Ministry of Foreign Affairs

IOB Evaluation

Shifting Interests, Changing Relations, Support Under Pressure

Policy review of Dutch support to Southern
civil society development

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April 2017

Preface

Since many years, civil society has been one of the Dutch government's main channels for providing development aid. Civil Society Organisations (CSOs) are appreciated for their ability to contribute to direct poverty alleviation and for their efforts to defend the rights of the poor and the oppressed. Apart from their own funds, Dutch organisations use the Foreign Ministry's subsidies to support a wide variety of partners in developing ('Southern') countries.

More recently, the space for Southern CSOs' (SCSOs') activities has decreased, because civil society is increasingly restricted in many countries. This particularly applies to SCSOs that receive funding from abroad. Direct service delivery by these SCSOs is in general appreciated by governments, but activities in the fields of awareness raising, organising the marginalised and lobbying and advocacy are increasingly considered unwelcome.

This policy review analyses the effectiveness and efficiency of the programmes of subsidised Dutch CSOs (DCSOs) in the period between 2011-2015. It examines the programmes of the Co-Financing System II (MFS II) organisations, the Trade Union Co-Financing Programme (TUCP) organisations and of SNV Netherlands Development Organisation (SNV).

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List of abbreviations and acronyms

ABPP	Africa Biogas Partnership Programme
CBA	Collective Bargaining Agreements
CBO	Community Based Organisation
CD	Capacity Development
CDP	Consultants for Development Programmes
CEO	Chief Executive Officer
CFO	Co-Financing Organisation
CHI	Child Helpline International
CIDIN	Centre for International Development Issues Nijmegen
CNVI	Christian National Trade Union International
CSD	Civil Society Development
CSI	Civil Society Index
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
D&D	Dialogue and Dissent
DANIDA	Danish International Development Agency
DCSO	Dutch Civil Society Organisation
DDE	Sustainable Economic Development Department (Directie Duurzame Economische Ontwikkeling, MFA)
DfID	Department for International Development
DNGO	Dutch Non-Governmental Organisation
DSO	Social Development Department (Directie Sociale Ontwikkeling, MFA)
DSO/MO	Social Development Department/Civil Society Organisations (Afdeling Maatschappelijke Organisaties, MFA)
DWA	Decent Work Agenda
EA	Ecosystem Alliance
ECDPM	European Centre for Development Policy Management
ECFA	Enhanced Child Focused Activities
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GUF	Global Union Federations
HOA-REC/N	Horn of Africa Regional Environment Centre and Network
ICCO	Interchurch Organisation for Development Cooperation
ICS	Improved Cook Stoves
ILA	International Lobby & Advocacy
ILO	International Labour Organization
IOB	Policy and Operations Evaluation Department (directie Internationaal Onderzoek en Beleidsevaluatie, MFA)
IOD	International Organisation Development
ITUC	International Trade Union Confederation

L&A	Lobby & Advocacy
LCB	Local Capacity Builder
LSO	Labour Support Organisation
MCNV	Medisch Comité Nederland - Vietnam
MDF	Management for Development Foundation
MDG	Millennium Development Goal
M&E	Monitoring & Evaluation
MFA	Ministry of Foreign Affairs of the Netherlands
MfR	Managing for Results
MFS	Co-Financing System (medefinancieringsstelsel, MFA)
MFNV	Netherlands Global Trade Union Confederation
MTE	Mid-Term Evaluation
NGDO	Non-Governmental Development Organisation
NGO	Non-Governmental Organisation
NSMC	National Social Marketing Centre
NWO/WOTRO	Netherlands Organisation for Scientific Research/Science for Global Development (Nederlandse organisatie voor Wetenschappelijk Onderzoek)
ODA	Official Development Aid
OECD	Organisation for Economic Co-operation and Development
PDR	People's Democratic Republic of Lao
PME	Planning, Monitoring & Evaluation
PPD	Primary Process Days
PSO	Personal cooperation developing countries (Personele Samenwerking Ontwikkelingslanden)
RARP	Rural Agriculture Revitalisation Programme
RPE	Order on Periodic Evaluation and Policy Information (Reglement Periodiek Evaluatieonderzoek)
SCSO	Southern Civil Society Organisation
SGE/NWO	Foundation for Joint Evaluations/Netherlands Organisation for Scientific Research (Stichting Gezamenlijke Evaluaties)
SNGO	Southern Non-Governmental Organisation
SNV	SNV Netherlands Development Organisation
SPO	Southern Partner Organisation
SRHR	Sexual and Reproductive Health and Rights
SSH4A	Sustainable Sanitation and Hygiene for All
TEA	Transition in the East Alliance
ToC	Theory of Change
TUCP	Trade Union Co-Financing Programme (Vakbondsmedefinancieringsprogramma, MFA)
TUF	Trade Union Federations
UN	United Nations
UNICEF	UN Children's Fund
USD	United States Dollar
WaSH	Water, Sanitation and Hygiene
WIIP	Wetlands International Indonesia Programme
5C	5 Capabilities

Main findings and lessons

Background

Since the early days of development cooperation, the Government of the Netherlands has expressed a firm commitment to the role of civil society in developing countries, confirming it once again in a letter to parliament in 2013.[1] Civil society is believed to have the ability of ensuring that issues of significance to the general public, are placed on the agenda of governments as well as private sector parties, locally, nationally and internationally. Civil society is thus thought to contribute to decision-making that reflects the general interest. The 2013 letter stressed that both the state and markets function better when they take social issues on board in their decision-making. Under Dutch policy, Civil Society Organisations (CSOs) in developing countries are regarded as crucial, independent development actors that need an enabling environment so that they can strengthen policy-making and contribute to the overall aim of Dutch development policy: structural poverty reduction. How effective the contributions of Dutch CSOs (DCSOs) to Southern civil society to change and development are, largely depends on the environment in which they operate. The situation in Southern countries is changing, which affects their policies, their programmes and the approach of their Northern partners. Some of those changes concern the decreasing space for Southern civil society, the increasing questioning of the legitimacy of Southern CSOs (SCSOs), changes in foreign and trade relations, institutional changes, changing power relations and developments in ICT.

The Government of the Netherlands traditionally also attaches great importance to the role of DCSOs as a channel for supporting the development of civil society in the South. Many DCSOs are rooted in Dutch society. Over sixty years ago, an organisation such as Oxfam Novib (in those days still 'Novib') represented many different groups in Dutch civil society. These groups not only aimed at raising public funds and providing aid in developing countries, but also at building awareness in the Netherlands regarding the situation of the poor and the need to show solidarity with them.[2] In the following decades, large amounts of government money were channelled through DCSOs to SCSOs because, according to the government, the support provided by these Dutch organisations had important added value. According to the MFA, the organisations represent the concern and commitment of the Dutch public interest in international cooperation, they are rooted in Dutch society and able to work close to the ground via the networks of Southern partners they built.[3] The fact that they are both CSOs and have comparable roles in their respective societies reinforces the solidarity and like-mindedness between DCOS and SCSOs. Traditionally, channelling funds through DCSOs was also politically motivated. In what was often called the 'pillarised' Dutch society, a denominationally and politically segregated society, many DCSOs tended to belong to a separate religious or ideological societal 'pillar' consisting of separate social, religious and/or ideological institutions as well as its own political party. The DCSOs belonging to such societal pillars were considered eligible for government subsidies, irrespective of the political colour of the ruling coalition.

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[1]   MFA, 2013a.
[2]   Broere, M. et al., 2016, p. 5.
[3]   MFA, 2009a, p. 15.

In the period 2011-2015, most of the government funds to support civil society in the South were channelled through the Co-Financing (MFS) organisations, SNV Netherlands Development Organisation (SNV), the Netherlands Mondiaal Trade Union Confederation (MFNV) and the Christian National Trade Union International (CNVI). For each of these organisations external evaluations are available that were used as input for this policy review. This policy review is meant to account for the expenditure under article 3.3 of the Exploratory Memorandum to the budget for Foreign Trade and Development Cooperation and to learn from the experiences.

The conclusions of our policy review about the contributions of DCSOs to the realisation of sustainable economic development and direct poverty reduction goals are rather positive. However, they are more critical on the contributions to broader Southern civil society development (CSD). It should, however, be kept in mind that the ministry had very ambitious goals, with emphasis on contributions to building a strong and diverse civil society and systematic social change as preconditions for structural poverty reduction. Although there is nothing wrong with being ambitious, goals should be realistic and attainable. DCSOs and their Southern partners operate in a complex environment, their sphere of influence is limited and social change is a long and cumbersome process. Their achievements should be judged in that context. This critical assessment of the DCSOs' contributions does not imply that their work is not valuable. On the contrary, they can and do play an important role. Examples are their abilities to let the voice of the South be heard in the North to facilitate international networking and mutual learning. They also have opportunities to connect Lobby & Advocacy (L&A) issues of SCSOs with global agendas. DCSOs are often better able to strengthen the capacity of SCSOs than the government or the embassies and they enjoy greater trust among local beneficiaries than governments do. Their role as funding agencies is still very important for SCSOs. However, this review also concludes that some of the traditional strengths of Dutch support are under pressure. To retain their value, DCSOs need to restore the positive aspects of their relationships with Southern partners and develop new patterns of cooperation. There is also a role for the ministry to facilitate this by issuing conducive policies and by stimulating DCSOs to rethink their relations with SCSOs.

Main findings

1) *The subsidies for the MFS II organisations, Trade Union Co-Financing Programme (TUCP) organisations and SNV provided under article 3.3 contributed to the realisation of sustainable economic development and direct poverty reduction goals. Little information is available about the contributions to strengthen civil society to support the systematic social change needed to achieve the overarching Dutch development policy aim of structural poverty reduction.*

As presented in its policy memorandum *'Cooperation, Customisation and Added Value'* (2009), the ministry's policy on CSOs aimed to help build a strong and diverse civil society. The political nature of this goal manifested itself in the ambition to support 'systematic social change' by addressing existing power structures and processes that lead to exclusion. This was to be achieved by giving voice to the poor and by providing access to economic resources, social services, political systems and financial institutions. Dutch development policy thus assumed that only such systematic social change could help achieve the overarching aim of structural poverty reduction. The ministry's policy described three strategies that CSOs usually apply: promoting sustainable economic development and achieving direct poverty reduction, building civil society – strengthening democratic institutions and organisations – and influencing policy.

After 2009, this politically oriented approach gradually shifted towards an approach emphasising the need to achieve the MDGs. However, this shift caused confusion among the MFS II organisations, because the ministry's subsequent policy documents referred to diverging concepts, definitions, instruments and intermediary goals, which left much room for interpretation. As a result, the ministry approved a wide variety of programme proposals, meaning that there is no single benchmark by which to measure their effectiveness. The above-mentioned MFS, SNV, MFNV and CNVI evaluations rarely assessed the contribution of certain projects to CSD in supporting systematic social change as implied by the ministry; rather, they looked at achievement of project goals, often at beneficiary level. This does not imply that the organisations did not support systematic social change processes at all, or that no results were achieved in that respect. Several good examples of convincing results in broader CSD were indeed reported, and there may have been many more that were not reported.

2) *The MFS II programme effectively contributed to realising Millennium Development Goals (MDG) results; information on their sustainability is lacking. The results of capacity development (CD) support provided had positive effects on the organisational strength of many SCSOs; it is unknown to what extent this helped SCSOs to become stronger actors in CSD. Although activities in the field of CSD were quite positive and focused on strengthening SCSOs, their contributions to systematic social change was insufficiently established. This also applies to MDG and CD activities. International Lobby & Advocacy (ILA) activities helped place issues higher on the international agenda and influence international policy; fewer outcomes were achieved in practice change.*

The MDG projects that were supported by MFS II made valuable contributions in the eight countries studied in the MFS II evaluation. Many were also successful in empowering people to improve their access to economic development and social services. The outcomes in the

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Democratic Republic of Congo (DRC), Ethiopia and Liberia were less positive than in the other countries, due to violence in the DRC and Ethiopia and an ebola epidemic in Liberia. There is a lack of information on the sustainability of the MDG results. In general, the connection between results and CSD in terms of its contribution to systematic social change was insufficiently established.

CD support provided by MFS II organisations contributed to organisational strengthening of many SCSOs on aspects such as Planning, Monitoring & Evaluation (PME), financial reporting and diversifying donor support. This helped them improve their legitimacy and become less vulnerable financially. However, there was little evidence that CD support contributed to making SCSOs more successful in addressing the MDGs. The MFS II evaluation insufficiently answered the question to what extent improved organisational capabilities helped the SCSOs become stronger actors in CSD aimed at systematic social change.

The findings concerning the projects aimed at supporting CSD were quite positive, although there were significant differences between countries. These depended primarily on the environment in which the projects were implemented. The support mainly focused on the MFS II programme's goal of strengthening SCSOs as mentioned in the application format of 2010. However, little information is available on how the activities contributed to systematic social change associated with the original MFS II policy intentions. Therefore, the links between such activities and that goal were not always clear.

ILA activities contributed to placing issues higher on the international agenda and to influencing international policy. Fewer outcomes were achieved in the priority result area of practice change. For understandable reasons, DCSOs did not focus much on such changes. They deliberately chose to engage in policy processes at national and international level. A lack of involvement of SCSOs in ILA caused a disconnect between the global agenda and local needs.

3)   *MFNV and CNVI delivered various development results through the implementation of TUCP, in line with the aims of the ministry. However, there is little information on the contribution to systematic social change, e.g. through mobilisation of workers for campaigns or membership of trade unions.*
Both MFNV and CNVI contributed to strengthening trade unions in Southern countries and to improving the quality of work and life of workers. The results primarily relate to the more formal and institutionalised partners. Reaching informal sectors and workers remained a challenge. Programme effectiveness had varying outcomes regarding CD of trade unions, influencing government and companies and better policies for workers and workers' rights. MFNV contributed to capacity and performance changes of partners. These changes were positive yet small. Changes at workers' level were limited, although there were some positive examples as well. Some activities of CNVI showed positive outcomes regarding service delivery by partners and sometimes CNVI support enabled change. At the international level, CNVI implemented ILA strategies. Significant efforts were made by MFNV and CNVI in the field of strategy development and this positively affected their performance. The evaluations of MFNV and CNVI provide little information on the contributions of the TUCP to broader CSD that takes the political dimension into account.

4   *SNV contributed to the results of their partners by playing supporting, catalysing and sometimes managing roles. The results were largely positive, although it is not clear to what extent these results contributed to broader CSD. Only a small proportion of SNV partners are civil society actors; most of the partners are local governments and private sector actors.*

SNV supported CD of its clients and mainly reported on impact achieved by them at the beneficiary level. Positive results were reported concerning for example increased agricultural productivity, higher income and employment generated, improved food security, better access to inputs, water and sanitation facilities, hygiene and health, installed biogas plants and disseminated improved cook stoves. However, their contribution to broader CSD is unclear. Many of the SNV partners are local governments and private sector actors; fewer are civil society actors. The approach to transfer work from SNV to Local Capacity Builders (LCBs) was successful. The goals concerning sustainability were not always fully achieved and, due to the nature of SNVs approach, service delivery programmes were not always specifically oriented on reaching the poorest people. SNV's strategy for the period 2011-2015 regarding increasing funding by public and private parties and introducing programme funding based on full cost recovery, was successful. Ambitious financial targets were achieved and even exceeded.

