


WORKING PAPER / 2013.09

The Quest for Aid Complementarity: Nordic+ Donors and NGO- Cofunding Reforms.



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WORKING PAPER / 2013.09

ISSN 2294-8643

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October 2013

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Authors are indebted to Leen Nijs for earlier research support



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INTRODUCTION

The perennial lamentation since the inception of the aid business has been fragmentation: too many donors carrying relatively small amounts of money to too many different interventions in too many different countries (Easterly and Pfutze 2008: 2; Acharya et al. 2006; Frot and Santiso 2010, 2011). Such fragmentation produces high burdens on the recipient and is even considered to undermine institutional performance ((Djankov et al. 2009; Knack and Rahman 2007). NGOs are part and parcel of the fragmentation problem, be only due to their sheer number: around 40 000 NGOs are internationally active (UNDP 2000).

Better coordination would reduce fragmentation (OECD 2005; Easterly 2007) and since the Paris Declaration (PD) of 2005, the international donor community has recognized donor coordination and increased specialization as tools to combat fragmentation. Such coordination should encompass an intensified cooperation between civil society organizations and governments (OECD 2005, 2008).

But how can this complementarity between governmental donors and NGOs be realized? And what should complementarity look like if diversity, heterogeneity and autonomy lie at the heart of the NGO-sector? Should NGOs from a given donor country be brought in line with the bilateral strategy? Should NGOs harmonize with each other? And where should this harmonization take place? In the home country or in the field?

Notwithstanding the controversies, some donors reformed their NGO co-funding system to incentivize NGOs into more complementarity. The question is how they conceptualized and operationalized complementarity. This paper looks at the seven Nordic+ donors (UK, Ireland, Denmark, Sweden, Norway, the Netherlands, Finland) in the period 2000- 2010, in order to grasp the ways in which these donors have tackled complementarity concerns in their dealings with NGOs. We focus on how the NGO co-funding systems have pushed the idea of complementarity, and whether these different donors have done this in a similar or dissimilar manner.

Why the Nordic+ donors? These countries entrust a substantial proportion of their ODA to NGOs both in absolute terms and relative to the DAC average (see table below). They were also known to be particularly committed to the PD heralding amongst others the principles of harmonization, alignment and recipient ownership. They are therefore the most likely group of candidates to be experimenting with how the ideas of complementarity could or should be applied to NGO co-funding. Our approach thus relied on a most likely case design, one that is “theory infirming” (Odell 2001). As such, we expect to find innovations in co-funding reforms which are aimed at addressing these complementarity concerns, without, however, being able to predict exactly how similar or dissimilar these innovations might turn out to be. The research is thus of an exploratory nature. Our emphasis is on structural, long-term financial support, not on humanitarian aid since this requires exploring a somewhat different set of debates and concerns.

**Table (i): Bilateral aid (%) channelled to and through NGOs, 2009
(extracted from OECD 2011a)**

DAC Member	To	Through	Total
Denmark	3	8	11
Finland	0	22	22
Ireland	15	22	37
Netherlands	21	9	30
Norway	0	27	27
Sweden	5	21	26
UK	4	10	14
sample average	6,86	17	23,86
DAC average	3,79	12,86	16,7

The distinction between the two existing accounting categories of aid “to” and “through” NGOs respectively is not clear-cut. While the former implies that donors permit a high degree of autonomy on the part of NGOs (as in when granting core funding) and the latter suggests considerable steering by the back donor (as in when subcontracting/ earmarking funding for specific projects or programmes) in reality these categories represent two poles along a more complex spectrum of arrangements. The consistent application of these definitions by donors in their reporting also leaves much to be desired: Norway for example classes all aid going to NGOs as “aid through” (OECD 2011: 56-7), yet in its major policy document on civil society describes its commitment to provide funding “as multi-year, core support” (Norad 2009: 8). The representation of NGO funding in the table is also probably an under-estimation of what NGOs get from their governments. Additional financing mechanisms are often scattered over different departments and budget lines, and are thus not identified as NGO funding in DAC statistics. Problematic areas include subcontracting, humanitarian aid, special thematic funds, and also the direct funding of Southern NGOs. Matters are set to improve in relation to the final item, given that in 2010 the DAC agreed to augment the current, arguably less than watertight, “aid to” and “aid through” NGO funding typology with a third category viz. ‘aid allocated directly to developing country-based NGOs’ (OECD 2011: 19). This will hopefully streamline future comparative work in this area and bring donors in line with their PD commitment to enhance Mutual Accountability by “[p]rovid[ing] timely, transparent and comprehensive information on aid flows” (OECD 2005: 8).

The main conclusion emerging from this research is that our seven donors have reformed their NGO-cofunding systems to increase complementarity, but they have done so in very different even contradictory ways. All donors clearly distinguish between larger and smaller organisations (or interventions), between programme-funding (frame-work agreements) and project funding, but complementarity requisites with the bilateral strategy may differ substantially between organisations and funding schemes. Most donors have also opted to install topical funding schemes so as to incentivise NGOs to adopt and mainstream some topical priorities into their activities. Interestingly all donors have clearly evolved towards more competitive funding, more resultsbased agreements and a very clear preference to intensify coordination and cooperation if NGOs are active in bilateral partnercountries.

This paper commences with a brief review of the relevant literature relating to (1) recent trends in shifts of what civil society and NGOs are expected to do and how this relates to fragmentation, and, (2) the debate on the operationalisation of complementarity. From this

overview we will draw up a list of features in order to screen the NGO-co-funding reform policy documents. After providing further details of our findings and how these were arrived at, we briefly conclude. This research was mainly a desk-study, carried out in the period 2009-2013, covering the period 2000-2010. We mainly look at the funding modalities which have a clear transfer link to developing countries, we have thus not taken on board those modalities that fund NGOs to do awareness raising in the donor country itself, focus on humanitarian aid, or on direct funding of CSOs in recipient countries. This study looks into the policy documents, the set-up, not into the actual implementation because we are interested in the conceptualization of complementarity and how donors this translate into funding incentives.

1. IN SEARCH OF COMPLEMENTARITY: A LITERATURE REVIEW

1.1. New roles of civil society

A strong civil society is considered crucial in pushing the good governance agenda because it can represent the voice from below, form a counterweight to authoritarian tendencies, articulate demands and interests of the poor and vulnerable, and push the government towards more transparency, responsiveness, accountability and improved performance (Fowler, 2000).

This objective implies a shift in roles for civil society, for NGOs particularly, while potentially impacting fragmentation. Cornwall and Gaventa (1999) argue that civil society in the South is increasingly expected to move their focus of attention from micro to macro, from projects to policies and from beneficiaries to citizens. Civil society organizations are no longer be expected to be mainly deliverers of resources and services direct to beneficiaries because the coordination, regulation and implementation of service delivery to the citizenry is the main responsibility of the state. This shift in roles can have some immediate fragmentation reducing effects because it would prevent thousands of NGOs providing uncoordinated, fragmented services. The withdrawal of NGOs out of service delivery implies that they become more active in policy influencing, monitoring and evaluation, lobbying and advocacy and playing a watchdog role. This is not to say that organizations should completely drop service delivery, but it is ideally a (temporary) role for non-state actors limited to those cases where state structures are totally missing (like fragile states), or for piloting innovative approaches to service delivery, which if well coordinated can afterwards be scaled-up by state actors (Riddell, 2007). This is also not to say that all services should be delivered by the state, but the state should play a regulating and/or coordinating role.

