOs funded to take anti-corruption measures?
If your institution distinguishes between NGOs and CSOs, please note that this question refers mainly to NGOs rather than civil society more widely.

- Yes
- No

If yes, please describe [Free text box]

8. Does your institution support (financially or otherwise) capacity development and training for national or international organisations (based in the DAC member country)?
a) Yes, regularly
b) Yes, *ad hoc*
c) No

   If yes (regularly or ad hoc), on:

   Select one or several options
   - The institution's available funding mechanisms
   - General organisational development
   - Monitoring and evaluation
   - Substantive issues (sector, thematic, etc): please specify [Free text box]

- Quality and accountability initiatives in the humanitarian sector (e.g. Sphere, HAP-I, ALNAP, etc.)
- Other

9. Does your institution engage in policy dialogue with partner country governments to enhance an enabling environment for civil society in the country (including free media etc)?
- Yes
- No
- If yes, please describe [Free text box]

10. Does your institution encourage partner country governments to engage directly with civil society, for example through consulting with organisations and associations when developing their national poverty reduction strategies?

- Yes
- No

If yes, please describe [Free text box]

11. Is there any information you would like to add about monitoring, reporting and accountability?

[Free text box]

IMPLICATIONS FOR DONORS (CONCLUSION)

1. What is the most important lesson you have learned from working with CSOs or NGOs?

[Free text box]

2. What recommendation would you make to donors to improve the way in which they work with CSOs or NGOs?

[Free text box]

QUESTIONNAIRE FOR NGO UMBRELLA BODIES IN DAC MEMBER COUNTRIES

Introduction to the survey:

The OECD DAC secretariat is preparing a synthesis study on how DAC members work with NGOs. You are welcome to consult with member organisations of your platform/ federation when responding but please submit one single survey to the DAC secretariat on behalf of the NGOs in your country. Only questions marked with * are mandatory. The estimated time for filling out this questionnaire is 15-20 minutes. Please note that the questionnaire needs to be fully completed and submitted in one go. Information cannot be saved and will be lost if the Internet browser is closed. If you have any questions when filling out the survey, please contact Jenny Hedman (jenny.hedman@oecd.org).

*Country:
*Organisation:
*Contact person name, email and phone number:

DONOR POLICY AND STRATEGY FOR SUPPORTING CIVIL SOCIETY

1. Does your government (one or several of its institutions) have policy priorities (thematic, sectoral, geographic etc) for its work with civil society?
Yes
No

If yes, how do the priorities influence your work, especially with counterparts in developing countries?
Overall positively. Please describe [Free text box]
Overall negatively. Please describe [Free text box]

2. Do you have any concrete suggestions for how your government could improve its policy/strategy for supporting civil society (in order to improve development effectiveness)?

[Free text box]

*3. Does your government (one or several of the institutions) consult with civil society for its policy making?
Yes
No

If yes,

a) Consultations are held with (S*elect one or several options)*
- NGOs with representation in your country
- Civil society groups with representation in the your country (including NGOs, trade unions, faith-based organisations, foundations, research institutes, professional associations)
- NGOs with headquarters in partner countries
- Civil society groups with headquarters in partner countries (including farmers associations, not-for profit media, faith-based organisations, research institutes)

b) Consultations are held on:

Select one or several options

- The government's civil society/NGO policies and strategies
- The government's aid and development policies more broadly - at headquarters
- The government's strategies and programmes - at field level
- The government's policies with respect to multilateral organisations
- Other [Free text box]

c) Consultations are held:

Select one option

- Regularly and scheduled in advance
- As needed (ad hoc)

d) In your opinion, are consultations timely and well-managed?

Select one option

- Yes
- No

Please explain why [Free text box]

e) Who sets the agenda for consultation meetings?

- The donor government
- NGOs
- Jointly

f) Is the opinion of civil society taken into account by the government in its policy-making?

- Yes, often
- Yes, sometimes
- No

If yes (often or sometimes), please give an example of where the donor has taken account of your views?
[Free text box]

SUPPORT MECHANISMS

Please note that, unless specified, these questions apply to support for NGOs in your country (which would correspond to the members of the responding NGO umbrella body).

*1. In your opinion, are the funding mechanisms used by the donor government (through all funding institutions) appropriate for supporting and facilitating the work of civil society?
(Please note that this question does not refer to the levels of funding.)

- Yes
- No
- If no, please explain why: [Free text box]

2. Does your government (one or several of the institutions) make multi-year funding commitments to some (or all) NGOs?

- Yes
- No

3. Does your government – all institutions providing funding - in general provide timely and clear information about available funding mechanisms?

- Yes
- No

4. Are payments generally made as agreed/expected, by your government (all funding institutions)?

- Yes
- Sometimes, not always
- No

*5. In your opinion, the procedures for submitting funding proposals to your government (all institutions) are in general:

- Appropriate and do not put an excessive administrative burden on the organisation applying
- Too complex

If too complex – please describe how procedures could be simplified. [Free text box]

6. Do you have specific suggestions for how the donor's funding mechanisms could be improved?
Note that this could also include suggestions for support for local NGOs, based in partner countries.

[Free text box]

MONITORING, EVALUATION AND ACCOUNTABILITY

*1. Please describe, in general terms, the reporting requirements your government (all institutions) puts on the NGOs funded (based in your country):

- Reporting requirements are in general simple and do not put a excessive administrative burden on the funded organisation
- Reporting requirements could be simplified

If reporting requirements could be simplified – please describe how. **[Free text box]**

2. Support for capacity development and training to NGOs based in your country:

- The government regularly supports (financially or otherwise) capacity development and training for organisations.

- The government has supported (financially or otherwise) capacity development and training for organisations on a few occasions.
- The government does not support capacity development and training for organisations.
- Other [Free text box]

3. In your view, does your government do enough to support an enabling environment for local civil society in partner countries?
- Yes
- No

If no, please suggest what the donor could do better. [Free text box]

4. Do you have specific suggestions for how your government's monitoring and evaluation could be improved?
Note that this could include suggestions for support for local NGOs, based in partner countries.

[Free text box]

IMPLICATIONS FOR DONORS (CONCLUSION)

1. What is the most important lesson you have learned from your experience of working with your government?

[Free text box]

2. What recommendation would you make to donors to improve the way in which they work with NGOs?

[Free text box]