5)   *Several goals of the ministry to restructure support for MFS II organisations have not been realised.*

In 2008, Minister for Development Cooperation Koenders launched an agenda to restructure the support for MFS II organisations. Important aspects of the agenda were: more cooperation, harmonisation and synergy between aid agencies and aid channels, less fragmentation, more accountability and efficiency, a greater focus on systematic social change and more ownership of SCSOs. Cooperation among DCSOs improved and fragmentation reduced slightly, thanks to the formation of the MFS II alliances, but in most cases this was less successful than hoped for. 67 DCSOs participated in the MFS II programme, cooperating in 20 alliances carrying out at least 241 programmes in 100 countries with a concentration of alliances active in the same countries. By subsidising so many DCSOs in so many countries for so many programmes, the continuation of fragmentation was thus partly caused by the ministry itself. Cooperation among alliances at country level was limited and joint country analyses were rare although there were examples of very good analyses as well. Many intervention strategies of alliances were only loosely related to the goal of achieving systematic social change. SCSOs had a substantial degree of ownership and freedom to develop their own programmes within the frameworks set by the DCSOs, but they were confronted more with the boundaries of these frameworks than before, because of decreasing funding, changing policies and shifting interests of DCSOs.

6)   *The support DCSOs traditionally provided to SCSOs had substantial added value; the relationships were good, close and valuable. However, since 2011, changes in Dutch development cooperation policy and budget cuts have put these relationships under increasing stress.*

Unique strengths of the DCSOs' support were long-term support, trust, dialogue, flexibility in implementation, thematic expertise and support to many SCSOs in many countries. To a certain extent this remains the case, but there have also been changes to this pattern. These resulted from progressive insights as to the nature of cooperation between Northern and Southern CSOs and from actual and anticipated budget cuts. Financial dependency and

competition with SCSOs for locally available donor funds increased. In addition, reporting requirements with emphasis on accountability rather than on learning became more demanding, hampering the equality in the relationships more than before. Support became more short term and fragmented, partners more interchangeable. As a result, the relationships between DCSOs and SCSOs loosened and both parties had to identify new ways to meet the challenges of reduced budgets and changing policy contexts.

7) *Information on the efficiency of the programmes to support building a strong and diverse civil society is limited and not always fully reliable. It is therefore difficult to draw unambiguous conclusions.*

The MFS II evaluation conducted by NWO/WOTRO reported a positive score of 6.8 for the efficiency of the MDG projects. This figure should, however, be treated with considerable caution, because reliable financial information and appropriate benchmarks are lacking. Efficiency was only evaluated for 35 of the 190 projects; CD and CSD projects were excluded from the evaluation. The level of indirect costs of MFS II and TUCP organisations was acceptable, but no information was available on the ratio between direct and indirect costs made by their Southern partners. Efficiency awareness is well developed in MFS II and TUCP organisations, although there are large differences between organisations and efficiency awareness is generally limited to their top management and financial departments. SNV showed strong efficiency awareness. Several efficiency measures that were introduced as part of the ministry's agenda to restructure the support for DCSOs such as better cooperation and less fragmentation, were hardly realised. The tender procedures were complicated, demanding and costly for both the applicants and the ministry. The joint MFS II evaluation contributed to sharing expertise, costs and learning between the alliances. However, its complexity had negative effects on efficiency.

Lessons

Lessons for the ministry

1) *Clarify the policy for CSD in Dutch foreign policy.*

The policy review demonstrated that there are different opinions on what civil society and CSD entail. This was confusing and has had consequences for the implementation and evaluation of CSD policy. Southern civil society is in motion, it is dependent on the local context and its composition is changing. The use of social media to reach larger groups is emergent. However, informal structures are still insufficiently embedded in political processes and public debates. Large parts of the population are currently not reached by conventional SCSOs. Traditional boundaries between civil society, government and the private sector are fading, challenging the concept of civil society as a separate sector. In many countries, the space for civil society is threatened by repressive governments, and the legitimacy of SCSOs, particularly when financed by Northern donors, is challenged. Northern CSOs, including DCSOs, are struggling with their identities and roles in the South. In addition, their legitimacy is questioned in both the North and the South. All these developments demand a reconsideration of the concept of civil society, of its role and position in wider society, and of the policies concerning CSD. The ministry, in dialogue with

DCSOs and Southern civil society, should clarify its CSD policy within this changing policy environment. Involving less organised forms and more organic structures in such dialogue is an option to be considered.

2)   *Improve the links between development activities and the achievement of policy objectives.*
The goal of article 3.3 was to help build a strong and diverse civil society. The policy review indicated that a link between e.g. MDG or CD activities and the achievement of broader policy objectives concerning CSD in terms of its contributions to systematic social change could not always be established. Good Theories of Change (ToCs) need to be developed by the ministry, DCSOs and SCSOs. These ToCs should be based on high-quality context, country and actor analyses, accompanied by assumptions about programme implementation processes and by risk analyses, including plans for risk mitigating measures. This would help increase the likelihood that development activities really contribute to achieving policy objectives. Obviously, development is not a linear process, and goal achievement can never be guaranteed, but ToCs, assumptions, risk assessments, close monitoring and timely action to adjust planning and implementation will at least be helpful. The ministry could consider strengthening the monitoring of major policy objectives and sharing the insights gained among those responsible for the programmes within the ministry and the DCSOs.

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3)   *Restructure the subsidy and tender system of the ministry.*
The number of subsidies and tenders for DCSOs increased considerably over the past 15 years, from 7 subsidies schemes in 2003 to 27 tenders in 2016. The procedures are complicated and demanding for the applicants. Threshold criteria are perceived as heavy, particularly by smaller DCSOs. The complex tender processes and the large number of subsidy schemes and subsidised organisations also form a heavy burden for the ministry, regarding both administration and policy dialogue. The support to DCSOs is still fragmented, although the number of subsidised organisations declined compared to MFS I. Subsidies were provided to 20 alliances active in 100 countries in at least 241 programmes. It would be worthwhile to identify the incentives for such fragmentation and to analyse how they could be removed, without losing the added value that the diversity in backgrounds, vision and specialisation of DCSO actors may also generate. Thus, it could be considered to reduce the number of subsidy schemes and tenders and simplify procedures for applicants and limit the number of subsidised organisations and programmes. This would create more focus, reduce fragmentation and lower the workload, thereby contributing to effectiveness and efficiency.

4)   *Stimulate the attention for efficiency within the DCSOs.*
Efficiency awareness within DCSOs was well developed, but not equally among all function groups. The ministry should stimulate the organisations to pay more attention to this aspect among (policy) staff responsible for the intake and management of programmes of subsidised SCSOs. It proved difficult to produce reliable figures and appropriate benchmarks on project efficiency that were supported by the DCSOs. The importance of such information should not be underestimated. Correct figures can help organisations decide on fund allocation to the most promising activities or adjust plans and budgets for less

efficient activities. The ministry should therefore encourage DCSOs to support their partners in enhancing their efficiency awareness and their preparedness to use the information available for project steering. It would in this respect also be useful to learn more about the level of indirect costs made by SCSOs. DCSOs should also contribute to strengthening their routines and skills to collect figures on efficiency. The 13% of indirect costs the ministry negotiated with the MFS II alliances proved insufficient to cover the costs of running the organisations in a professional manner. The actual percentages needed ranged from 14-18 %. Indirect costs to cover expenditures for e.g. fundraising and business development activities charged on non-MFS II income even were considerably higher (20%-23%). The ministry should therefore investigate whether its previously negotiated percentage of 13 may in future be too low to contribute proportionally to the indirect costs DCSOs must incur to realise their goals in an effective and efficient manner.

5) *Improve the Monitoring and Evaluation (M&E) practices of the ministry and stimulate DCSOs to do the same.*

Apart from problems with formulating unambiguous policy goals and clear definitions of important concepts, this policy review revealed several weaknesses in the process of M&E. The ministry has the responsibility of issuing appropriate guidelines for M&E of subsidised programmes and monitoring their implementation by DCSOs. Aspects that deserve more attention are: formulation and use of appropriate monitoring indicators, timely production of proper baseline studies, selection of sufficient and representative control groups, better methods to assess attribution and contribution, more attention for the links between inputs, outputs, outcomes and impact, more qualitative evaluation research and more focus on efficiency. To guarantee that such improvements are realised and applied, these requirements should be part of the design of future programmes. Their observance should be monitored during the term of the subsidy agreements and used as criteria to assess the quality of the evaluation reports.

6) *Conduct further research into explanations for effectiveness of support for civil society development.*

Whenever possible, this policy review reported findings on the effectiveness of support for CSD and presented explanations for levels of effectiveness. However, further steps can be taken to explore why certain approaches produced better results than others. Possible research questions are: what is the influence of the suitability of the ToC on effectiveness; which roles for DCSOs are most conducive for achieving the desired results; in which themes or sectors are interventions most effective; what factors in the country context are conducive/less conducive for effective programme implementation; what type of partners could contribute most to effective operations; what type of funding structure would be most appropriate and: to what extent does the nature of alliances/partnerships influence effectiveness? These themes are further elaborated in Annex 7.

Lessons for the DCSOs

1)   Renew the relations between DCSOs and SCSOs.
DCSOs have lost much of their added value for SCSOs over the past years. Aspects of these relations that were previously appreciated by SCSOs were their supportive and open attitude, their commitment, flexibility and readiness to engage in policy dialogue. The involvement of SCSOs in formulating the broader development agenda of DCSOs reduced and their contribution to ILA was limited. Longer-term support and core subsidies for SCSOs came under pressure. M&E primarily focused on accountability whereas learning was less common. In many cases, local presence of DCSOs led to competition with SCSOs over locally available donor funds. DCSOs need to renew their relations with SCSOs in the changing contexts and roles of both Northern and Southern civil society to make the support more conducive for CSD in the South. The positive aspects of the relationships should be retained or restored and new patterns of cooperation need to be developed. Such patterns will vary depending on the context and on the type of partners. One could think of sharing innovative ILA approaches, with specific roles for DCSOs and SCSOs, developing strategies concerning the operations of DCSOs and SCSOs in restrictive environments and finding new ways of cooperation of SCSOs and local offices of DCSOs, e.g. emphasising mutual learning and networking, giving more ownership of development processes to SCSOs.

2)   Strengthen the cooperation between DCSOs.
Cooperation among DCSOs improved during MFS II, but it was less successful than hoped for. Given the decline in funding, their operations could be more effective and efficient, better serving the interests of the beneficiaries, if they were to strengthen cooperation in various fields, for instance by developing joint programmes and submitting joint proposals. These should be based on the intrinsic motivation of the organisations rather than result from external pressure, as was the case in the tender procedures for MFS II. Cooperation could take different shapes and vary in intensity. One could think of sharing experiences, knowledge and networks, tuning programmes and areas of operation, producing joint context and country analyses, undertaking joint activities such as L&A campaigns, developing common strategies, e.g. concerning response to restrictive measures against civil society by oppressive governments, joint programming and implementation.

1

Introduction to the policy review

Reader's guide
Section 1.1 introduces the rationale for the policy review. Section 1.2 goes into the complexity of this policy review. Section 1.3 presents the main evaluation questions. Section 1.4 introduces some key concepts that are critical for understanding the next chapters. Section 1.5 is a note on the methodology applied, and section 1.6 explains how this report is organised.

1.1 A policy review designed for accounting and learning

The main purposes of this policy review is to account for the expenditure under policy objective 3.3 of the budget of the minister for Foreign Trade and Development Cooperation and to contribute to insights and lessons that may support CSD.[4] These insights and lessons particularly concern the question of how the ministry may best support CSD in Southern countries. Particular points of interest are the validity of assumptions associated with the effectiveness of the role of Dutch organisations as civil support channels in developing countries. Therefore, IOB not only considered it worthwhile to answer the usual questions prescribed by the Order on Periodic Evaluation and Policy Information of the Ministry of Finance 2014 (RPE), but also to examine and discuss such assumptions in the context of Dutch support and, where relevant, to propose lessons that may contribute to the effectiveness of support through DCSOs.

Policy objective 3.3 expresses the importance the Government of the Netherlands attaches to the role of DCSOs as a channel for supporting the development of civil society in developing countries. Until recently, this objective served as a broad framework for funding DCSOs rather than as a basis for the development of a coherent policy with a consistent ToC. Consequently, policy objective 3.3 covers MFS II, SNV and the TUCP, three separate programmes with a wide range of aims, not all of them necessarily within the overarching objective.[5]

SNV took up a special position among the MFS II and TUCP organisations. Like the other DCSOs, SNV received a subsidy during the period under review. For that reason, we have included SNV in this policy review. At an early stage (around 2010), however, the ministry decided to stop subsidising SNV after 2015 and to gradually diminish the core subsidy over the period 2011-2015. This proved successful, as it urged SNV to increase its efforts to mobilise external resources.

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[4]   In 2011, support for civil society was categorised under article 5.6 in the Exploratory Memorandum to the Budget for Foreign Affairs, and in 2012 and 2013 under article 5.2. Since 2014, it has been categorised under article 3.3 of the Exploratory Memorandum to the Budget for Foreign Trade and Development Cooperation. In this policy review concerning the period 2011-2015, IOB will only refer to article 3.3, although articles 5.6 and 5.2 are also meant.

[5]   IOB neither included the programme of Personele Samenwerking Ontwikkelingslanden (PSO) (EUR 24 million) nor the Suriname Twinning Facility (EUR 8 million), the only two other programmes that received support under objective 3.3. PSO was abolished in 2012. The Suriname Twinning Facility received relatively little funding and was already evaluated by IOB in 2012.

The Explanatory Memorandum to the 2015 Budget for Foreign Trade and Development Cooperation described results envisaged under objective 3.3 as follows:

- MFS II programme: strengthened Southern civil society, strengthened capacity of SCSOs, contribution to achievement of the MDGs[6];
- SNV programme: strengthened capacity of SCSOs, private sector organisations and local governments in developing countries;
- TUCP programme: strengthened capacity of Southern trade unions, adherence to labour rights, improved social dialogue and improved labour conditions.

Better alignment with other forms of cooperation funded by the ministry with Official Development Aid (ODA) would increase the contribution to structural poverty reduction and sustainable development. Hence, MFS II catered to a wide variety of DCSOs encompassing a broad range of strategies, including contribution to:

- sustainable economic development and the battle against poverty;
- strengthening democratic institutions and organisations aimed at realising more just power relations;
- policy influencing and other strategies.