From this perspective we would expect donors to re-orient their co-funding systems to emphasize the strengthening of civil society in the south, and that policy influencing, lobbying and advocacy roles for NGOs are preferred roles, while incentivising a move away from service delivery projects unless specific circumstances (fragile states, demand for innovation) call for it. We would furthermore expect co-funding systems to discourage the project modality. Aid through projects has been particularly criticized because parallel projects undermine existing structures, produce an overload of transaction costs, are not sustainable and often are too short term to have long term institutional impacts that go beyond the scope of the project (Assessing Aid 1998). The 'institutional' turn in donor thinking emphasizes the use of flexible funding modalities which by preference represent long term commitments and predictable funding. In government to government relations this led to a preference for the budget support modality, whereas in civil society funding the use of core-funding might be expected to have become a more fashionable way of supporting institutional development at the level of civil society.

1.2. Complementarity

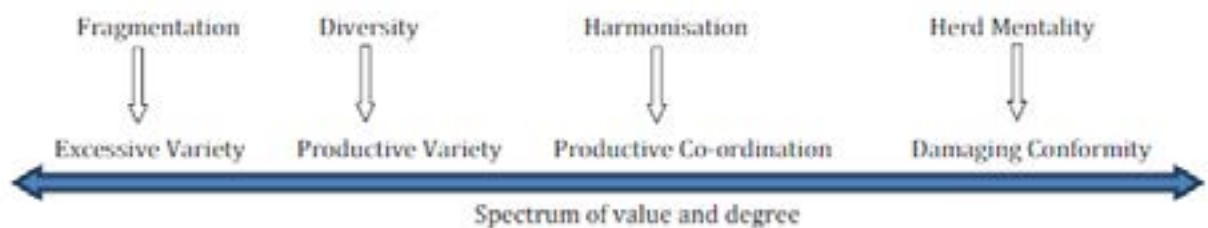
What does complementarity mean, and in which different ways can it be operationalized? Should NGO activities be brought in line (fully harmonized) with bi- and multilateral aid? Should NGOs harmonize between each other? Where should harmonisation take place? In the donor country? In the recipient country? Both? Should NGOs, just like other donors, start thinking about concentration, specialization, division of labour? Or is NGO-aid all about diversity and heterogeneity, even if they channel ODA?

NGOs have strongly rejected any reference to ideas of complementarity which might jeopardize their autonomy and right of initiative. NGOs have highlighted that they have a different role to play in aid and development, and that their added value lies precisely in doing different things from what official donors do. In general terms, NGOs are expected to maintain critical distance from donors and “disruptively agitate for change” (Fowler 2011: 51). NGOs do however have a preference for receiving a substantial proportion of their funding in the form of long term core support, also for smaller organizations (Open Forum 2011:21).

Without denying the significant value of diversity and innovation in specific contexts, fragmentation remains a serious constraint on aid effectiveness. NGOs are part and parcel of the fragmentation problem and partly for this reason Koch (2008: 78) argued that they were in dire need of their own ‘Paris Declaration’.

Harmonisation explicitly aims at counteracting fragmentation. But is harmonisation the antidote to fragmentation or can harmonisation alternatively better be understood as an unthinking (and potentially counterproductive) type of herd mentality on the part of aid providers (Koch2007). This is both a question of degree (if there was too little harmonisation, can there ever be too much?) and of value (in the sense that co-operation valued positively translates into harmonisation, whereas co-operation valued negatively translates into herd mentality). A similar flipping of the discursive coin might nuance our understanding of the apparently distinct and even opposing terms fragmentation and diversity, which can similarly be respectively understood as the negative and positive valuing of variety (see figure i).

Figure (i) Values and degrees of complementarity



Source: authors

Crucially in terms of the key term used in this paper, complementarity can then be understood as springing from these positive understandings of co-ordination and variety. In theory at least, it can be seen as integrating the best of both worlds, as is illustrated below.

Figure (ii) The quest for complementarity



Source: authors

Complementarity can be thought of at the geographical level or at the thematic or sector level, and related to this two main permutations of complementarity can be distinguished (Koch 2007): (1) intensive complementarity which refers to situations where NGOs and bilateral aid agencies work in the same countries and sectors, closely interact and divide tasks according to their respective added value (2) extensive complementarity which refers to situations where bilateral aid agencies and NGOs complement each other by working in different countries and/or sectors, whereby the division of tasks is again based on comparative advantage. The latter scenario is a strategy which for DAC members as a whole is regarded as subsidiary to the goals of supporting NGOs to diversify aid delivery by innovating and piloting initiatives (OECD 2011a: 16).

In sum, when reviewing the policy documents on NGO-cofunding reforms of the Nordic+ donors, we thus particularly look for the way in which donors have interpreted and operationalised complementarity and how this has been translated into funding schemes. To what extent are NGOs expected to integrate themselves into the bilateral strategy? Or not? To what extent are NGOs discouraged to do projects and encouraged to engage in more advocacy and lobbying? And which funding modalities are used by the donors to incentivize complementarity?

The next section provides a brief summary of the most important aspects of NGO/civil society policy reforms in each of the countries included in our study.

2. COMPLEMENTARITY AND NGO-CO-FUNDING SYSTEMS IN THE NORDIC+ COUNTRIES

Annex 1 gives a more detailed overview of the different reforms in the Nordic+ countries in terms of funding modalities and criteria used to grant access to NGOs. Below a summary per country is given.

2.1. The UK

In 2006, the UK launched its NGO strategy entitled “Civil Society and Development: How DFID works in partnership with civil society to deliver the MDGs”. In 2009 “a new approach to civil society” was announced in the White Paper “Eliminating World Poverty: building our common Future”.

DFID’s policy aims ‘to build voice and accountability’, ‘to provide services’ (especially in fragile states and in search of innovation) and it sees civil society as playing “an important and complementary role to government and the private sector in poverty reduction (DFID 2006:6).

In terms of funding modalities, the *Partnership Programme Arrangements (PPAs)* are strategic level cooperation agreements between DFID and large NGOs that specify jointly agreed outcomes and provide strategic funding over 3-6 year timeframes. Funding is thus based on shared objectives. These framework agreements use core-funding (which is quite similar to budget support in that it is unearmarked and signifies that the donor has sufficient trust that the funds will be spent in a way that is both appropriate and that will strengthen the organisation’s capacities) and in 2010-2011 disbursed £107m. Initially the recruitment process for this funding was not very open, but since 2002 it became increasingly competitive. Both UK based and foreign NGOs can apply for funding.

At the same time however, DFID also continued to fund small and medium-sized UK based NGOs through the *Civil Society Challenge Fund* (launched in 2002). Since 2004 it funds interventions that encompass service delivery in difficult environments and projects that develop innovative methods to service delivery. The fund specifically wants to support smaller organisations, increase development support in the UK and foster innovative approaches (DFID 2006).

The *Governance and Transparency Fund* (DFID 2007) funds large scale programmes targeting these two areas. Access is very competitive and non-UK organizations can apply for funding. Submitted proposals do not have to be carried out in UK partner countries, but given the topical emphasis of the fund, it is defacto a way of streamlining a topical approach into NGO activities.

In supporting NGOs, two major issues stand out: the UK mainly sees NGO support as instrumental for the realization of poverty reduction goals and it aims at integrating civil society into its governance agenda. Funding for service delivery still exists but it is more short term and for smaller organizations (Udsholt 2008). Furthermore, complementarity is interpreted differently for different types of interventions: the larger programmes with more flexible funding require the formulation of joint outcomes, whereas smaller grants leave somewhat more room for divergent approaches.