SNV mainly focused on inclusive economic development through market-based solutions. Its partners were local governments, private sector parties and SCSOs. TUCP focused on strengthening trade unions in developing countries and on improving quality of life and working conditions for workers in the formal and informal economy.

Expenditure under policy objective 3.3 largely went to MFS II (83%), SNV (13%) and TUCP (3%) and totalled EUR 2,259 million in the period 2011-2015 (5 years).

Table 1	Expenditure policy objective 3.3, 2011-2015 (EUR million; rounded)[7]						
	2011	2012	2013	2014	2015	Total	%
MFS II	408	384	379	386	325	**1,882**	83
SNV	67	64	58	48	51	**288**	13
TUCP	13	13	11	11	9	**57**	3
PSO	13	11	0	0	0	**24**	1
Suriname Twinning Facility	3	1	0	1	3	**8**	0
Total	**550**	**475**	**452**	**450**	**443**	**2,259**	**100**

[6] The MDGs aimed to contribute to structural poverty reduction; other strategies to achieve structural poverty reduction goals are e.g. strengthening of civil society and L&A.
[7] MFA financial database, 9 November 2015; SNV, 2014a and 2016a; MFNV, Annual Reports 2011-2015 and CNVI annual reports 2011-2015.

The budgets for the period 2016-2020 indicate that in 2016 MFS II was replaced by the strategic partnerships for Dialogue & Dissent. A new TUCP for the period 2017-2020 was approved by the ministry. The Suriname Twinning Facility was terminated at the end of 2016.

Table 2 Budget policy objective 3.3, 2016-2020 (EUR million; rounded)[8]	2016	2017	2018	2019	2020
MFS II	20	3	0	0	0
Strategic partnerships	323	219	219	219	219
SNV	7	0	0	0	0
TUCP	4	10	11	10	9
Suriname Twinning Facility	1	0	0	0	0
Total	**335**	**232**	**230**	**229**	**228**

1.2   The complexity of the policy review

Evaluating Dutch policy for support to Southern CSD is a complex task. This applies particularly to assessing the effectiveness of the MFS II programme. The complexity is mainly caused by different interpretations of CSD and of how the goals should be achieved. These differences in interpretations impact the benchmark against which the effectiveness of the programme should be measured. Below, we will review the policy that laid the basis for MFS II and reflect on the changes it underwent over time. We will also explain our considerations for measuring the effectiveness in the way we do.

In the ministry's policy memorandum *'Cooperation, Customisation and Added Value'*, that elaborated on policy paper *'Our Common Concern'* (2008), the strategic aim of the civil society channel was formulated as *'to help build a strong and diverse civil society tailored to the local situation'.*[9] The memorandum continues to state that a strong civil society is a precondition for structural poverty reduction, that the people at the bottom of society should be given a voice to stand up for their rights, opposing forces should be organised and that improvements in the poverty situation will have to be wrested from exiting power structures. The document clearly expresses the ambition to support systematic social change and emphasises that there is an important role for civil society in that context.[10] This underlines the political nature of the policy. CSOs are selected as the main vehicles to realise the goals, but the memorandum does not explicitly indicate how it envisages to achieve these goals. It merely

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[8]   Explanatory Memoranda to the 2016 and 2017 Budgets for Foreign Trade and Development Cooperation and TUCP budget for the period 2017-2020. In 2016/2017, the MFS II alliances received/will receive a final contribution of EUR 20 million or EUR 3 million respectively. The total expenditure will therefore be EUR 1,882 billion + EUR 23 million = EUR 1,905 billion; MFA financial database 2 February 2017.

[9]   MFA, 2009a, p. 6. The principles set out in the policy memorandum apply to all DCSOs. However, they were worked out most explicitly in the Policy Framework MFS II 2011-2015. MFA, 2009b.

[10] The term 'systematic' was used in the memorandum, whereas 'systemic' would have been more appropriate.

mentions that CSOs interpret their mission in a variety of ways and usually apply three strategies:

- promoting sustainable economic development and achieving direct poverty reduction;
- building civil society;
- influencing policy.

However, in one case the memorandum is indeed explicit: strengthening the capacity of local CSOs is an aim by itself. This is connected to the statement that the civil society channel should help build a strong civil society. Apparently, this strategy is meant to ensure that local CSOs have sufficient capacity to successfully accomplish that task.

The subsequent '*Policy Framework MFS II 2011-2015*' repeats the wish to focus more on systematic social change, although it uses the concept of 'structural social change'.[11] The strategic aim of MFS II remained basically unchanged, even though the wording was different: '*to contribute to building and strengthening civil society in the South as a building stone for structural poverty reduction*'. DCSOs that wish to qualify for a MFS II subsidy are supposed to apply one or more of the three strategies mentioned in the policy memorandum or any other new strategy. Nine themes that are central to the MFS II programme are also mentioned. However, the framework is not explicit about how the concept of civil society is to be understood and what parts of civil society are to be strengthened.

Neither the policy memorandum nor the policy framework for MFS II provide much clarity about the relations between economic development and poverty reduction programmes (including MDG activities) and CSD supporting systematic social change. The same applies to the relation between CD of SCSOs and CSD.

Figure 1 illustrates the ToC of MFS II as IOB interpreted it, based on the policy memorandum and the policy framework for MFS II 2011-2015. At the bottom are the MFS organisations providing support to SCSOs. They apply the strategies as mentioned above. These strategies are supposed to contribute to the realisation of a strong and diverse civil society, able to bring about systematic social change. Such change should contribute to the overarching aim of development cooperation: structural poverty reduction.

[11]   MFA, 2009b, p. 6. IOB uses the term 'policy framework' where 'grant framework' could also be used.

Figure 1   *Reconstruction of ToC MFS II (2009)*

structural poverty reduction
systematic social change
strong and diverse civil society

sustainable economic development; direct fight against poverty	civil society building	policy influencing	other strategies

contributions of MFS II organisations to SCSOs
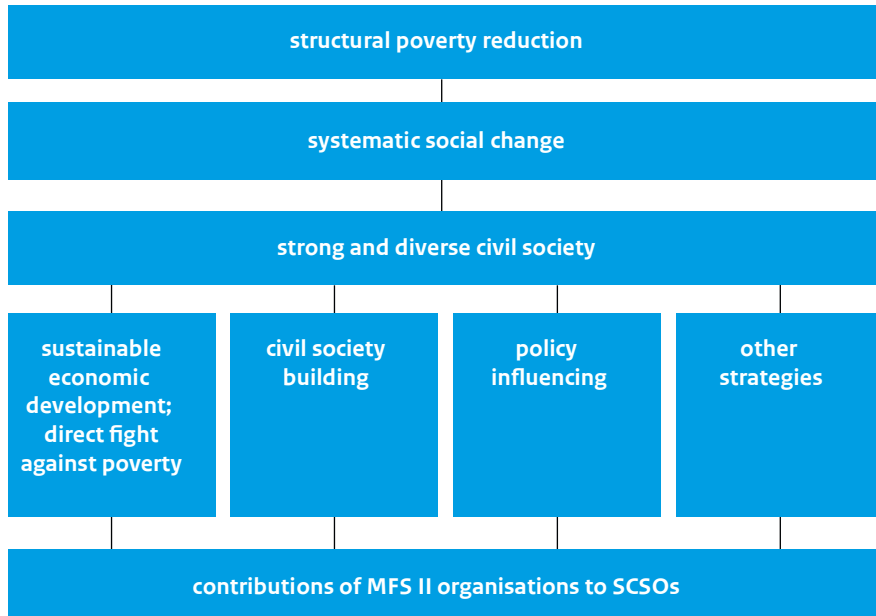
In 2010, the ministry published an *Application Format for MFS II 2011-2015*.[12] This functioned as a guideline for formulating detailed programme proposals, supplementing the 30 selected subsidy applications that were submitted before by the DCSOs. The format contained mostly practical guidelines and instructions and very few references to the underlying policies originally mentioned in the policy documents and the policy framework for MFS II. The only reference to policy concerned the goal of the programmes to be submitted: '*The programme proposal contributes to strengthening of Southern civil society*'. Next, this is further elaborated: '*Structural poverty alleviation by strengthening SCSOs is the overarching goal of MFS II*'.[13] Thus, in this format strengthening civil society *organisations* is explicitly mentioned as a goal, whereas in the text of the policy memorandum and the policy framework reference is made to strengthening civil society in general. The latter is a much broader interpretation of the goal of MFS II than the former.

MFS II alliances to be supported were selected, detailed proposals were submitted by the DCSOs and assessed by the ministry in 2010. The new Rutte I cabinet, which had assumed office on 14 October 2010, decided on the MFS II subsidies on 1 November 2010, based on the assessment of the proposals by the previous cabinet. According to some informants, it was a deliberate choice to select only a few L&A programmes. They added that the L&A strategy no longer surfaced in the tender process, even though the MFS II Policy Framework

[12]   MFA, 2010a.
[13]   Ibid, p. 15.

had originally singled this out as a potential strategy.[14] A possible explanation for this decision could be that the new cabinet anticipated the new policy priorities to be issued by the end of November 2010 and March 2011.[15]

These priorities emphasised the shift from social to economic development, from aid to investments, and a reduction of the number of partner countries and of thematic priorities. They also expressed a need to showcase results more clearly. Poverty reduction and MDG achievement continued to be priorities. However, no more reference was made to systematic or structural social change, whereas the role of civil society in development processes was hardly mentioned. The format did stress that the existing agreements about the MFS II subsidies between the previous government and the MFS II organisations would be respected, even though the budget for MFS II would be reduced by 12,5 %. This was later adjusted to a cut of 11.2%.

The figure below indicates that MFS II support for service delivery and achievement of MDGs gained importance, whereas structural social change was no longer mentioned as a strategy to achieve the overarching aim of development cooperation.

Figure 2   *Reconstruction of ToC MFS II (2010)*
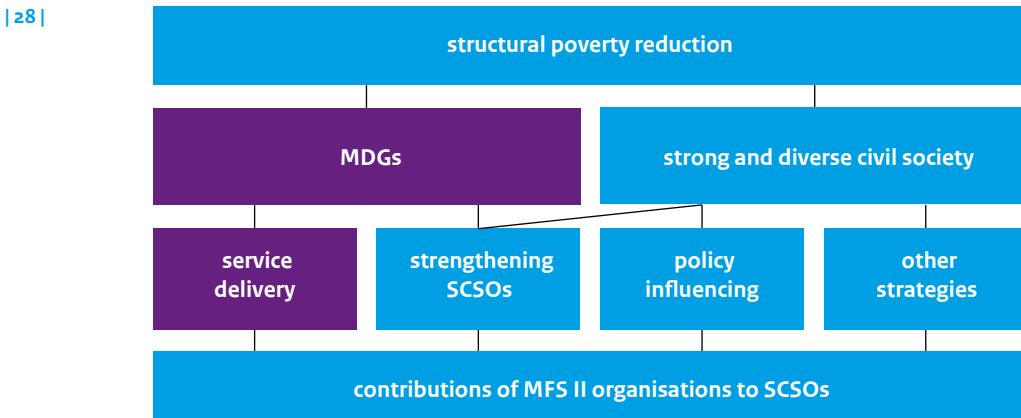
In 2012, the new Rutte II cabinet presented a policy memorandum in which economic development and MDG achievement continued to be priorities. However, more attention was given to the role of civil society in the context of strengthening legitimacy and accountability of governments, democratisation, mobilising of civilians as countervailing power against governments and the private sector. Apparently, the strategy to strengthen civil society changed during the course of MFS II. First there was a focus on systematic social change processes and later there was more attention for concrete results, emphasising

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[14]   Sources: information from representatives of MFS II alliances participating in an expert workshop, organised by IOB on 24 October 2016; in this workshop, also TUCP organisations participated; MFA, 2009b, p. 4.

[15]   MFA, 2010b and MFA, 2011a. Part of this section is repeated in section 2.1.4 that deals with the changing contexts in which the MFS II programme was implemented.

economic development and a selection of MDGs. Still, addressing the structural causes of poverty, instability, conflict and exclusion as implied by the previous government in 2009 continued to be priorities of the government that took office in 2012. Thus, it was only during the Rutte I cabinet (October 2010 - November 2012) that these themes obtained lower priority.

Summarising, a gradual change took place from a politically motivated and ambitious approach to more bureaucratic approaches prescribing how proposals should be presented and to economically oriented programmes. In addition, whereas the policy memorandum aimed at strengthening civil society, the application form reduced this to strengthening civil society *organisations*. And the policy letter of the new cabinet particularly emphasised MDG achievement.

The way the eligibility requirements for MFS II subsidies were formulated by the ministry and the use of different concepts and definitions as described above caused confusion and frustration among the MFS II organisations. They could not always grasp what the ministry's goals were and how the organisations were supposed to achieve these. At the same time, this also created room to manoeuvre, with opportunities to submit a wide variety of programme proposals, based on different strategies and addressing many different issues in line with their mission, experience, expertise and convictions. The proposals of 20 alliances were eventually approved by the ministry, which implied that they could implement their programmes as planned. The changes over time and the resulting diversity of programmes influenced the benchmark against which the effectiveness of the programme should be measured.

The complexity of the MFS II policy and its various interpretations is also reflected in the policy evaluation conducted by NWO/WOTRO and in our policy review. The MFS II evaluation assessed the achievements of individual MDG and CD projects, rather than their contribution to strengthening civil society. In many cases, it reported positive results. However, it was often impossible to establish their link with contributions to CSD supporting systematic social change, needed to achieve structural poverty reduction. In line with the guidelines for evaluation as issued by the ministry, the MFS II evaluation applied the Civicus indicators to assess the achievements for CSD. However, these indicators mainly assess changes at the level of organisations rather than changes in broader civil society. They also insufficiently capture the political nature of CSD as implied by the ministry at the start of MFS II and after 2012. Therefore, drawing unequivocal conclusions about the level of engagement of SCSOs in CSD activities proved difficult. As to influencing policy, the MFS II evaluation concluded that DCSOs and SCSOs succeeded in contributing to articulating and conveying civil society voices, in placing issues higher on the agenda and in actual policy influencing to varying degrees.

Given the complexity as described, how does IOB measure the effectiveness of MFS II? Firstly, the results as reported by the MFS II evaluation are reviewed, the findings are analysed and conclusions are drawn. This involves analysing reports on achievements at project level for MDG/themes, CD, strengthening civil society and ILA. Secondly, IOB

analyses and comments on the degree to which the project results have helped build a strong and diverse civil society that supports systematic social change. Such change is required to achieve the overarching aim of structural poverty reduction as implied in the policy memorandum of 2009 and the policy framework for MFS II. The reason to apply that yardstick is that systematic social change was the main motivation behind the MFS II programme during the periods 2009 - late 2010 and again during late 2012 - 2015. In the intermediate period of late 2010 - late 2012, systematic social change was less high on the policy agenda. This should be kept in mind while reading the findings of this policy review.