2.2. Ireland

Ireland reformed its co-funding policy in 2008. The “Civil Society Policy” not only

clearly refers to the Paris Declaration as a major motivation for re-organizing the funding of NGOs, it also explicitly mentions the broader civil society goals it wants to achieve, namely to 'support an enabling environment for civil society', 'support the role of civil society in promoting participation and good governance', and 'support the role of civil society to build a constituency for development, human rights and social justice' (Irish Aid 2008b:13). The Policy also mentions that it wants to 'support the role of civil society in pro-poor service delivery and growth' but that the creation of parallel structures should be avoided. Organisations are expected to work with the state and align with existing policies in recipient countries (Irish Aid 2008b:13).

In terms of funding modalities the 2008 policy continued the *Multi-Annual Programme Schemes (MAPS)* system which entails a long-term (5 year timeframe) predictable programmatic approach to funding. MAPS started in 2003 but were updated in 2008. To get access to MAPS, organisations must have sufficient organizational capacity, have a strong relationship with Irish Aid, and may furthermore not be dependent on official funding for more than 70% of their total funding (Irish Aid 2006a).

Organisations covered by the MAPS need not be consistent with Irish Aid thematic or country foci, but they do need to contribute to the overall very broad objective of poverty reduction, strengthening of civil society and improving governance. Internal coherence at the level of the individual NGO strategy is expected though: an NGO programme should mainstream its own priorities throughout their programme. In Irish Aid partner countries, a close coordination between MAPS organisations and Irish Aid is expected. This includes regular consultations between those involved in bilateral and MAPS aid programmes, and identification of opportunities for institutional cooperation. Irish Aid considers cooperation between MAPS organizations a very important and unique mechanism for mutual exchange and learning (partner fora, joint research, joint initiatives).

The *Civil Society Fund (CSF)* is a tiered fund that finances the activities of organisations of various sizes and capacities. CSF aims at contributing to the following policy objectives: strengthening voice and participation of civil society, improving services, supporting human rights and responses to HIV/AIDS. NGOs who apply must therefore explain how their planned activities contribute to these goals. Proposals that focus solely on service delivery will not be financed. Proposals should also mainstream some of Irish Aid's cross-cutting issues (gender, environment, governance, HIV/AIDS). Interestingly, the CSF grants both project and multi-annual block grants. Access to the latter require an organizational assessment and the ability to have a programmatic approach. Applicants must also prove that they cooperate and coordinate with local and national governments as well as other NGOs. Although coherence with the Irish government policy is desirable it is not a requirement.

Since 2006 the *Micro-Projects scheme (MPS)* funds projects for small NGOs. These projects however are not allowed to focus solely on service delivery and need to be in predefined sectors (which are by and large quite widely defined and include topics such as democratic governance), and consistent with government policy and Irish Aid policy (Irish Aid 2006b).

In general Irish aid has moved towards granting more professional organisations more strategic programme funding. Coordination between Irish Aid and these organisations is deemed important, but both intensive and extensive forms of complementarity are possible. Interestingly, Irish Aid puts significant emphasis on NGO-to-NGO coordination, particularly between the larger organisations, and on coordination in the field with government and/or NGOs. Smaller, project-oriented organisations are required to focus on Irish Aid priorities to a

greater extent, which is a seemingly opposite strategy than UK where smaller project organizations get more leeway and less restrictions.

2.3. Denmark

Denmark's reform of its co-funding system in 2000 and in 2008 was entitled 'Strategy for Danish Support to Civil Society in Developing countries' (2000, Dec 2008)^[1]. We focus on the 2008 strategy which was partially designed to bring the policy in line with the Paris Declaration and where specific reference is made to the need for CSOs to promote ownership and to harmonise, but only if this does not in any way threaten their diversity (General Principles 2011:1-2).

According to the official policy, NGOs should place particular emphasis on capacity development of civil society so as to increase the involvement in advocacy work locally nationally; regionally and internationally and that the capacity to develop and participate in national, regional and international networks is supported (Danida 2008:5). Danida has not moved away from projects and service delivery in its co-funding requirements, but parallel structures, duplication and substitution are to be avoided. Parallel projects are only accepted if they entail the testing of an innovative approach or the inclusion of excluded groups.

Historically DANIDA and Danish NGOs have had a very close relationship and shared a consensual view on Danish Development Cooperation. While representatives from NGO FORUM do not meet with the minister of development cooperation as frequently as its predecessor umbrella organisation (the Kontaktudvalg, or NGO Contact Committee), the dialogue they have with the ministry tends to be productive, as is also evidenced by the fact that the CSO strategy was prepared jointly with Danish CSOs (DAC peer review 2011:47-48). The most important NGOs have a seat on the Danida Board and NGOs appoint representatives to the Danida Council for International Development Cooperation. NGOs are consulted by Danida on sector and country strategies. This institutional intertwining between some NGOs and the government, which seems to point to strong coordination efforts and thus strong complementarity, has however led to the perception that these organisations have become 'extensions' of the government and that innovation, critical distance, societal embeddedness and legitimacy were lacking (DAC 2003a). This perception was exacerbated by the fact that Danish NGOs were also heavily dependent on government funding.

These issues have led to a shift in funding requirements with a particular emphasis on strengthening NGOs' autonomy, accountability to their members and financial independence. Important to mention is that Denmark has been working with Framework agreements since 1991, although this funding modality in subsequent reforms has undergone some substantial changes:

- from fully funded to more self-funding. Danida introduced a self-financing requirement of 5% in 2006 (Danida 2006) and from 2007 onwards this increased to 10%. This shift has particularly affected the larger organisations which had to start looking for additional sources of funding to finance their programmes.
- from cosy to competitive: Framework NGOs have since 2000 been subject to in-

[1] General Principles governing support to development activities implemented by Danish Civil Society Organisations (published January 2011) summarises this document and explains how it fits in in terms of other domestic and international agreements and conventions governing the provision of development assistance. More technical guidelines include General Guidelines for Grant Administration through Danish Civil Society Organisations (August 2010) and the older but still current Guidelines for the administration of the grant scheme for small projects allocated by the Danish Ministry of Foreign Affairs (October 2006)

creased standards relating to results-orientedness, but also societal embeddedness and legitimacy in Denmark (Randel & German 1999c). Organisations must, for example, give information on membership numbers and information on campaign activities.

- from exclusive to inclusive: a 5% drop in the budget for Framework agreements in 2004 allowed Danida to redistribute these funds to smaller NGOs (Pratt et al. 2006) which are currently managed through a delegated funding arrangement facilitated by the PATC (Project Advice Training Centre). However, there are plans to increase the number of framework agreements from six to potentially 18 by 2015 by converting current programme agreements to framework agreements, despite significant differences in size and approach of the organisations in receipt of both types of agreements.

In terms of complementarity NGOs were expected to concentrate their activities in a limited number of countries and sectors, but were not requested to follow the bilateral choices in these areas. If however an NGO does work in a country and sector where Danida is active, it needs to coordinate closely with respect to strategy, focus area and approach. In more general terms NGOs are expected to contribute to the transversal, and quite broad goals of gender, environment and/or democracy. More important, however, is that NGOs must have a good knowledge of context, of local development plans or strategies and that their interventions are coherent and relate to those higher goals (with alignment where possible). Furthermore Danida pushes for NGO coordination and for as much exchange as possible. Danish NGOs are required to coordinate with each other, with other INGOs, with donors, and with the Danish Embassy in the field if the NGOs in question work in same sectors as Denmark does. Danish NGOs must also harmonize their administrative prerequisites with their partners' funders and are allowed to pool funding with other actors.