1.3   Evaluation questions

The three basic questions to be answered by the review are:

- How effective was the support provided by the MFA through DCSOs under policy objective 3.3?
- What reasons can be given for these levels of effectiveness?
- What lessons can be learned from the evaluation?

The policy review systematically answers the questions raised in the RPE concerning:

- the reasons to support civil society;
- the objectives, how they are operationalised and at what cost;
- the cooperation between the ministry and DCSOs;
- research conducted into effectiveness and efficiency and the findings;
- explanations for degrees of effectiveness;
- measures to increase effectiveness and efficiency.

A question about the commitments the minister made to the Parliament was:

- What were the consequences of the budget cuts to the Foreign Trade and Development Cooperation?

In the reader's guide to each chapter, we indicate which questions will subsequently be answered. The questions about the reasons to support civil society and about the measures to increase effectiveness and efficiency are answered in the section 'Main findings and lessons'.

The full list of questions can be found in the summary of the Terms of Reference (ToR) in Annex 1.

1.4   Some important concepts

Civil society, CSOs and legitimacy

When speaking of *civil society*, reference is often made to the general associational life of people that exists between state bodies and the market or corporate sector on the one hand and the private sphere (families, individuals) on the other.[16] Civil society encompasses a broad range of informal groups, formalised organisations (CSOs) and civil actions of individuals. Civil society's agency is often described as the power of people to pursue a shared agenda for improving the world. The majority of people have no association with civil society in its institutionalised form, but many may associate in less organised forms and more organic structures.[17] Some CSOs promote socio-political or socio-economic agendas – by representing interests, advocating policies or monitoring powerful institutions. Other CSOs provide social, spiritual or recreational services.

Civil society strengthening

There are different interpretations of how to strengthen civil society such as: a broad approach to mobilising civilians, raising their awareness and motivating them to engage in civic actions; a focus on strengthening SCSOs; engagement in basic needs programmes, strengthening democratic institutions and influencing policy. In section 1.2 it was indicated that such differences in interpretations complicated this policy review because there is no consensus on the indicators to measure the aim of a strengthened civil society.

NGDOs

A certain section of CSOs concerns non-governmental development organisations (NGDOs).[18] There is no universal definition or uncontested description of such organisations; the term covers a plethora of organisations whose common denominator is that they are non-governmental and work, in one way or another, to contribute to development. NGDOs act as intermediaries between resource providers (donors) and people whose situations are the very reason for the provision of resources (target groups or beneficiaries).

NGDOs often tend to have weak connections with their grassroots resulting in questions about their social and political legitimacy.[19] However, it is possible for a group, organisation or individual to derive legitimacy from factors other than a strong support base, for example from universal values, new ideas and ideals, knowledge and technical expertise or experience with service delivery. Generally speaking, global public goals such as the

[16]   Some scholars observe that the distinction between state, market and civil society is no longer so clear and that the boundaries are increasingly blurring.

[17]   Civicus, 2011.

[18]   According to Kamstra, it turns out that in practice, donors mostly support this more specifically defined category within CSOs. 'Within civil society, donors direct most of their funding to NGOs for bringing about all the merits of civil society'. Kamstra, 2014, p. 157.

[19]   IOB, 2015, p. 32. SCSOs have several options to strengthen their position. They may revise their strategies, involve and mobilise their constituency more systematically, link with other SCSOs with more legitimacy in representing citizens' interests, support their work with more evidence-based research and operate in local, national and international networks and coalitions that add value to their work.

environment and sustainability are not widely supported, yet they are important for everyone.[20]

DSCOs and SCSOs
In this report, the term DSCO is used for all organisations (MFS II, SNV, Trade unions) that received support from the ministry. Occasionally, the term refers to the broader civil society community in the Netherlands. Equally, the term SCSO is used for the partner organisations of the DSCOs and occasionally for the wider civil society community in the South. The term CSO thus encompasses the term NGDO and it does not distinguish between CSO and NGDO.

Restructuring support
In 2008, Minister Koenders wished to restructure the support provided to DCSOs in the context of MFS II, as part of a broader modernisation agenda.[21] Aspects of this restructuring he mentioned, were: more cooperation, harmonisation and synergy between aid agencies and aid channels, less fragmentation, more accountability and efficiency, a greater focus on systematic social change and more ownership of SCSOs.

1.5   A note on the methodology applied

This policy review was listed in the Explanatory Note to the 2016 Budget as part of the ministry's evaluation programme. The RPE requires each policy article to be reviewed within seven years at most. This policy review reports on the contributions of DCSOs to Southern CSD at an aggregated level, i.e. policy objective 3.3.

Elements of the research methods applied are:

• desk research of relevant policy documents;
• a desk study of synthesis report, country reports and technical papers of the MFS II evaluation, the MFS II evaluation report on ILA, evaluations and documents of SNV and of the TUCP;
• a perception study of the added value of non-financial support provided by the MFS II and TUCP organisations, including a survey, in-depth interviews in four countries and in the Netherlands, a webinar and two workshops with these organisations;
• a relations study about the collaboration among the MFS II organisations in the alliances and between the ministry and the MFS II alliances/the two TUCP organisations, including a survey, and interviews in the Netherlands;
• an efficiency study, including a desk study, interviews with financial officers and a workshop with the financial officers of MFS II and TUCP organisations.

[20]   Ibid.
[21]   Restructuring support to DCSOs was part of a broader modernisation agenda of the minister as formulated in his policy paper '*Our Common Concern: Investing in Development in a Changing World*' (2008). Elements of that broader agenda were: focus on maximum effectiveness, using aid as a lever for tackling global issues, investing in areas where few others will and in sustainable economic growth and job creation, fighting corruption, cooperating with new partners and alliances, opening development cooperation up to the world, following up what works and abandoning what does not. MFA, 2009a, p. 4.

The MFS II and TUCP evaluations provided a large amount of information for this policy review, but insights into the expertise and appreciation of SCSOs of non-funding support by DCSOs was lacking. IOB therefore conducted a perception study to meet this deficiency. Similarly, a study was carried out to increase our insight into the relations and cooperation between various partners of the MFS II and TUCP programmes. To answer the efficiency question, a study into the efficiency of MFS II and TUCP was conducted. The end-line reports of the MFS II Alliances were not used for this policy review, as these were published when the reporting on the findings was already at an advanced stage.

The MFS II and TUCP organisations contributed constructively to this policy review. They provided the e-mail directories of their partners, enabling the researchers to invite these SCSOs to participate in the perception and the relations studies, they gave interviews and participated in various workshops. This also applies to their contributions to the efficiency study. SNV produced several impact evaluations, carried out by independent researchers. Together with an analysis of SNV annual plans and reports, these studies provided a basis for our evaluation of SNV's programme. However, SNV did not contribute in the same way as the other organisations, because IOB and SNV could not agree on the conditions for their participation. The contribution of SNV to chapter 4 was confined to one meeting and to comments on the draft chapter. For the same reason, chapter 5 on added value of involving DCSOs in Southern civil society development does not concern SNV. Information from SNV documents was used for chapter 6 on efficiency, but the organisation did not participate in the additional study on efficiency. More information on expertise, appreciation, relations, cooperation and efficiency of SNV would have been welcome.

The effectiveness at the level of *individual programmes* of MFS II, TUCP organisations and of SNV was evaluated based on their contribution to the goals that were formulated in those programmes. The effectiveness of the implementation at the level of policy article 3.3 was evaluated by examining the contribution towards the overall policy goal of contributing to the development of a strong and diverse Southern civil society. Section 1.2 described the different interpretations of what a strong and diverse Southern civil society entails, how the goal should be achieved and how these differences influenced this policy evaluation.

In chapter 6, the efficiency of the MFS II, TUCP and SNV programmes is reviewed. The section on MFS II is the most elaborate, examining efficiency at the level of single projects and alliances and of the whole MFS II programme. Efficiency at the highest level was not reviewed. 'The highest level' is defined as: results concerning structural poverty reduction, the overarching objective of article 3.3, in relation to expenditure in EUR. The reasons are that such results depend on many other, often very influential factors besides MFS support, such as the political context in the programme countries, support from other donors and the high ambition level of the programme. More insight into efficiency at lower levels could also increase possibilities for measuring efficiency at this highest level.

In this policy review, the subsidy arrangements under article 3.3 are not compared to other subsidy arrangements for development cooperation programmes. These vary too much as

to programme goal and set-up, aid channels, partner organisations, size, et cetera, to allow for a meaningful and timely evaluation.

The programmes of MFS II alliances, SNV and the TUCP organisations falling under article 3.3 already varied quite substantially with respect to content, size and budgets. For this reason, no comparison is made of their mutual effectiveness. Their results are presented separately in chapters 2, 3 and 4. However, since the perception and the relations studies revealed only slight differences between the organisations of MFS II organisations and of TUCP, these are presented together in chapter 5. The efficiency of all three programmes was reported in separate sections in chapter 6.

Drawing conclusions is often one of the most complicated aspects of policy reviews. Findings are rarely unambiguous, because of the large number of different organisations, programmes and countries involved. Despite this, findings such as those of the MFS II evaluation are reported at an aggregated level. The outcomes mostly represent averages, although in some cases differences are highlighted in accompanying texts. IOB tried to present clear, unambiguous and evidence-based opinions without however neglecting important deviations from the mean, doubts and uncertainties.

The perception study and the relations study tell us a lot about the added value of the DCSOs as perceived by the selected SCSOs and by ministry representatives. In line with the ToR for the policy review, the studies focused on relations, reach, expertise and L&A support. Obviously, the outcomes do not represent the perceptions of those who did not participate in the studies. The conclusions about the added value of DCSOs as presented in chapter 5 should therefore be read with this limitation in mind.

This policy review focuses on the operations of DSCOs and SCSOs. Reference is frequently made to changes in policy and levels of funding and to how this affected the effectiveness of the programmes and the relationships between the partners. However, it should be borne in mind that levels of effectiveness also depend on the wider environment in which CSOs operate. This environment is constantly changing, thereby also affecting the policies, programmes and approach of CSOs and their back donors. For example, they face changing foreign and trade relations, intrinsic institutional changes, changing power relations, ICT and health improvements. In this review, such and other important changes and the way in which Dutch policy and DCSOs responded to or anticipated them, are not systematically studied, since that would require a much more elaborate, wide-ranging political economy analysis. However, this evaluation does take into account the decreased space for Southern civil society, threats by repressive governments and increased questioning of the legitimacy of SCSOs, in particular those financed by Northern CSOs, given their direct relation to the main subject of this evaluation. These are considered as context factors that influenced levels of effectiveness.

1.6   Outline of the report

In the first section of this report the motivation of the Government of the Netherlands to support civil society is provided. This is followed by the main findings of the policy review. Together with the lessons presented, they provide the answers to the question: *What measures can the ministry and the DCSOs take to increase the effectiveness and efficiency of the support provided?*

Chapter 1 gives a brief introduction to this policy review. The chapters 2-4 answer the effectiveness question, and provide explanatory factors for levels of effectiveness for respectively MFS II, TUCP and SNV. Chapter 5 focuses on the question: 'What is the added value of involving DCSOs'? Attention is given to the relationships between SCSOs and DCSOs, to the collaboration between the ministry and the MFS II alliances and the TUCP organisations, as well as to the cooperation between the members of the MFS alliances. This chapter also discusses the consequences of budget cuts. Chapter 6 answers the question: how efficient was the support provided? The annexes provide more background, the ToR for the policy review, links to the perception study and the relations study, the list of references, et cetera.

2

Thematic study I:
How effective was MFS II?

Reader's guide

This chapter provides answers to the following questions in the ToR:
- *What were the objectives of MFS II; how were they operationalised; at what cost?*
- *What research has been conducted into effectiveness and what are the findings?*
- *What factors and conditions explain degrees of effectiveness?*

This chapter focuses on the effectiveness of the ministry's support in relation to the four strategies of the MFS II subsidy framework. Section 2.1 describes the policy intentions and section 2.2 elaborates on how these intentions were translated into policies implemented. In section 2.3 the MFS II evaluation is introduced. Sections 2.4 through 2.7 present the findings on the effectiveness of the support in achieving the MDGs, CD, CSD and ILA. Section 2.8 presents a synthesis of the findings of the MFS II evaluation and our conclusions.

2.1   Policy reconstruction

2.1.1   Introduction

Both DCSOs and SCSOs have long been principal channels of Dutch development assistance. They stand alongside multilateral and bilateral cooperation, and partnerships in the private sector.[22] Broad consultations organised by the ministry in mid-2008 once again confirmed the important role that CSOs play in the fight against the marginalisation and exclusion of poor population groups and in processes of political, social and economic change. The results of the 2008 consultations and the policy priorities of Minister Koenders were laid down in the policy memorandum *'Cooperation, Customisation and Added Value'*.[23]

2.1.2   Objective and strategies

This policy memorandum elaborates that poor people living at the bottom of the social heap are toiling to earn low wages, have no savings, and find it difficult or even impossible to gain access to health care and education. They have more responsibilities than rights, and suffer frequent exploitation and discrimination. Poverty is often the result of a process of exclusion and any improvement will have to be wrested from existing power structures. The memorandum continues by stating that to tackle the problem of poverty at its root, it is essential to give voice to the bottom of society and to provide opportunities to men and women, whether they are small farmers, smallholders or landless labourers or street vendors. Development cooperation can only achieve sustainable results if those at the bottom of society can stand up for their legitimate rights and can gain access to economic resources, social services, political systems and financial institutions. According to the policy memorandum there is a long way to go to a more equitable and dignified existence.

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[22]   In this policy review, reference is frequently made to 'partnerships'. These can be defined as arrangements where parties agree to cooperate to advance their mutual interests. In the review, the term refers to the cooperation between DSCOs and SCSOs and between DCSOs and the ministry. The term 'alliance' basically has the same meaning, but in the context of MFS II, apart from advancing mutual interests, alliances were also formed to meet the requirements of the ministry. In this review, the term 'alliances' is reserved to refer to this type of cooperation.

[23]   MFA, 2009a. The sections to follow are largely based on this memorandum.

The memorandum looked ahead to the second phase of the MFS programme, that would start in 2011.

The policy memorandum phrased the main objective of MFS II as:
> 'To help build a strong and diverse civil society tailored to the local situation'.[24]

The memorandum expressed a wish to focus, more than before, on systematic social change that will benefit development.

The decision of the minister concerning the 'Policy Framework Dutch MFS II 2011-2015' confirmed the above-mentioned objective as follows:[25]
> 'To support poor countries and poor people in their efforts to create a better quality of life, to reduce their vulnerability and to create scope for self-betterment; in short, to provide structural scope for development. In this context, CSOs largely focus on strengthening a civil society that is diverse and geared to the local situation. Strong civil society in developing countries contributes to sustainable development.'

The selection criteria (5.2.2a-c) in the framework mention that the programme proposals must contribute to strengthening civil society in the South, that the objectives of the programme must follow logically from the contextual analysis and be in line with the applicant's vision and mission, and that the programme's strategy must derive logically from the objectives and assume ownership on the part of the target groups. Ownership is based on the premise that the approach has at least been drawn up in consultation with the target groups and that it ties in with the needs and wishes of those groups.[26]

Both the policy memorandum and the policy framework refer to three strategies for achieving the objective and state that they must be diverse and have the potential to be mutually reinforcing:

- promoting sustainable economic development and achieving direct poverty reduction geared to strengthening people's ability to be self-reliant;
- building civil society (including peace initiatives and conflict prevention) by strengthening pluralist, locally tailored democratic institutions and organisations with the aim of establishing a more equitable distribution of power;
- influencing policy by giving ordinary people a voice in order to bring about change in processes and structures that perpetuate poverty and inequality.

Although both the policy memorandum and the policy framework concern civil society and how to strengthen it, the documents do not elaborate on the concept of civil society, on how it should be understood and on which parts should be strengthened.[27] Nor is there a

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[24]   MFA, 2009a, p. 6.
[25]   MFA, 2009b. The next sections are largely based on this framework.
[26]   Ibid.
[27]   Interview with Pieter Marres, author of the policy memorandum *'Cooperation, Customisation and Added Value'* (2009), November 2016.

ToC mentioning assumptions about the relation between poverty reduction programmes (including the focus on MDGs) and CSD and between CD of SCSOs and CSD. The policy memorandum dwells on the possible roles and strategies of CSOs, and the policy framework indicates that various strategies could be applied to strengthen civil society. This gave MFS II organisations a great deal of freedom to formulate their own programmes, and it also created much space for different interpretations. As will be revealed later, this complicated the evaluation of the MFS II programme.

2.1.3   Restructuring support

In 2008, the minister was clear in his ambition to restructure the support provided through DCSOs in the context of MFS II. He stated in his policy memorandum that the challenge for development cooperation is to create links and to foster cooperation and synergy between the different channels of Dutch development assistance and that '*in doing so, the key consideration is how cooperation and streamlining can increase the effectiveness and impact of policy and reduce fragmentation of effort.*'[28]

The policy memorandum informs that broad consultation with CSOs, knowledge institutions and the private sector contributed to the development of a set of principles for adapting and strengthening the role of CSOs in both the North and the South. At their heart is the desire to achieve a greater focus on systematic social change in support of development, greater involvement among the general public in both the North and the South, customised solutions, more combined effort and more effective development cooperation. DCSOs need to align with one another and, to have a real impact, they need to pursue country-level programmes of genuine substance. Fragmentation and duplication of efforts should be prevented and there is a clear need for harmonisation and coordination. The aim is also to align programmes with local problems more closely, to give Southern partners more say and responsibilities, to focus more clearly on partner countries and to achieve more transparent accountability to all stakeholders. The key message is: do more (and better) with fewer resources.[29]

Many elements of this agenda to restructure the support for DCSOs referred to better management of development aid, whereas other elements concerned a more political approach and a different relation between North and South. As suggested by the minister, this agenda may have been shared by the DCSOs ('broad consultation'), but they also had agenda points of their own. These mainly concerned revisiting their roles and legitimacy as a result of changing policy contexts and reduced budgets. In chapter 5 it will be concluded that DSCOs are still searching for new strategies to meet these challenges.

The policy framework for MFS II emphasises that qualifying DCSOs should have strategic partnerships with SCSOs and must work efficiently and effectively to establish and strengthen civil society. The document limits the applicants to DCSOs, contrary to the policy

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[28]   MFA, 2009a, p. 3.
[29]   Ibid., pp. 19-24.

intentions to enhance the role of SCSOs as expressed in the policy memorandum *'Cooperation, Customisation and Added Value'*.

The framework further informs that compared to its predecessor programmes under MFS I, the MFS II programmes should be concentrated more in the 33 partner countries designated by Minister Koenders. This was to ensure that at least 60% of government development funds – not including those spent on worldwide programmes to influence policy and to strengthen the capacity of international networks – are spent in the partner countries. Within the non-partner country category, organisations were asked to concentrate on the Least Developed Countries.

The framework mentions nine thematic foci: sustainable economic development, HIV/AIDS, education, health care, human rights (including socioeconomic rights), democratisation, good governance, water and sanitation and sports and culture.

2.1.4 Changing contexts[30]

The Balkenende IV cabinet, responsible for the initial conceptualisation and tendering procedure for MFS II, resigned in early 2010. In late 2010, towards the end of the selection of the qualifying alliances, the new Rutte I cabinet announced its priorities for development cooperation in its letter *'Outline development cooperation policy'* (Basisbrief Ontwikkelingssamenwerking).[31]

Key elements in this letter are: a need to showcase results to maintain a support base in Dutch society for development cooperation, a reduction of the number of partner countries from 33 to 15 and of the number of thematic priorities (focus on food security and water), a shift from social to economic development and from aid to trade and investments, more attention for Dutch interests with more opportunities for Dutch companies. Poverty reduction and MDG achievement continued to be priorities. No more reference was made to structural social change, and the role of civil society in development processes was hardly mentioned. The budget for development cooperation was reduced from 0.8% of the Gross Domestic Product (GDP) to 0.7%. The budget for the coming years for civil society (MFS II) was reduced by 12.5%. On request of Parliament, this budget cut was later fixed at 11.2%.

[30] Most of the policies and changes in policies not only affected the MFS programme, but also the TUCP and SNV programmes.

[31] MFA, 2010b. Part of this section was already dealt with in section 1.2 'The complexity of the policy review', to explain how the policy shifts affected the programmes of MFS II organisations and how this complicated the evaluation of their effectiveness.

Box 1   *Policy priorities, 2007-2015*

Cabinet Balkenende IV (Minister Koenders) February 2007 - February 2010	Cabinet Rutte I (Minister Knapen[32]) October 2010 - November 2012	Cabinet Rutte II (Minister Ploumen) November 2012 - to date
• Tackle root causes of poverty. • CSOs focus on strengthening civil society in the South. • Restructuring of Dutch MFS II organisations; e.g. more cooperation, less fragmentation, more accountability and efficiency, focus on systematic social change and ownership of SCSOs.	• Showcase results. • Reduction of partner countries from 33 to 15. • Shift from social to economic development. • More attention for Dutch interests. • Focus on food security and water. • Reduction MFS II 11.2%.	• Focus on aid and trade. • Ending MFS subsidy. • Introduction of strategic partnerships with DCSOs. • Focus on L&A. • Reduction of ODA, budget cuts.

In the same letter, the cabinet announced that it would start discussions with DCSOs about the future of the civil society subsidy system and the role of Dutch organisations. The cabinet's position is that DCSOs should be less dependent on government funding and raise more funds from Dutch society as representatives of a vital Dutch civil society. The new Minister for Development Cooperation Knapen confirmed these policy intentions in his letter *'Spearheads of development cooperation policy'* (Focusbrief ontwikkelingssamenwerking) of 18 March 2011, elaborating on the spearheads and country selection in greater detail.[33] Strengthening civil society in developing countries, the original main objective of MFS II, was no longer mentioned explicitly. Instead, the focus shifted to other matters, such as supporting promoting the rule of law, creating labour opportunities, and preventing conflict.
The cabinet change thus demarcated a watershed for the DCSOs, both in terms of policy priorities and budget, with clear indications that funding to the DCSOs would drastically change.

The Rutte II cabinet, which took office in November 2012, focused on aid, trade and investments.[34] It acknowledged the important role of CSOs. For the period after MFS II, the introduction of strategic partnerships between the ministry and DCSOs with a focus on L&A was announced. A considerable reduction of the budget for Dutch civil society would be required.

Figure 3 illustrates the timeline of these development phases of MFS II and the subsequent policy changes. It indicates that the completion of the programmes of the 20 alliances took place under a different political constellation than that of its conception. It is not clear how the new policy priorities have impacted the final programme documents but it is likely that the DCSOs anticipated on these changes and started exploring new opportunities, revising their plans accordingly.

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[32] In the Netherlands, the designation of dr. Knapen was 'State Secretary'; abroad he was addressed as 'Minister'.
[33] MFA, 2011a.
[34] MFA, 2013b.

Figure 3   *Timeline MFS II*

November 2009 Submission MFS II proposals	**Late 2010** Annoucement 11.2% budget cut	**November 2010** Grantletters dispatched	**March 2011** Submission revised proposals
	November 2010 19 alliances selected	**January 2011** Start MFS II	Second revision proposals	**December 2015** End MFS II

February 2007	February 2010	October 2010	November 2012	November 2012	To date
Cabinet Balkenende IV **Minister Koenders**		**Cabinet Rutte I** **Minister Knapen**		**Cabinet Rutte II** **Minister Ploumen**	

2.2   Implementation

2.2.1   Features of the programme

43 DCSOs applied as alliance lead for an MFS II grant on 1 November 2009. Out of those 43, 23 passed the first phase and were invited to submit a full proposal before 1 July 2010. Based on their full proposals, 19 alliances were selected in the second phase by 1 November 2010.

These 19 alliances applied for a total amount of EUR 2.9 billion, 27% above the available budget of EUR 2.125 billion. As it was agreed that all qualifying alliances would receive a grant, the budgets of all proposals had to be reduced. Reduction rates were set based on the scores for the quality of the proposals. Next, the alliances had to tailor their proposals to the approved budgets. The grant letters were dispatched in November 2010. The alliances submitted their revised proposals in March 2011, tailored to the approved budgets.

The budget cut on MFS II of 11.2% as announced by the new cabinet Rutte I in late 2010, was effectuated with an addendum to the agreement dispatched on 1 November 2011.[35] The ministry granted a total amount of EUR 1.918 billion to 20 alliances.[36] Consequently, the alliances had to revise their programmes once more, including the number of countries. The amount finally committed was 52% of the total of the budgets originally requested in November 2009.

[35]   The alliances were informed about this reduction in a letter of 19 January 2011.

[36]   The Child and Development Alliance lead by Terre des Hommes was accepted as the twentieth alliance, after the organisation had registered a successful appeal against an initial rejection by the ministry. Because the alliance was accepted after the original budget had been divided among the 19 alliances, the original budget of EUR 1,885.0 billion, the final budget had to be increased by EUR 32.8 million, adding up to a total budget of EUR 1,917.8 billion.

The final MFS II budget was 13% lower than the MFS I budget of EUR 2.214 billion. It is expected that by the end of 2017 EUR 1.905 billion will have been spent by the MFS II organisations. Annex 2 provides an overview of the 20 alliances, their lead and participating members, and their MFS II grants.

The grant sizes varied between EUR 373.7 million for the Impact Alliance, led by Oxfam Novib to EUR 8.0 million for the Transition in the East Alliance (TEA), led by the Medisch Comité Nederland - Vietnam (MCNV). Mutual distribution of the budget varied considerably per alliance. Some alliances equally divided the budget among the partners. Division of the budget was particularly asymmetric in case one of the four former Co-Financing Organisations (CFOs) was the lead (Oxfam Novib: 95%, Hivos: 94%, Cordaid: 91% and the Interchurch Organisation for Development Cooperation (ICCO): 83%). These CFOs together received 65% of the total MFS II budget. This amount includes their share of the alliance of which they were the lead and their share of the other alliances in which they participated as a member. The ministry transferred EUR 1.882 billion to the 20 alliances in the period 2011-2015.

67 single DCSOs participated in MFS II with some participating in more than one alliance and/or in more than one programme.[37] The 20 alliances were thus implemented by 89 DCSOs, including the lead organisations. Some alliances had two partners, others six or seven. The alliances were formed in response to the ministry's request, as proposals would receive extra points if they were submitted by an alliance.[38] Some alliances were formed by organisations that already used to cooperate years before, other organisations searched for new partners. Some alliances were complex or had many partners, which resulted in less coherent proposals. Some smaller DCSOs expressed that established DCSOs were hesitant to involve them. For smaller DCSOs it was impossible to submit a proposal, because they could not reach the minimum budget of EUR 10 million for a period of five years.[39]

The 20 programme proposals show that MFS II was implemented in 100 countries.[40] There is no overview available of actual expenditure per country for the period 2011-2015. Figure 4 illustrates the budgets allocated to the top 10 countries in 2011: the largest budget of EUR 91 million was allocated to Uganda, and the smallest of EUR 43 million to Bolivia. The 2011 allocations to these 10 countries add up to 43% of the total budget of EUR 1.552 billion.

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[37] Free Press Unlimited participated in four alliances, Both Ends, Cordaid and ICCO in three alliances, with several other DCSOs participating in two alliances.
[38] Proposals would receive 15 points out of a total of 100 if they were submitted by an alliance.
[39] Source: internal memorandum DSO.
[40] Rijneveld, W. and L. Snoei, 2017, p. 3.

Figure 4   *Budget allocations per country (2011)*
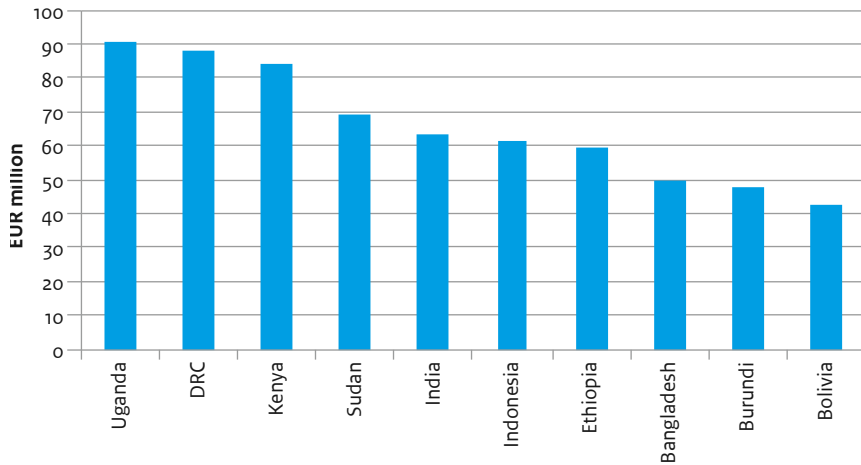
Source: DSO database.

The top ten tend to mirror general patterns of expenditures by the DCSOs, with a preference for some countries such as Uganda, Kenya, India and Indonesia. Allocations to some poor countries such as Mozambique and Yemen were smaller, with EUR 13.3 and EUR 4.9 million respectively.