In general, Danida has been tightening the control over NGOs and pushing them towards more results orientation, more coordination and more embeddedness. It is considered important that NGOs take into account the larger picture when planning interventions: such as national development strategies of countries where interventions take place, acknowledging the role of the state and coordinating with relevant actors. Complementarity with higher level objectives is thus important, but need not be necessarily Danida objectives.

2.4. Sweden

The policy documents '*Sida's support to civil society in development cooperation*' (Sida 2007) and '*Pluralism, Policy for support to civil society in developing countries within Swedish Development Cooperation*' (Sida 2009) share the same ideal of wanting to strengthen pluralism/democracy, empower poor people, support a strong and vibrant civil society and promote rights-based approaches in order to advance poverty reduction. They aspire to co-funding arrangements which draw on "well-designed and flexible contribution systems" and which are guided by the Paris Agenda principles of harmonisation, alignment and local ownership (ibid, p.23).

The 2007 policy refers to the importance of supporting civil society in its role as a watchdog, due to the focus on ownership and alignment and the subsequent shift of attention to recipient governments (Sida 2007). Notwithstanding the importance of voice, SIDA takes the standpoint that service delivery and advocacy can go hand in hand (SIDA 2009).

Historically, much like the Danish case, Swedish NGOs enjoy a close relationship with the official aid agency. Representatives of NGOs have a seat on the SIDA board and many

SIDA officials have been active in NGOs (and vice versa). This history of substantive dialogue between both 'sectors' has evolved into a close and consensual relationship which nonetheless safeguards NGO autonomy. Interestingly then, despite this institutional interdependence and financial dependence, Swedish NGOs have maintained a strong sense of autonomy (Randel & German 1999d). This respect for NGO autonomy has however also historically led to very loose management of NGOs by SIDA. According to Riddell et al (1995) SIDA mainly focused on financial reporting rather than on assessing impact.

The 2007 and the 2009 policy tried to address these issues to some extent. The guidelines for the 2007 and the 2009 policy specify that the goals and principles of Swedish development assistance must form the basis of NGO activities and that organisations must document in their proposals and reporting how they contribute to these goals. Also, when NGOs plan activities in bilateral partner country, organisations must show how their activities relate to the bilateral strategy. Organisations working in Sub-Saharan Africa are also required to incorporate a HIV/AIDS perspective into their work.

In terms of funding modalities, Sweden has a long established experience with framework agreements which also provide some core-funding. These framework agreements cover longer periods of time (8-10 years) while funding commitments span 3 to 4 years². At the moment of drafting this paper, 15 organisations receive this type of funding. It is predominantly the larger, more professionalised organisations that have passed an audit which are eligible. Smaller NGOs get access to funding through the framework for umbrella-organisations. Many of the framework organisations function as grant-mediators (i.e. funding intermediaries) and in fact this is the only way in which smaller, less established NGOs can access SIDA funding, since SIDA's entire CSO budget line goes to the framework organisations, who then redistribute part of the funding to their members organisations according to the procedures agreed with SIDA.

2.5. NORWAY

The *Principles for Norad's Support to Civil Society in the South* (May 2009) clearly refer to the Paris Declaration stating that "dialogue with the organisations will emphasise how the five principles of aid effectiveness, as formulated in the Paris Declaration of 2005, can be implemented and developed in a manner consistent with civil society work" (op cit Principles, p. 17). The same document also indicates that Norad prefers NGOs to engage in rights-based work, lobbying and advocacy. Service delivery roles are allowed too, but mainly in conflict affected areas and in general there is not such a sharp distinction made between support for service delivery, capacity building and advocacy work (Norad 2012).

Norway is known for channelling a major share of its ODA through NGOs (MFA 2004). The historically close relationship between NGOs and Norad has, much like in the Denmark case, raised concerns about the autonomy, independence and societal embeddedness of Norwegian NGOs. NGOs seemed to become part of the 'mainstream' development actors in which there are no clearcut differences anymore between 'official approaches' and 'NGO approaches' (MFA 2004; Randel & German 1999a; Tvedt 2007, Toje 2011). Although this proximity did not necessarily determine where Norwegian NGOs were active, or in which sectors they developed their activities, the intertwining of Norad and Norwegian NGOs did lead to concerns of 'critical distance' and openness for new players.

[2] More information: <http://www.sida.se/English/Partners/Civil-Society-/Funding-support-to-civil-society-organisations-/Framework-organizations/> (Published: Tuesday, June 23, 2009, Changed: Tuesday, May 04, 2010) and sourced from this official document dating from 2007: http://www.sida.se/Publications/Import/pdf/sv/Guidelines-for-Grants-from-the-Appropriation-for-Non-Governmental-Organisations_1679.pdf.

The 2009 reform tackled some of the above mentioned challenges. Self-funding requirements were imposed, new funding modalities for smaller, newer organisations were developed, while frame-work agreements, at least on paper, became stricter and moved toward intensive complementarity (DAC 2011 p. 19) although this is not mandatory (Karlstedt 2010 p. 1 of Annex 3). Extensive complementarity is thus allowed.

2.6. The Netherlands

The *Policy Memorandum of the Netherlands on Civil Society Organisations: Cooperation, Customisation and Added Value* (April 2009) states that “the overarching goal of [their current co-financing arrangement] is to contribute to direct poverty alleviation in developing countries by strengthening local CSOs and contributing to the achievement of the MDGs”. The policy document further clarifies that civil society is expected to primarily participate in democracy building, in rights based work, in lobbying and advocacy. Political work is thus encouraged, but service delivery activities (particularly) in fragile states are still allowed.

The Dutch co-funding system has undergone substantial changes in the last decade. Until 2005, five NGOs were legally entitled to receive 10% of total Dutch ODA through core-funding (Koch Blind Spots p 42). Since then, the system has become more open and more competitive. Control over organisations’ activities has become more pronounced, with a move away from core-funding and into programme funding. The focus on results has come to the foreground and the entitlement of NGOs to a certain portion of ODA has been dropped. Ruben & Schulpen (2008) have analysed the evolution of Dutch co-funding modalities over the last 10 years and they conclude that quality standards with regards to NGO performance and effectiveness have been raised substantially and that the focus on synergy with the official Dutch aid strategy has been significantly strengthened. The Dutch government also expects NGOs to demonstrate their ‘added value’ and specialize as watchdogs and as actors with the ability to reach marginalised groups (MFA 2008a). NGO interventions should also be tailor-made and context specific. The same authors argue that over the course of the last few years a gradual shift has taken place “from NGOs considered as outsourcing through semi-autonomous agencies toward a more functional approach of subcontracting NGOs” whose work complements ongoing bilateral and multilateral initiatives (Ruben & Schulpen 2008:17).

Complementarity and combatting fragmentation is thus a major focus of the most recent Dutch co-financing reform and is also one of the reasons the MFA chose to move to a unitary system of subsidy requests, integrating the separate thematic co-funding it had introduced previously for smaller organisations into one overarching co-financing system in which all NGO activities’ could be directly compared (IOB 2009: 19). The selectivity criteria used to evaluate applications for funding further illustrate how the complementarity requirement plays out concretely: 15 points (out of a total of 100) are awarded to an organisation or alliance in the final “programme” stage of the application based on their demonstrable ability to harmonise their operations with the work done by other (Dutch and non-Dutch) actors in the same country and sector (Staatscourant no. 11736, 2009) in order to mutually strengthen each others’ efforts and achieve synergy. Complementarity with Dutch bilateral aid can take different forms, depending on the context of the intervention. It can range from full alignment (e.g. in certain sectors in Dutch bilateral partners countries, to partnership, to coordination or mere exchange of information).