Figure 5   *Number of active alliances per country*
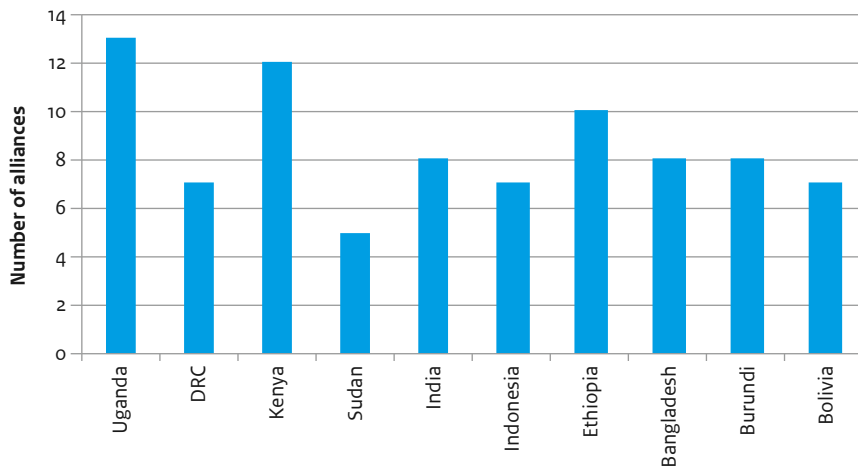
Source: DSO database.

Figure 5 illustrates the number of alliances active per country, and it shows a concentration of alliances in Uganda (13), Kenya (12) and Ethiopia (10).

According to the MFS II evaluation, the 20 alliances managed 241 country programmes. This number may have been considerably higher, as it happened that within one alliance the members ran their own programmes individually. The alliances led by the former CFOs managed half of the country programmes: Cordaid (27), ICCO (42), Hivos (27), Oxfam Novib (25). All four had programmes in Afghanistan, the DRC and Uganda. Three out of four had programmes in the same 12 countries in various compositions. These countries included Bolivia, India, Indonesia and Vietnam. Only the Impact Alliance lead by Oxfam Novib had programmes in Yemen and Mozambique.

The ministry had no influence on the allocations and the number of alliances present per country, as the alliances were free to make their own choices within the broad boundaries set by the ministry.

In some cases, the Dutch embassies called for meetings with alliances active in their respective countries. However, there are no indications that there was collaboration among the alliances at country level as envisaged in policy memorandum *‘Cooperation, Customisation and Added Value’*, for example in conducting common context analysis. Neither is it clear to what extent such collaboration has taken place within the alliances.

There is no overview available of actual expenditure per sector or theme for the period 2011-2015. Figure 6 shows the 2011 *allocations* per sector and theme. The figure includes all costs and strategies and adds up to the total MFS II budget.

Figure 6   *Budget allocations to sectors and themes (EUR million)*
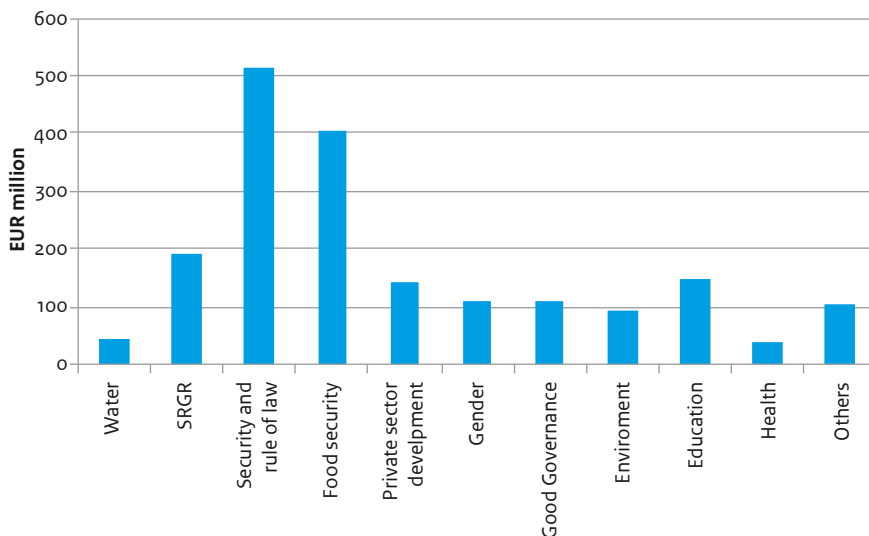
Source: DSO database.

It shows that 'Security and rule of law' had the biggest allocation, with more than EUR 500 million or approximately 25% of the entire MFS II budget. The biggest allocation under this heading was made by the Communities of Change Alliance (lead: Cordaid) with EUR 254.4 million, 50% of the alliance's budget. This alliance's programmes were formulated broadly and included achievement of the MDGs related to income, education and Sexual and Reproductive Health and Rights (SRHR)/health, CSD and L&A.

The allocation to 'Food security' added up to EUR 400 million, with the Impact Alliance (lead: Oxfam Novib) (EUR 154.5 million) and the Hivos alliance (EUR 101.1 million) as the main contributors.

There is no information available on the division of the MFS II budget according to its four strategies, i.e. support for MDGs, CD, CSD and ILA.

In 2010, the alliances proposals often did not include the type of country analysis as intended in the ministry's policy documents. This was mainly due to the large number of countries in which many alliances planned to be active and the short period by which the final programme proposals had to be submitted.[41] The technical papers attached to the country reports of the MFS II suggest that many of the evaluated projects are rather generic and seem interchangeable, regardless of the context in which they are implemented, with strategies loosely related to addressing the root causes of poverty. Many analyses seem to suggest that projects justify intervention choices because they satisfy real immediate needs, often without considering their contribution to systematic social change, as originally meant by Minister Koenders.

2.2.2   Analysis

Alliances were formed at the request of the ministry. However, cooperation among alliances at country level was limited and joint country analyses were rare. Many proposals suggest that the intervention strategies were only loosely related to the goal of systematic social change. All this indicates that important elements of the ministry's agenda to restructure the support for DCSOs were not realised. This was caused by the freedom the ministry granted DCSOs to make their own choices. While this was a deliberate choice from the start, it did not benefit efficiency, nor did it reduce fragmentation. By eventually selecting 67 CSOs to implement at least 241 programmes in 100 countries, the ministry rather added to the existing fragmentation. In hindsight, it might have been wiser to limit the choices, e.g. concerning the number of DCSOs involved, the presence and budget allocations in countries and the number of programmes. The ministry might also have insisted on better cooperation, more thorough country analyses and linking of the interventions to the end goal. At the same time, DCSOs themselves might have been more proactive in this respect, e.g. by reducing fragmentation and improving cooperation, analysis and strategy formulation.

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41   However, there are positive exceptions of DCSOs making extensive country/context analyses. Sometimes embassies use such analyses for their own strategy formulation. Information To Tjoelker, head Social Development Department/Civil Society Organisations (DSO/MO), 5 December 2016.

2.3 Introduction to the MFS II, the ILA and the TEA alliance evaluations

2.3.1 The design

The joint evaluation of MFS II carried out in 2014 by the NWO/WOTRO under responsibility of the MFS II alliances was conducted in two separate efforts: one was the evaluation of MFS II support provided to realising the MDGs and the themes of fragile states and good governance, CD and strengthening civil society.[42] The second evaluation concerns MFS II support for ILA.[43] This chapter draws on the evidence in both reports.

According to the synthesis report:

> *'The aim of MFS II is to contribute to building and strengthening civil society in the global South, as a foundation for structural poverty reduction.' The MFS II synthesis report continues that 'The evaluation took place in the context of a debate on the effectiveness of development aid and amid large cuts in the Dutch budget for development cooperation. Simultaneously, discussion was and is taking place on the role of civil society in development cooperation, and on which stance the Dutch government should take vis-à-vis CSOs. In response, the MFA has developed a new grant framework to support civil society in developing countries, focusing on L&A in a broad sense.'*

The MFS II synthesis report says that the evaluation was ambitious, aimed at using the most rigorous evaluation methods, and that it covered a very large sample of MFS II-supported activities: almost 200 projects in eight developing countries, pursuing a very wide range of objectives. It continues that *'this made the MFS II evaluation a colossal and very complicated operation with an extremely heterogeneous sample, across many dimensions'.* Changes over time were measured for each project: Baseline information was collected in 2012 and end-line data in 2014.
The MFS II evaluation assessed distinctively how effective MFS II support was in: (1) realising the MDGs and the themes 'good governance' and 'fragile states', (2) the CD of SCSOs, and (3) strengthening civil society.

Table 3 provides an overview of the number of evaluated projects per country at the end-line.

[42]   SGE/NWO, 2015a, p. 12.
[43]   SGE/NWO, 2015b.

Table 3	Number of evaluated projects by country and component[44]		
Country	**MDGs & Themes**	**CD**	**CSD**
Bangladesh	-*	5	16
DRC	5	5	19
Ethiopia	13	9	9
India	10	10	10
Indonesia	12	12	10
Liberia	2	5	-**
Pakistan	3	4	7
Uganda	8	8	8
Total ***	**53** (59)	**58** (60)	**79** ****(109)

*   The MDG evaluations in Bangladesh were not accepted due to low quality of the report.
**   The CSD evaluation Liberia was postponed due to the Ebola outbreak.
***   () = number of projects in baseline.
****   The big difference between baseline and end-line for CSD is mainly explained by the fact that in Uganda only eight projects were actually evaluated, instead of 25, for various reasons.

As the sample was randomly drawn, the projects selected reflect the budgets received by single DSCOs. As a consequence, the sample represents the large share of the budget that was made available to the former four CFOs, and to a limited extent illustrates the projects implemented by the DCSOs that received only a small budget. The policy review does not compare the effectiveness of individual DCSOs.

The TEA alliance preferred not to participate in the MFS II evaluation and decided to conduct its own evaluation, carried out by independent consultants.[45] In view of the small share of the TEA alliance in the total MFS II budget, this evaluation was not included in our analysis.

2.3.2   Analysis
The MFS II organisations deserve credits for undertaking this complex evaluation. It was a unique endeavour in terms of both scope and ambition for rigorousness. This was all made possible by their deliberate decision to carry out a joint evaluation and to organise it in such a way that it would be impartial and conducted professionally, using all the available expertise. The synthesis report reflects its uniqueness by the rich information it provides about the effectiveness of the MFS II subsidy. The report also demonstrates the challenging nature of conceptualising and conducting an evaluation over such a relatively short time span that would do justice to the specific characteristics of MFS II. Thus, the report is also explicit about the limitations encountered during the evaluation.

[44]   SGE/NWO, 2015a, p. 101.
[45]   Carnegie Consult, 2015.

At the time, IOB itself contributed to the design of the NWO/WOTRO evaluation of MFS II by pointing out several methodological requirements that should be met. Some MFS II organisations went along with IOB's insistence on also using a quantitative evaluation approach to be able to demonstrate results. Others considered this too complex, demanding and difficult.[46] The ministry on its part stressed the need for accountability and focused more on its own evaluation criteria and goals than on those of the alliances and their Southern partners. Overall, initial attention to learning was limited.[47]

The ministry formulated several evaluation requirements after the alliances had submitted their proposals: representative samples of at least 75% of the funded activities, a focus on goal attainment, relevance, efficiency and effectiveness, uniform and measurable indicators, a baseline study and attribution of impacts to funded activities. These requirements triggered the joint evaluation, enabling sharing of expertise and costs, comparison and learning. Thus, although the design of the MFS II evaluation emphasised accountability and quantitative analysis and reporting, during the evaluation process itself the alliances paid much attention to mutual learning. To that end, specific learning events were organised, e.g. by Partos, the Dutch sector association for development cooperation.[48]

The alliances and the ministry devoted much time to the question of how to meet the evaluation requirements. In 2014, many respondents criticised their late publication, the sampling procedures, the lack of focus on the result areas of DCSOs, the difficulties involved in baseline studies, the need to compare results with control groups, the high coverage and the call for uniform indicators. The use of the Civicus indicators and the European Centre for Development Policy Management's (ECDPM) so-called five capabilities (5C) framework[49] as proposed by the Social Development Department (DSO) of the ministry was considered unfit by the alliances, because these would not allow for diversity and flexibility.[50] According to one respondent, the requirements also contributed to the confusion about the definitions of civil society and CSD, thus negatively affecting the overall efficiency of the programme.[51]

On its part, IOB agreed that ideally, the requirements ought to have been formulated at a much earlier stage to allow for investing in mutual trust building and for measuring effectiveness more optimally. Nor was it in favour of using the 5C framework and the Civicus indicators.[52]

In the end, due to the complexity of the joint evaluations and of organising the baseline studies, the first baseline assessments did not take place in early 2011, as intended, but only in 2012, i.e. in the second year of the implementation of MFS II. This was not an ideal

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[46] Interview with Ruerd Ruben, former director of IOB, 7 December 2016, and Alexander Kohnstamm, former director of Partos, 6 December 2016.

[47] Meer, F-B. van der and M. Kort, 2014. They carried out a mid-term assessment of the MFS II evaluation process.

[48] Information from Bart Romijn, director of Partos, 20 February 2017.

[49] See section 2.5.2 for a clarification of the 5C model.

[50] Interview with Alexander Kohnstamm, former director of Partos, 6 December 2016. The Civicus indicators and the ECDPM 5C framework were also included in the monitoring protocol.

[51] Written comments by Bart Romijn, director of Partos, 5 December 2016.

[52] Interview with Ruerd Ruben, former director of IOB, 7 December 2016.

situation and the implementation of the final assessment in 2014, determined in consultation with the ministry, was too close to the baseline assessment.

Thus, not only the complexity and diversity of the evaluations created problems, but also the fact that their design had to be developed during the actual evaluation process. Finally, an assessment of the MFS II evaluation process by Van der Meer and Kort concluded that the shaping role of the ministry may have reduced the commitment and sense of ownership of the alliances, but that the proactive role of the ministry ('initiating and guiding') in the early stage of the evaluation process had on the other hand speeded up the set-up of the evaluations.

In the sections '*Analysis*' of paragraphs 2.4 through 2.7, the most important issues following from the findings are discussed. These analyses provide input for the '*Conclusions*' presented at the end of this chapter.

2.4   Strategy I: MDGs and themes

2.4.1   Findings
The MDG sample consists of 53 projects. Annex 3 gives an overview of all 53 evaluated projects with their basic information and their scores.

The effectiveness of MFS II support is determined by the extent to which supported projects have achieved their objectives and to which this can be attributed to MFS II support. Both 'objectives achieved' and 'attribution' were scored by the MFS II evaluation on a scale from 1 (lowest) to 10 (highest).

The MFS II synthesis report concluded that:
> '*Many of the MDG findings are quite positive: the 53 projects scored quite well in terms of project design, implementation, relevance and efficiency. Clearly, DCSOs and their Southern partners know what they are doing and, by and large, they are doing it well.*'[53]

The synthesis report calculates an average score of 5.9 for 'objectives achieved'. Where low scores were reported, the MFS II synthesis team sees some obvious explanations, as the low-scoring projects are concentrated in the DRC, Ethiopia and Liberia. The DRC still suffers from civil strife and violence. In Ethiopia pockets of violence exist, including terrorist attacks in Kenya and subsequent retributions by the Kenyan and Ethiopian armies:
> '*Clearly, it is difficult to get things done in countries that suffer from civil strife and violence. In fact, it is quite remarkable that some of the projects in those two countries achieved positive results at all. The same is true for Liberia, which was hit by an Ebola epidemic during the evaluation period. Leaving out those three countries, the mean for the important score for objectives achieved was 6.4, a very satisfactory result. In view of the methods used, the synthesis team finds the results produced by the country teams highly credible.*'[54]

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[53]   SGE/NWO, 2015a, p. viii.