Financially, 60% of the grant amount must be spent in the partner countries of the Netherlands (unless this is deemed inappropriate for a specific call for proposals). NGOs can al-

locate outside the partner countries, but then LDCs should get preference.

A final feature of the revised Dutch co-funding approach which especially stands out is the move away from core funding. The previously high proportion of this kind of funding was internationally unique (Koch and Loman 2008, Ruben and Schulpen 2009). An evolution is clearly discernible: away from the privileged treatment of select organizations who enjoy extensive autonomy towards more steering, more contractual and more intensive complementarity.

2.7. Finland

The DAC peer review in 2007 urged Finland to address its vision on NGO co-funding. According to the DAC the Finnish government lacked strategic vision while Finnish NGOs were accused of being out of touch, due to a lack of knowledge and awareness, with the Paris Declaration and international evolutions with regards to NGO roles and civil society roles in development and aid.

These challenges were addressed by Finland in its *Guidelines for Civil Society in Development Policy* (November 2010). It was stated that the goals set in the Paris Declaration should serve as an important guideline in CSOs development cooperation. The guidelines furthermore state that “the role and importance of civil society actors have become increasingly prominent, especially in the debate on development policy coherence, the fragmentation of assistance, and on the reconciliation of humanitarian aid, reconstruction and development cooperation. The debate has focused, on the one hand, on respecting the free and independent position of civil society actors and, on the other hand, on more effective utilization of their potential as part of the development cooperation as a whole” (op cit p. 18). Finland thus acknowledges the distinct role civil society plays and that their autonomy and right of initiative has to be respected, yet it also points at the need to address fragmentation. Its 2012 Development Policy guidelines³ furthermore encourages CSOs to promote effectiveness in accordance with the guidelines of the Istanbul Principles, and also commits to increasing funding through CSOs.

In terms of broad goals it is stated that “from the viewpoint of development cooperation, the essence is that efforts and support to strengthen civil society are aimed at the eradication of poverty and promote economically, socially and ecologically balanced sustainable development, in accordance with the UN Millennium Development Goals set in 2000” (2010 p 6). The policy clarifies that from the perspective of development cooperation civil society has a number of roles and tasks such as: the promotion of human rights, democracy, and good governance, civic education, knowledge of rights, learning about local democracy practices, production of basic and welfare services, monitoring of the State and other public-sector actors (democratic control), defending the rights of minority groups, increasing grassroots participation, promotion of a pluralistic and, multifarious civil dialogue and participation in such civil dialogue, mobilization of local resources (including volunteer activities), testing and development of innovative operational models (2010 p 6). The policy document consistently acknowledges the importance of both service delivery and more political/policy roles but it seems to highlight that greater investment in strengthening civil society in the south is needed: “The most important general task of civil society is to try to empower citizens to influence public decision-making processes actively, thereby also influencing their own lives [...] Nearly one-third of the development cooperation funds granted to civil society organizations by the Ministry for Foreign Affairs has supported the provision of basic services, such as education and health care. The organiza-

[3] For more information see: <http://formin.finland.fi/public/default.aspx?contentid=251855&nodeid=15457&contentlan=2&culture=en-US>

tions have used about one-quarter of the support received for strengthening civil society and for direct support to civil society organizations in developing countries [...] These guidelines do not require radical changes in the structure of activities, nor is it necessary to abandon the provision of basic services. Organizations and other actors, however, are encouraged to assess the weightings of their activities and to consider further investment in the strengthening of civil society in their partner countries.”(Guidelines pp. 14-16)

Two main funding modalities exist. The first one is the partnership agreements for larger NGOs which accounts for over half of all aid to NGOs⁴ (Virtanen et al. 2008). These organizations get invited to the so-called Partnership Forum, which meets once or twice a year in order to have a policy dialogue with the government⁵. It is expected that they coordinate with the MFA in order that their activities are generally in line with the broad goals of Finnish aid and more specifically that they are harmonized/consistent with Finland in terms of integrating the latter’s cross-cutting issues into their thematic foci. Finnish NGOs reliant on this modality must also argue their ‘added value’. Alignment with the government of the country of operation and harmonisation with the international donor community is also encouraged (MFA 2012: 2⁶), although it is also stated in the Guidelines that in order to safeguard diversity “Finland does not consider it appropriate to seek to harmonize the selection of beneficiaries, the content of cooperation, or the thematic or geographical priorities” (2010: 19). The second channel funds projects of small and medium sized NGOs. Here, organizations can implement their projects in the sectors of their choice in any of the countries mentioned on the OECD Development Assistance Committee list of eligible countries. The MFA encourages organizations to implement projects especially among the poorest and least developed countries. The 2012 DAC peer review criticised Finland’s overreliance on the project modality (through which almost half of all CSO funding is provided) and urged it to move to a more programmatic approach and to provide more core funding, a recommendation which it plans to realize through increasing the number of partnership (framework) organizations.

In the Finnish case then geographic and thematic complementarity⁷ (which relate to strengthening mutual support and compatibility with public development policy) is considered desirable but is not strictly enforced. This might be explained by the fact that, as noted in a major evaluation of partnership schemes (MFA 2008), “general compliance with Finnish development policy and the MDGs is actually a non-issue due to the very general character of both the MDGs and the [partnership organisation]s’ programmes. The same general goals are also shared by most of the partner countries”. Nonetheless, the Guidelines state that the MFA is in the process of developing means to incentivise Finnish organizations to focus their work on the thematic as well as regional and country-level priorities of Finnish development policy (2010 p21).⁸

[4] For more information see: <http://formin.finland.fi/public/default.aspx?nodeid=15436&contentlan=2&culture=en-US> (updated 10/19/2012). In contradiction the 2012 DAC peer review states “Despite having a variety of funding mechanisms for CSOs, over half of funding goes to a large number of small projects”.

[5] Usual caveat applies though “Regular meetings between KEO-33 and the POs (i.e. the Partnership Forum) and among the POs were introduced after the transition to the Partnership Scheme. The new communication fora have improved dialogue and transparency in the Scheme. However, while those PO representatives who participated in the PS preparation process considered it good and collaborative; they were worried about increasing bureaucratisation. Most of the discussions in the Partnership Forum address technical issues while issues of substance are seldom brought up.” (Finnish Partnership Agreement Scheme Evaluation report 2008:1 p. 43).

[6] For more information see: <http://formin.finland.fi/public/download.aspx?ID=98446&GUID=%7BFE548867-B70E-431F-B39A-9D39B8883A4A%7D>

[7] except for the cross-cutting themes, which are compulsory to integrate.

[8] a major independent evaluation of the partnership schemes that was published in 2008 repeatedly recom-

3. EMERGING PATTERNS

3.1. The new roles of civil society

All seven countries developed an NGO policy or strategy that explicitly refers to the principles of the Paris Declaration. All policy documents highlighted the importance of strengthening civil society in developing countries as an intrinsic goal. Three donors even explicitly referred to this objective in the title of their NGO policy (Denmark, Norway and Sweden).

Some donors in our sample have clear preferences for NGOs to shift away from service delivery and towards promoting advocacy and lobbying (Denmark, Norway, Netherlands, Finland), but none of them exclude service delivery, particularly not in difficult contexts such as fragile states, or where pro-poor service delivery is lacking, or when linked to innovation, policy influencing or learning. Some donors however explicitly request that NGOs avoid the use of parallel structures. Interestingly, the project funding modality is often considered an entry point for smaller, younger organizations which on the one hand seem to carry the potential for innovation, and on the other also increase legitimacy for development cooperation, ensure societal embeddedness, and introduce variety and diversity into the NGO-landscape. As such, there is thus no bold shift away from the project modality.

The shift toward core-funding was less explicit as expected. The Netherlands even moved away from core-funding, which was a surprising finding. The main approach seems to remain the programme-funding approach (framework-agreements) but what is new is that a number of donors introduced more competition at that level, opening up the playing field, and including a shift towards stricter ex ante conditions and in some cases some earmarking. Donors seemingly want assurances NGOs are able to show with a reasonable degree of precision how their activities have attained the impact that was expected; and how this is linked to larger objectives such as the MDGs or poverty reduction, or objectives stated in the bilateral strategy which for the most part are fairly broad. This importance of results is of course related to the accountability concern with regards to tax payers' money. Donors "managing for results" in this way (and expecting NGOs to do the same) might be a key factor in explaining the fact that core funding is not the main funding instrument applied to Northern NGOs.

Interestingly, the policy documents suggest that the reforms want to transform the bilateral donor- NGO relationship into a more policy-based partnership. The idea of giving more substance to donor-NGO dialogue, i.e. moving from pure financial reporting and accountability to more substantive policy dialogues was a concern for all the donors in our study. Such aspirations however do not say much about the actual quality of such dialogues.

Ireland stands out because of its emphasis on NGO-coordination and the importance of coordination in the field, allowing as such for a view on complementarity that is more relating to the field than to bilateral donor strategies. It is striking that the harmonization efforts undertaken in the co-funding systems do maintain a vision on harmonization that is main-

mended "the Pos to focus their programs both geographically and thematically" but preferably not by moving toward intensive complementarity given the prevalence of Finnish partnership NGOs in non-bilateral partner countries. According to the current guidelines geographic complementarity may be either extensive or intensive for partnership organisations ("organisations[...] choose their partners, forms of work, countries of operation and beneficiaries based on their own values" - from the - Instructions concerning the Partnership Scheme - incidentally the 2012 update of this document which is currently available on the website is not noticeably different from the draft version published online in 2011 and from which I sourced part of this section). However, thematic complementarity has to be (partly) intensive in that the cross-cutting issues have to be integrated (organisations are also evaluated on the manner in which they plan to, or have, integrated these). But organisations receiving project funding are also encouraged to include these themes, so it doesn't seem to me like there is such a clear divide between the two modalities along the in/extensive demarcation.

ly a head quarters vision: national NGOs coordinating with national government in the donor country. This 'input- harmonization' however says little about the subsequent steps in the aid chain and if there are any fragmentation reducing effect on the output-side.

Interestingly, most donors in our study explicitly refer to direct funding as an important instrument to strengthen civil society in the south. Recent evaluations have also shown that public donors are moving towards more core funding in their support to Southern NGOs, usually through pooled funds from different donors (Scanteam 2007).

3.2. Complementarity

If we consider the full spectrum of the fragmentation – harmonization conceptualization as discussed in figure (i) and (ii), and add the empirical insights to this, an interesting and diverging picture emerges (see figure (iii)). Note that this figure does not want to place/rank all the different donors, nor does it want to give a full overview of all the funding modalities/donor. Its aim is to contribute to the conceptualization and operationalisation of complementarity in showing the diversity found.

A couple of donors found their relationship with NGOs to be too cosy. The close intertwining between official and NGO-positions, sharing the same vision on development cooperation seemed to lead to a perception of damaging conformity, even if the different actors were active in different countries/sectors, and even if the autonomy and right of initiative of the NGOs was not necessarily under threat. These donors (Denmark, Sweden and Norway) clearly reformed the system toward more diversity. Donors also encourage NGOs to coordinate with other actors (other NGOs, local governments in the field, relevant stakeholders). This diversity in coordination approaches is thus allowed, but not all donors provide funding for this. The notable exception is Ireland.

Finland started the search for more complementarity from a different situation, one where a lot of project fragmentation and too much diversity called for a restructuring toward more productive forms of variety.

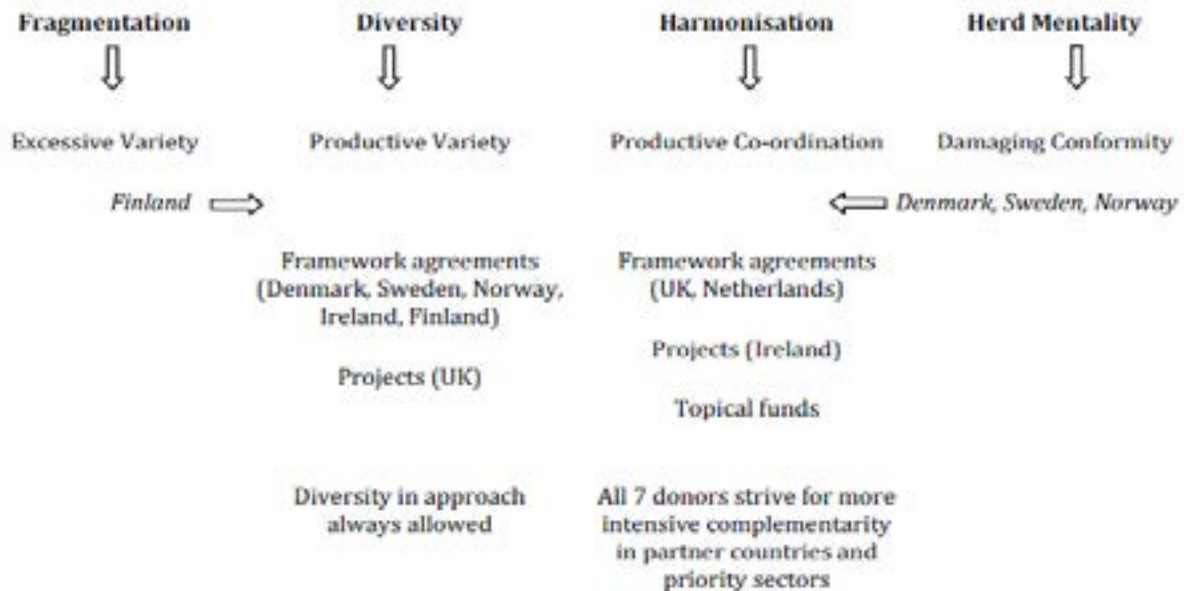
Harmonisation which is supposed to lead to productive forms of coordination, was interpreted very differently by donors: from very broad (international) goals (such as the MDGs) and leaving a lot of room for extensive forms of complementarity and thus substantial variety in practice, to more narrow and stricter compliance with the bilateral strategy (exemplified by the UK and the Netherlands).

In searching for more complementarity some donors have attached stricter criteria to the framework agreements in order to enticivise a closer relationship between the larger, more professional NGOs and the bilateral strategy. Other donors have focused on bringing projects and smaller NGOs in line with bilateral policies. And yet another strategy (Netherlands and Finland) relies on the bilateral donor coordinating closely with the larger NGOs through framework agreements, while delegating In terms of modalities thus, donors have chosen very different strategies.