[54]   Ibid.

According to the synthesis report, levels of effectiveness vary considerably across countries. Projects in India, Indonesia and Pakistan substantially contributed to the average score for effectiveness. A majority of projects in Ethiopia and DRC scored low; in Liberia, the results were mixed.

MDG1 projects (eradicate extreme poverty and hunger) strongly contributed to the effectiveness of MFS II. Projects under MDG 7 a, b, c (sustainable development, environment and, water & sanitation) had a poor level of effectiveness, whereas the theme of good governance and MDG 4, 5, 6 (reduce child mortality rates, improve maternal health, fight HIV/AIDS, malaria, and other diseases) had the highest average effectiveness. Projects under MDG1 and MDG 4,5,6 made major contributions to effectiveness regarding gender. Of the 53 projects, 18 in some way referred to women or girls in their objectives.[55]

Five of the projects that focus on one or more MDGs also address fragile states. Some of these overlap in both categories. Not surprisingly, three of the projects related to fragile states are in the DRC and two are in Liberia. They range from women empowerment projects and improvements in the agricultural value chain to community development and improvements in the business environment. The MFS II evaluation concludes that:

'Unfortunately, the evaluation results of these fragile state components by and large fail to show positive results. For instance, it could be reasonably argued that improving the value chain for agricultural products may over time improve livelihoods, and thus contribute to a more stable environment. But the potential impact of such an approach is no match for the magnitude of the problems caused by violence and civil war.'[56]

Of the five projects listed under fragile states, only one reported an MDG impact.

The Wetlands International Indonesia Programme (WIIP) (see Box 2) is an example of a programme that scored excellent on objectives achieved and satisfactory on attribution.

Box 2   *Case Wetlands International Indonesia Programme*

The poor province of Nusa Tenggara Timur has a dry ecosystem and is prone to natural hazards, such as landslides, floods, earthquakes, tsunamis, drought and cyclones. Communities living closely to dense mangrove forests were often spared, thanks to the mangrove. Mangrove reforestation could thus reduce hazard-related environmental risks and economic problems.

With its bio-rights approach, WIIP's project 'Climate-Proof Disaster Risk Reduction' encourages community groups to restore coastal ecosystems through awareness raising. WIIP works with the MFS II alliance 'Partners for Resilience', local Non-Governmental Organisations (NGOs), Community-Based Organisations (CBO) and the local government. Project implementation took place in the period 2011- 2015.

[55]   Ibid., pp. 17-38.
[56]   Ibid., pp. 35-36.

The direct beneficiaries were 194 households, the indirect beneficiaries the population in the project area. The evaluation found clear evidence that the project was successful in mobilising communities to replant mangrove forests. The planting of mangrove also resulted in additional income for villagers. However, no evidence was found that the project had a lasting livelihood impact on the villagers. At village level, the project had some impact at disaster risk preparedness. Alert teams were set up in every project village, and village regulations on natural resource extraction and land use now take natural hazards into account. At household level, some impact was found on disaster preparedness and awareness for bio-rights group members. Other households in the villages did not improve their disaster preparedness.

The MFS II evaluation finds the lack of impact on good governance or fragile states by MDG-focused projects less surprising:

> '*The relatively small-scale activities of many of the projects in, for instance, the DRC or Ethiopia are no match for the magnitude of the governance and security problems that plague those states. It is probably better to simply not pretend that these, most often very relevant and successful projects, also contribute to these larger goals.*'[57]

The innovative Water, Sanitation and Hygiene (WaSH) Horn of Africa Regional Environment Centre and Network (HoA-REC/N) programme in Ethiopia (Box 3) is an example of a project with a very low score for effectiveness. The evaluators did not find improvements to access and use of safe water, sanitation services and hygiene practices that could be attributed to the project. Some improvements occurred in control villages as well and can therefore not be interpreted as project impact.

Box 3   *Case Innovative WaSH HoA-REC/N programme, Ethiopia*

The project's objective was to reduce poverty and to improve health by empowe-ring people through increased access to and use of safe water, sanitation services, and improved hygiene practices for women and marginalised groups. Targeted beneficiaries were about 4000 households or 20.000 people, living in 26 small villages. The project was stopped in 2013, when the implementing organisation had to address the lack of access to water for domestic use and irrigation in another area. The evaluators did not find evidence that the project had increased the access to and use of safe water, sanitation services and improved hygiene practices. It did find a decrease in the incidence of diarrhea, the number of months without sufficient food, and the distance to and queuing at water sources, but these changes happened in the control villages as well. Similarly, the data in the control villages show an increase in the incidence of hand washing, the use of closed clean water containers and traditional private and public latrines. Hence, the study findings must be interpreted as a general trend and not as a project impact.

[57]   Ibid., p. viii.

End-line data were collected more than one year before the termination of the project. The provision of trainings, the establishment of WASH committees and multi-stakeholder structures in the first two years may provide a basis for reaching impact in the final project year, or even after the project ends. However, the MFS II evaluation states that 'these negative findings suggest total failure' and finds that the timing of the end-line cannot be taken as an adequate explanation, since no effect can be seen after two years.

Based on a correlation study, the MFS II synthesis report found that without exception projects with a longer duration (54 months or more) receive the highest scores. According to the report this is not surprising, because many of the projects focus on issues that, by their very nature, are difficult to solve quickly. In addition, many are being implemented in very difficult environments. It takes time to get results. Also, in many cases the organisation that needs to implement these projects needs to expand, recruit and train staff and procure equipment. With funding assured over longer periods of time, implementing agencies can learn and correct mistakes in design and implementing strategies. The synthesis report also explains a pattern that budget size matters, with projects budgeted for EUR 1 million or more receiving the highest scores. However, IOB notes that budget size by itself may not necessarily be a reliable indicator of success, as some of the projects scoring 'poor' also had substantial budgets.

The MFS II synthesis report explains that the following constrains affected the evaluation of the MDG projects as reflected in the scores for attribution:

- the period of two years between the baseline and end-line was too short to assume that MDG and good governance results could have been achieved;
- many of the projects in the sample had started well before the 2012 baseline survey and some of the projects had already ended before the 2014 survey;
- in some cases, the sample size was too small;
- in some cases, finding control groups that were not affected by support (spill over) was not possible;
- in some cases, tracing respondents during the end-line research who participated in the baseline was impossible (attrition).

The main explanation for these problems is that the projects were selected randomly, that they were not necessarily suitable for rigorous evaluation and that the evaluation period was too short to reflect realities on the ground. On a more general note, the synthesis report also observes that some country study teams were, on average, more generous with their assessments and scores than others. Despite these constraints, however, the synthesis team judged the results produced by the country teams to be highly credible.

2.4.2   Analysis

Effectiveness

The MFS II evaluation is rather ambitious in its efforts to provide insights as accurately as possible while giving scores in decimals for 'objectives achieved'. Scores for the soundness of the conduct of evaluations are labelled as 'attribution scores' and are also scored in decimals. 15 out of 53 projects score below a 6 for attribution, confirming some serious problems in the conduct of the evaluation as explained by the synthesis team. As a result, the impression may occur that the overall score for effectiveness suggests levels of accuracy that may not in all cases be warranted.

What follows is IOB's own interpretation and assessment of the MFS II synthesis report concerning the MDG and good governance results, the eight country reports and the technical papers that were attached to the eight country reports.

IOB subdivides the scores for 'objectives achieved' of the 53 evaluated MDG projects on a scale from 1 to 10. The scale is based on their level of effectiveness as scored in detail by the MFS II evaluation, with a certain bandwidth: 10-8, 7-6, 5-4 and 3-1.[58] Such scores can also be characterised qualitatively to illustrate the nature of the achievements. IOB used the common concepts for this purpose: excellent, satisfactory, unsatisfactory and poor (see Table 4).

Table 4 Levels of effectiveness of MDGs and themes	
Concepts used	**Bandwidth of scores**
Excellent	10 - 8
Satisfactory	7 - 6
Unsatisfactory	5 - 4
Poor	3 - 1

Figure 7 illustrates that with this scoring method, 68% (36) of the 53 evaluated projects score positive on effectiveness in reaching their MDG objectives, varying from 45% satisfactory (24) to 23% excellent (12). 32% of the projects (17) score negative, varying from 17% unsatisfactory (9) to 15% poor (8).

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[58]   In reality, the MFS II evaluation could not confidently attribute results for 15 of these 53 projects to MFS II due to methodological problems indicated by a low 'attribution score'. However, these 15 'unknown' projects are distributed more or less equally across the four levels of effectiveness. In many cases, the technical papers of these projects provide sufficient circumstantial evidence to assume that the scores for 'objectives achieved' give a fair impression of the attribution. For these reasons, IOB accepts these scores for 'objectives achieved' as they were given by the MFS II evaluation team, and incorporates them in the analysis of effectiveness of MFS II support.

Figure 7   *Levels of effectiveness across sample (n=53)*
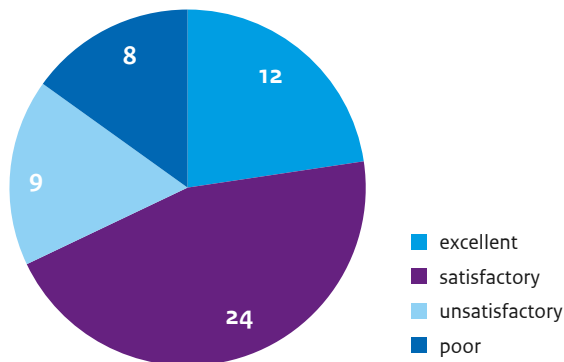
Sustainability

The MFS II evaluation did not systematically address the question of the sustainability of the results achieved, as most MDG results were established when the projects were still ongoing. Indicators for sustainability would have been:

- Beneficiaries have internalised behavioural changes in such a way that external factors will not easily disturb continuation of their behaviour.
- Supported communities were ready to stand up for their legitimate rights or gained access to economic resources, social services, political systems and financial institutions beyond project support, the objective of MFS II.
- Government agencies or the private sector successfully are taking over service delivery responsibilities of the SCSO.
- Ending MFS II support is justified because other donors have taken over.

However, convincing information on such issues and consequently on the sustainability of the changes in the living conditions of the beneficiaries was not collected. Therefore, no hard conclusions on sustainability can be drawn, although justified concerns about continuation of service delivery by many SCSOs after the conclusion of MFS II suggest risks for lasting improved living conditions of poor people.

Explanations for levels of effectiveness

One of the five central evaluation questions in the MFS II evaluation concerns the factors that explain the levels of effectiveness of MFS II support. Unfortunately, for the MDGs this question was not systematically answered in the technical papers. The consequence was that context-specific and institutional explanations often remained undiscussed, except for the remarks made in section 2.4.1 about the situation of civil strife and violence in the DRC and Ethiopia and about the Ebola epidemic in Liberia.

2.5   Strategy II: Capacity development

2.5.1   Findings

The sample of 58 projects was randomly drawn and gives a cross-section of the CD support provided by the DCSOs. Almost all SCSOs received CD support from the DCSOs in addition to financial support. The total value of the CD support is unknown, as expenditure for CD support was not separately monitored. The support provided was often intended to strengthen the SCSOs' organisation as a whole and was thus not limited to the project supported by the DCSO. The MFS II evaluation regarding CD assesses changes in the organisation of Southern partners and attempts to relate these changes to the MFS II support provided by the DCSOs. The capabilities defined for the CD evaluation stem from the 5C model developed by ECDPM.[59] These form the basis for assessing the impact of MFS II on the capacity of Southern Partner Organisations (SPOs). Characteristic for the MFS II evaluation approach was that all SCSO were evaluated based on the same set of indicators and with a scoring of 0-5 at baseline and end-line to be able to accumulate the evaluation findings. Most of the time, CD support was not part of the project plans and as a result often had an ad hoc character. There were no overviews available of budgets for CD support.

The MFS II synthesis report concluded:

> 'The findings for CD activities are rather mixed. The results in India are generally positive, and in some cases substantial. Furthermore, there is clear indication that these positive results are directly linked to MFS II-supported efforts. The results in the DRC are limited, or even negative. In the absence of a formal counterfactual this finding may be too negative: it is possible that outcomes would have deteriorated even further without MFS II-supported activities. In Ethiopia scores were high to begin with and even showed substantial improvements over the two-year evaluation period. New leadership of some of the projects appeared to have played a major role. The results for Liberia are modest at best. For Pakistan, considerable improvements are recorded, but the evaluation is rather superficial and no clear explanation for these results is given in the country report.'[60]

> 'These findings may reflect the methodology, which leaves considerable room for subjective scores, especially if the scores basically come from SPO staff members themselves. Fortunately ….. the detailed process tracing which was used for some aspects of the evaluation was in some cases done extremely well, leading to convincing answers to the attribution question.'[61]

The MFS II evaluation also concluded that:

> 'For projects where both CD and MDG objectives were evaluated, there is little evidence that projects that aim to improve the capacities of SCSOs succeed in making those organisations more successful in addressing the MDGs that they are supposed to focus on. …. this may just be a case of overreach: CD takes time, and to translate increased capacities into better MDG outcomes takes even more time.

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[59] Capability to adapt and self-renew; capability to act and commit; capability to deliver on development objectives; capability to relate to external stakeholders; capability to achieve coherence. See Keijzer et al. (2011) for an explanation of the 5C framework. The document can be accessed at *www.ecdpm.org/5Cs.*

[60] SGE/NWO, 2015a, pp. viii-ix, 91.

[61] Ibid., p. ix.

Obviously, it may be hard to detect results during a two-year evaluation period. Still, the lack of results does raise the question: why focus on capacity building in the first place?'[62]

The India evaluation reports that MFS II supported CD activities that contributed to strengthening the organisational capabilities of the SCSOs, but also that correlations between the capability scores and the MDG scoring are usually low or negative, suggesting a remarkable disconnect. For the synthesis team, one of the main findings of the evaluation is that the two core capabilities 'to act and commit' and 'to adapt and self-renew' are simply irrelevant for ensuring that projects are designed well and implemented as intended and for achieving their objectives.[63]

CD results almost always had multiple causes. The MFS II evaluation informs that the causal stories developed during the workshops it organised, made clear that many of the changes had nothing to do with MFS II support. Nevertheless, in other cases improvements had clearly been triggered by MFS II activities: training activities, a change in leadership induced by donor action, instruction in financial management, planning workshops, or insistence by the donor that a clear strategic vision should be developed. The MFS II report continues that a very valuable outcome of this evaluation is that these changes and their relative importance are now clearly documented.[64]

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It emerges from the technical papers that much CD support is targeted at: writing proposals, financial administration, PME, reporting and resource mobilisation. Some DCSOs provided this type of support to help the SCSOs diversify their donors in anticipation of the ending of Dutch support after MFS II. Other CD support concerned thematic support such as: improved staff competences to deliver SRHR services, improved capacity to respond to child protection issues or improved capacity for human rights-based monitoring in the criminal justice sector. In several cases support was provided to retain and motivate staff. Most of the CD support came in the form of trainings and workshops for which the DCSOs contracted consultants or trainers.