It seems that intensive coordination is gaining popularity particularly when NGOs are active in partner countries. And since research has shown that NGOs and bilateral agencies tend to share the same geographical preferences [Koch (2009) and Nunnenkamp et al (2008)], this search for geographical forms of intense complementarity seems a logical step. Added to this there is a widespread trend for donors to reduce the number of partner countries they work with in order to reduce fragmentation, and the more established NGOs in some countries appear

to be shadowing that trend because co-financing arrangements continue to be updated, encouraging – though usually not insisting upon⁹ – more intensive complementarity. When extensive geographical complementarity is explicitly encouraged it is usually mentioned in relation to targeting the poorest countries (Finland).

Figure (iii): Quest for complementarity summarized



Source: Authors

All donors make extensive use of thematic guidelines. This seems to be a popular way to steer the co-funded activities of the NGOs to a larger extent and connect them to official development policy objectives. Thematic funding can be integrated into the general funding modalities by e.g. specifying that smaller organisations can only request funding in order to do work on specified themes (as was the case in eg. the Netherlands and Ireland); by launching special funding rounds for proposals that relate to certain themes the aid agency has prioritised, eg HIV/AIDS or governance (Denmark/UK); or by requiring project proposals to integrate bilateral cross-cutting themes (eg. Sweden which requires the integration of a rights-based approach to poverty reduction or Finland which is very explicit about this requirement).

[9] One of the donors who is becoming stricter in this respect and setting specific targets is the Netherlands. They are working towards a situation in which, by 2015, 60 percent of the funds allocated to CSOs must be disbursed in Dutch official partner countries (Karlstedt 2010: 11).

4. CONCLUSION

The translation and operationalization of complementarity differs widely between the Nordic+ donors. Some mainly want to bring the big NGO-players in line with the bilateral strategy, some mainly the smaller interventions. For some harmonization means walking in line with the bilateral strategy (intensive complementarity), while others validate the distinctiveness/diversity of NGOs in that they do different things and to things differently, although some complementarity with some objectives (international, local, partners) must be present (extensive complementarity).

All in all however, the co-funding reforms have resulted in NGOs being kept on a shorter leash than before. Flexible and long term funding comes with increased competition, with a financial contribution from the NGO itself, it is increasingly results-based, but it still grants NGOs considerable flexibility in implementation. Project funding, thematic funding, and a host of funding modalities are also deployed by donors to incentivize NGOs to seek complementarity with goals beyond the scope of their particular interventions.

In co-funding reforms the search for complementarity is heavily focussing on the input-side of the aid chain: bringing programmes and/or projects in line with broader goals (bilateral or international). The fundamental question however is if this has any fragmentation reducing effects in the field. In general it remains a question how these reforms have landed in reality. Are practices close to the policies on paper? Or are substantial gaps present? Are NGOs and donors in partner countries effectively coordinating? Are policy dialogues more substantive and do they add value? How does harmonization between the bilateral donor and NGOs impact other coordination efforts in the field? And ultimately, are these reforms serving the final purpose of the proclaimed goal of strengthening civil society? So far no answers have been provided to these questions, which points to the need of further research.

ANNEX 1: SUMMARY CO-FUNDING POLICIES NORDIC+ DONORS

	Roles Civil Society	Funding Modality and self-funding requirements	Harmonization with bilateral strategy	Thematic guidelines	Geographical guidelines
UK	Service delivery, advocacy work, accountability/ watchdog role	<ul style="list-style-type: none"> - Partnership Programme Arrangements (PPAs) for larger NGOs (these run for at least 3 years and in 2010-11 totalled £107m); - Project grants for small and medium-sized NGOs (these are either administered by Country Offices or by central funds – the largest of the latter (and from 2015 onwards the main instrument through which DFID will provide central support to CSOs regardless of their size) is the “Global Poverty Action Fund” (GPAF) whose funds are granted for a maximum of 36 months). <p>For individual GPAF grants (which are currently given only to organisations whose annual revenue is less than £500,000) a minimum of 25% match funding is required and this has to be secured in the first year of the project. However, the annual value of the total of all GPAF project grants given to a specified NGO (who can apply for a maximum of three) has to be less than 40% of that NGO’s annual income i.e. 60% of their funds have to be secured from other sources.</p>	<p>“Sufficient consistency” with DFID priorities expected under PPAs;</p> <p>GPAF more demand-led but proposed harmonisation efforts/ suggestions of ways to work in partnership with other UK Government departments viewed positively</p>	<p>Millennium Development Goals expected to remain central throughout (especially taking a multi-sectoral approach to the MDGs that are most off-track in a given partner country);</p> <p>also: boosting wealth creation, strengthening security in conflict-affected countries, improving the lives of women and girls, helping adaptation to and mitigation of climate change</p>	<p>Exact guidelines depend on specific funding modality applied for:</p> <ul style="list-style-type: none"> - entry into PPAs require a demonstration of awareness of any DFID country plans and description of how the proposed intervention would relate to these but working in non-focus countries is also allowed as long as priority is given to countries that are most in need or most fragile; - For GPAF and UK Aid Match proposed interventions have to take place in countries that were ranked in the bottom 50 of the HDI in 2009 or 2010

<p>IRELAND</p>	<p>Democracy building, watchdog role, advocacy. Pro-poor service delivery which complements rather than parallels services delivered by the government,</p>	<p>Project and programme funding where possible on a multi-annual basis:</p> <ul style="list-style-type: none"> - core programmatic support for 6 leading NGOs provided for 5 year periods under Multi Annual Partnerships (MAPS) scheme; - the Civil Society Fund (CSF) provides project grants up to a maximum ceiling amount of €200k per annum to smaller NGOs for between one and three years <p>Liquidity ratio of 70:30 where by organisations are expected to supply 30% of their total income in the form of voluntary funds raised in Ireland or demonstrate an ability to reach this ratio incrementally over the course of a given funding period – most MAPS organisations' self-funding significantly exceeds this minimum percentage.</p>	<p>Organisations encouraged to locate their activities in a broader planning context – i.e. to place their activities in the bigger picture – not only in terms of Irish strategies but also international ones; harmonisation encouraged more strongly more recently (eg. In 2011 priority consideration given to interventions which contribute to specific Irish Aid policy objectives)</p>	<p>Interventions generally expected to reflect the commitments of at least one of the MDGs or relate to sustainable development, gender equality, human rights, good governance, HIV&AIDS; CSF grant recipients additionally encouraged to focus on climate change adaptation, agricultural research, and nutrition</p>	<p>The focus of Irish Aid's work is in sub-Saharan Africa so priority given to organisations working in that region; previously work in non-programme countries was supported by separate Micro Projects Funding Scheme but this constituted very small percentage of overall funding</p>
<p>DENMARK</p>	<p>Capacity development (including lobbying, advocacy and promotion of networking) seen as pivotal. Support can be awarded to service delivery depending on context. All these roles seen as inextricably linked and mutually reinforcing</p>	<p>In descending order of proportion of total NGO funding:</p> <ul style="list-style-type: none"> - Framework Agreements (long term, mostly 4 year agreements to largest, most professionalised organisations) - Project Fund (for single projects up to DKK 3 million) – though the aim is to move away from this modality, - Programmes Agreements, generally bound up with a specific sector or theme - Various pooled funding mechanisms are also being experimented with. <p>10% self-financing requirement for organizations that receive funding on the basis of Framework Agreements (this can be generated through membership dues, voluntary contributions, business donations, profits from sales activities and events and the value of volunteer labour); in other cases Danida provides up to 100% of the total eligible project costs although diversity in funding sources is encouraged</p>	<p>Alignment with recipient countries' national poverty strategies generally prioritized above harmonization, but nonetheless positive obligation to detail coordination efforts with other organisations if establishing country offices; unnecessary duplication of efforts discouraged; close coordination with Danish Embassy required if undertaking initiatives within sectors that receive sector programme support through DK bilateral assistance</p>	<p>thematic or sectoral specialisation expected and concentration on areas such as human rights, climate change, gender equality, HIV/AIDS viewed favourably/prioritised but as with geographical choice main requirement is that choice of sector and/or theme is coherent</p>	<p>In principle not bound to Denmark's official bilateral partner countries (although the ministry does encourage a strong focus on Africa) but specific country choice must be justified on basis of documented knowledge of local context and is subject to the DAC-determined adjustable upper limit of countries with USD 2,630 GNI per capita (excluding Lebanon and South Africa and vulnerable groups in countries where GNI per capita is up to USD 3,156)</p>

<p>SWEDEN</p>	<p>NGOs seen variously as collective voices, organisers of services, capacity development facilitators (based on Southern priorities), proposers of ideas and watchdogs (scrutinising and demanding accountability in terms of the state's commitments and actions). Sida acknowledges that a lot of organisations combine these different roles.</p>	<p>All Swedish bilateral funding intended for CSOs is channeled via SIDA's 15 framework organizations (Forum Syd being the largest). The part of the funds received by framework organisations which are passed on come in the form of project (for less experienced /smaller partners) or programme grants (for partners with more capacity and experience and who are seen as being able to be trusted with more autonomy). These funding agreements usually running for a period of 3 years with a subsequent additional bridging/review year. Organisations expected to gradually become financially independent but currently only 10% own contribution is required (consisting of cash funds raised in Sweden eg. gifts from the public, sponsors, membership fees, bequests, donations, charitable lottery profits, income from the sale of goods (Billing 2011: 22))</p>	<p>To maintain diversity, the harmonization requirement not absolute but to be eligible for Swedish support civil society actors should share the objectives and perspectives contained in Sweden's policy for global development and funding applications are expected to contain references to trends within a given thematic area instigated by Sweden and other donors</p>	<p>Partner countries' self-defined sectoral needs prioritised but work in the following areas strongly encouraged: democracy and good governance, sustainable development, gender equality, liberal adult education (to strengthen the capacity of individuals and groups), health education, rural development, environmental and climate challenges, youth work, work with minorities who are discriminated against</p>	<p>OECD list of eligible countries serve as guideline and complementarity should be sought with the European Commission's geographical choices but framework organisations allowed to follow their own priorities to large extent</p>
<p>NORWAY</p>	<p>Rights-based work and advocacy tasks expected to take precedence except in conflict-afflicted areas where service delivery will have a higher priority (service delivery is however expected to exploit existing opportunities for ripple effects created through capacitybuilding and attitudinal changes) but NGOs allowed to use their discretion (and take into account South-partners' prioritisations) in determining most appropriate type of development engagement in a given context; watchdog role (monitoring the government's performance) also mentioned</p>	<ul style="list-style-type: none"> - Framework agreements which they refer to as long term cooperation agreements (currently these are in place for 80 different organisations [NORAD 2012]. The agreements usually last for 3-5 years). - One year and three year project agreements respectively for smaller organizations - small grants administered and managed by umbrella organisations <p>A specific allocation criterion is that the organisation can show in its budget that it covers 10% of the costs with its own cash funds earned in Norway (excluding administrative costs). The value of property or labour cannot be included in the recipient's share of costs. In special cases, exemptions from this requirement may be applied in particularly high-priority areas for Norwegian development assistance.</p>	<p>Expect the actors to have knowledge of Norwegian policies and if they are providing support to the same recipient organisation as donors are, to improve their co-ordination with the relevant (Norwegian or international) donors</p>	<p>In principle all topic areas conducive to sustainable social and economic development allowed but in reality these would have to be related to one or more of the cross-cutting priority areas – currently these are: women, gender equality, the environment, HIV/AIDS, conflict sensitivity and anticorruption measures but they are subject to change according to policy guidelines, particularly the annual budget proposition (Proposition No. 1 to the Storting) and the annual letter of allocation from the MFA to Norad</p>	<p>Not very strict, except that partner countries at any given time must feature in the OECD/DAC list of eligible countries</p>

NETHERLANDS	Primarily expected to participate in democracy building, rights-based work linked to advocacy as well as lobbying, providing services in the fields of health and education (especially in fragile states), watchdog function also mentioned but need for organisations to be given space to innovate in terms of their function is emphasised	Shift away from core funding to exclusive focus on programmatic support which under the new MFS II framework is now disbursed via far fewer organisations (zoin total) as well as over a longer period (currently five years - to coincide with target date for the MDGs - with three years being the minimum) At least 25% of annual income needs to derive from sources other than the MFA. Decrease in dependence of NGOs on public funding seen as desirable	The programme is expected to be harmonised with Dutch bilateral aid efforts and/or with those of important donors in the countries where the programme is being implemented (the way the NGO plans to operationalise this requirement has to be fully explained in the funding application); geographic and thematic harmonisation is furthermore required between the applicant and other relevant Dutch and non-Dutch civil society organisations	Themes/sectors like education, health care, HIV/AIDS, water and sanitation, good governance, sport and culture all remain relevant but particular attention is now expected to be paid to the four focus areas identified in Dutch development policy viz. growth and equity; gender equality and the right to sexual and reproductive health; peace and security; and the environment, energy and sustainability	60% of the grant amount must be spent in one or more of the Netherlands' 33 partner countries (this figure excludes global programmes though) and when spending in non-partner countries Least Developed Countries should get preference
FINLAND	Service delivery (this accounts for approximately one third of funds granted), capacity building, advocacy, watchdog role (monitoring activities of public authorities in use of development funds)	Project support for small and medium-sized organisations range in duration from one to three years and account for around half of all funds disbursed. The other half is channelled via Partnership Agreement Schemes (which replaced Framework Agreements in 2003) and these usually last for 3 years; use is also made of an "NGO Foundation modality" whereby the MFA supports three Finnish NGO foundations (Abilis, KIOS, and Siemenpuu) – each with a different thematic focus – in their provision of small grants to NGOs in developing countries. At least 15% of the total annual costs of the Programme Plan must be self-funded (eg. by attracting private sector support) with the exception of Partnership Programmes concerning persons with disabilities which the Ministry seeks to incentivise by only requiring 7.5% coverage of total costs; self-financing always required but differs according to exact modality through which funding is provided (i.e. separate guidelines apply).	Complementarity in relation to ODA and introduction of Finnish Added Value now requirement for entering into partnership scheme (explicitly stated in contract); the Ministry of Foreign Affairs (MFA) is developing means by which to encourage smaller organizations to focus their projects on sectors and target countries prioritized by Finland and the international community	Obligatory incorporation of cross-cutting themes of rights of women and girls, rights of marginalised groups, and combating HIV/AIDS as a health and social challenge (as per Development Policy Programme 2007); projects in the education and health sectors receive extensive support; involvement in strengthening public administration and rural development viewed favourably (see also Harmonisation column)	2008 official NGO evaluation recommends limiting geographical region choice; support to poorest and least developed countries encouraged; partner country must feature on DAC list of eligible countries (see also Harmonisation column)

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