The Enhanced Child Focused Activities (ECFA) programme in Ethiopia (Box 4) illustrates changes in the organisation, and how MFS II CD support has contributed to the changes.

Box 4   *Case Enhanced Child Focused Activities programme, Ethiopia*

ECFA is a coalition of NGOs and government organisations. It acts as alternative organ for monitoring the implementation of programmes on child rights.
Child Helpline International (CHI) provided MFS II support. There are several other donors. ECFA 's strategy includes: networking, protection, child participation, access to information. The CSO law forced ECFA to abandon its advocacy work.

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[62]   Ibid., p. viii.
[63]   Ibid., pp. 63-64.
[64]   Ibid., p. 76.

The evaluation applied process tracing to obtain detailed information about organisational capacity changes that were possibly related to MFS II CD interventions. For ECFA, these changes focused on improvement of fundraising capacity, capacity to respond to child protection issues and capacity to implement M&E.

To a large extent, ECFA's improved fundraising capacity can be attributed to MFS II supported CD interventions concerning e.g. data management, reporting, resource mobilisation and formulation of funding proposals. The reasons for change included shifting donor requirements and the precarious funding situation of ECFA, which triggered the organisation to develop a policy on how to diversify its funds.

Improved capacity to respond to child protection issues can mostly be attributed to MFS II supported CD interventions such as training, coaching and mentoring of staff, consultation meetings, a conference on child rights and learning visits. To a large extent, improved M&E capacity can also be attributed to MFS II supported CD interventions, through M&E training, a capacity base-line assessment and the provision of infrastructure and training for a digitalised data management system.

The MFS II evaluation mentions that DCSOs select stronger partners to avoid risks of not achieving results and that they invest less in CD of their partners.

As a surprising finding, the MFS II evaluation mentions that in many cases the end, or even the announcement of the end of donor funding had a very healthy effect on SCSO organisational capacity. Evidence for this was seen in many of the technical papers. According to the MFS II evaluation, this may imply that donors should either limit the length of their involvement in SCSOs or make sure that SCSOs do not heavily rely on one single donor.

For future evaluations, the MFS II evaluation report raises the question whether the assessment of organisational capacity should be considered as important by itself, or as instrumental. In the latter case, capabilities are relevant only to the extent that they enable SCSOs to achieve their objectives. This connection is by no means self-evident. For example, in one Ethiopian case, a SCSO had quite good scores for its capacity in the baseline evaluation and it realised improvements in the following two years. Nevertheless, it failed to achieve much in terms of MDG contributions. According to the MFS II evaluation, such a disconnect between organisational capacity improvements and project results raises questions such as whether organisational capacity is measured correctly or to what extent changes in organisational capacity are actually relevant for achieving specific project results. In the same vain, the MFS II evaluation raises the pertinent question of why CD of SCSOs should be supported if the link between their organisational capacity and the delivery of their outcomes on the ground is, at best, tenuous.[65]

[65]   Ibid., pp. 76, 84.

2.5.2   Analysis

In this section, IOB raises some issues regarding the MFS II evaluation of CD which deserve attention:

- the 5C framework;
- capacity for what?;
- limitations to correlate CD to changes in outcomes;
- donor dependency of SCSOs;
- professional CD support.

The 5C framework

The MFS II organisations reluctantly decided to apply the 5C framework that was also part of the monitoring guidelines for the joint evaluation. Although they were not in favour of doing so, they accepted it as part of the subsidy agreement. At the time, IOB also expressed doubts, suggesting the framework was too rigid to accommodate the diversity of DCSOs' and SCSOs' objectives and working contexts. Since these indicators had to be used for monitoring anyway, it was logical to use the information collected for evaluation purposes as well. Characteristic for the MFS II evaluation approach was that all SCSOs were evaluated based on the same set of indicators and with a scoring of 0-5 at baseline and end-line to accumulate evaluation findings.

Figure 8 illustrates the 5C framework in which Southern organisations take up a central position.[66] They are regarded as open systems with permeable boundaries that operate in, and adapt to, complex situations. The organisations are embedded in wider systems that transcend geographical boundaries (local, national and global) and are thus influenced by, and respond to, a range of contextual factors at the international, national and local levels. This approach offers an opportunity to take an endogenous view of capacity (the way organisations take on responsibility for this themselves) rather than merely look at what outsiders can do to promote it. The framework is based on the assumption that every organisation needs basic capabilities – the 5Cs – to achieve its development goals. Those five core capabilities are closely related and overlap; together they are supposed to contribute to an organisation's capacity to achieve its objectives in bringing about social change. In the figure, the arrow from 'Output' pointing back to the organisation therefore stops at the system boundary and is not directly connected to the core capability to deliver on development objectives.

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[66]   The following section is largely based on IOB, 2011.

Figure 8   *The 5C framework[67]*
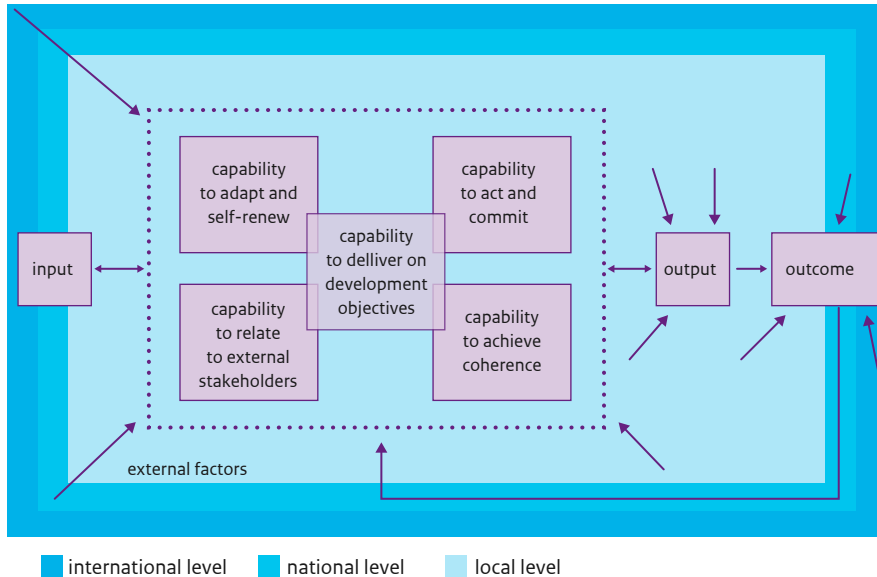
Source: IOB, 2011.

Capacity for what?

Except for a few cases, the technical papers about CD of the MFS II evaluation do not explain that the capacity elements that received support were critical for achieving the organisation's objectives. Thus, the crucial question *CD for what?* remained largely unanswered. This finding is not surprising. In its evaluation of the effectiveness of Dutch support for CD of 2011, IOB already reported that the MFS II proposals lacked a ToC for CD, and were unclear about the Southern partners' outcome statements. No DCSO commented on how its interventions would contribute to the SCSOs' outcome statements. This raises question about the extent to which the proposals were designed to be supportive of endogenous CD.[68]

In section 2.5.1, it was reported that much CD support focused on internal processes in terms of meeting donor's requirements, but that the question to what extent changes in organisations' capacity are relevant for achieving specific project results had only partially been addressed. Admittedly, strengthening the organisational capacities of SCSOs has an intrinsic value as well. It may contribute to improving the legitimacy of the organisations within civil society and it may help them become more financially independent. Eventually, stronger SCSOs may have better opportunities to achieve results than weaker ones. Nevertheless, although the support provided and the developed capacity may have contributed to improving the SCSOs' position and performance, information is lacking on

[67]   IOB, 2011, p. 14.
[68]   Ibid., pp. 61-62.

how much DCSOs' support has contributed to strengthening their capabilities to better support CSD.

The above essentially concerns the question of what the ambition of Dutch CD support is. If one takes the position that the capacity issue basically reflects the question of how SCSO are to stay relevant under changing conditions, this would imply emphasis on learning, the capacity to adapt and renew, et cetera. The MFS II evaluation provides little evidence that this ambition was pursued by the DCSOs.

Limitations to correlate CD to addressing the MDGs

The MFS II synthesis report was rather critical about the correlation between CD and the results of MDG projects. The synthesis team observed that CD takes time and that better MDG outcomes due to improved capacity take even more time. The time lapse of two years between the start of CD support and the measurement of MDG outcomes was too short to assume that changes in organisational capacity have permeated into changes in outcomes. There are, however, two reasons why these observations insufficiently explain the lack of better outcomes. Firstly, support provided by the DCSOs mostly concerned strengthening the SCSOs' internal organisation rather than their capability to achieve development objectives. Secondly, external factors may have interfered in the relation between organisational capacity and development outcomes. As these factors were not studied in the MFS II evaluation, it is uncertain to what extent improvements in the SCSOs' organisational capacities did or did not contribute to achievement of their objectives.

Donor dependency of SCSOs

The finding that most SCSOs entirely depend on donor funding is not new. In its evaluation *'Facilitating resourcefulness'* (2011) IOB found that the provision of core or institutional funding was crucial for SCSOs and that they attach great importance to their ability to relate to donors in the light of their dependency on donor funding. Another conclusion was that SCSOs' dependency on donor funding put their social and political legitimacy at risk. Firstly, they tend to accommodate the priorities of their donors more than they engage themselves with their target groups and build their programmes on the needs of those groups. Secondly, they are easily blamed for promoting foreign agenda's. This is particularly the case when environments become more restrictive. Since this IOB evaluation report was published, several other research reports have confirmed these findings.[69]

Donor dependency now recurs in all country reports because of the termination of MFS II and the fact that prospects of continued Dutch funding have become limited, due to budget cuts and other policy priorities. The response of the DCSOs is to help their Southern partners develop capacity to find alternative donor funding. This is important indeed, and it may solve the problem in the short term. However, it does not solve the fundamental problem that most SCSO lack a domestic base to support their future existence. Most DCSOs

[69]   E.g.: Act Alliance, 2011; C. van der Borgh and C. Terwindt, 2012; IOB, 2015; A. Claessen and P. de Lange, 2016.

have no exit strategy and their support for mobilising local resources may not be sufficient. Therefore, this situation may worsen to become a chronic condition.[70]

Another factor impeding the opportunities of SCSOs to find local donors is that some DCSOs established offices in developing countries which started to compete with SCSOs over local donor funding and implement their own programmes. This leads to situations in which the position of SCSOs is undermined by the funding strategy of DCSOs. It should be added that local offices of DCSOs also yield some advantages for both DCSOs and SCSOs, such as: closer relations between Northern and Southern partners, a more prominent role for DCSOs in advising local SCSOs and better understanding of DCSOs of the local context.

Professional CD support
CD can be self-sustaining only if it is anchored in endogenous processes. Those processes require that SCSOs define their identity and position in society, their contribution to social change and their strategies for strengthening their organisations.[71] From this perspective, providing CD support depends on a relationship of trust and mutuality between SCSOs and DCSOs. In good development practice these two aspects stand out. It assumes that DCSOs leave the initiative for the formulation of CD needs to the SCSOs, have a dialogue with the SCSOs about these needs, select the most effective approaches together with SCSO, implement CD activities professionally and help develop a M&E system that supports learning. The MFS II evaluation provides little information about these matters. It is therefore unknown to what extent DCSOs and SCSOs agreed or disagreed about the issues to be addressed by CD activities and what could be the backgrounds of possible disagreements. Nevertheless, SCSOs considered organisational CD support as provided by DCSOs (e.g. financial management and M&E) very important.

The technical papers provide no information about the tuning of MFS II support with CD support to SCSOs received from other donors. It is therefore unknown to what extent e.g. trainings were complemented by other interventions such as coaching by other donors to be effective.

The support provided by DCSOs often focused on strengthening SCSOs' organisation as a whole and was thus not limited to the project supported by the DCSO. This is a useful approach, as organisations that are strong on a variety of aspects stand a better chance of implementing projects successfully.

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[70]   There are exceptions to this situation. Sometimes DCSOs and SCSOs jointly succeed in broadening the domestic funding base. IOB came across the example of the DCSO Wilde Ganzen (Wild Geese) in India to illustrate such a situation. Training on resource mobilisation strategies and techniques provided by DCSOs in the context of CD support may help SCSOs find either large foreign donors or local donors. Support by Woord en Daad provided to COUNT in India is another example. See: SGE/NWO, 2015a, p. 43.

[71]   Kaplan, A., 1999.

2.6   Strategy III: Civil society development

2.6.1   Findings

The sample of 79 projects was randomly drawn and gives a cross-section of the role CSD plays in the work of the SCSOs and of the MFS II support they receive. The projects were evaluated based on the five Civicus indicators:

- *civic engagement* or 'active citizenship';
- *level of organisation* or the organisational strength of SCSOs;
- *practice of values* within the civil society arena;
- *perception of impact* of civil society actors on politics and society as a whole as the consequence of collective action;
- *external environment:* consideration given to the social, political and economic environments in which civil society exists, as the environment both directly and indirectly affects civil society. This indicator is a context dimension that needs to be taken into consideration when researching the development of civil society.

Characteristic for the MFS II evaluation approach is that all projects aimed at strengthening civil society were evaluated based on the same set of indicators, and with a scoring of 0 - 5 at baseline and end-line to be able to accumulate the evaluation findings. The MFS II synthesis report concluded that:

> *'Overall, the findings are quite positive but there are some significant differences between countries. For the DRC, there are both positive and negative findings, with little overall effect. One particularly negative finding concerns a micro-credit project that lacked the financial capabilities to be successful, received insufficient support from the DSCO and thus, not surprisingly, was unable to improve the societal position of the victims of armed conflict in the project area, its civil society objective. This is a clear example of overambitious objectives and lack of focus resulting in a failed project.'*

The MFS II synthesis report continues:

> *'In Ethiopia, where a 2009 law makes the functioning of CSOs quite difficult, and India, the country team finds a general improvement in the dimensions of Civic Engagement and Perception of Impact. Uganda also shows very favourable results across the board, as does Indonesia. The Pakistan team finds only small changes in the scores for the SPOs and, with one exception, the report does not provide convincing evidence that the changes observed can be attributed to MFS interventions.'*

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How CSD in the DRC is supported is reflected in Box 5 below.

Box 5   *Case supporting CSD in the DRC*

> Supporting CSD in the DRC summarises some key findings in the country report. It illustrates how historical developments affect current efforts to mobilise civil society in a situation where government is weak or absent altogether, describes the manifold of challenges and informs us about donors having no strategy to provide support in a highly fluctuating security situation. Numerous, often financially weak SCSOs follow common approaches like direct service delivery which may help in the short run to make life of the poor population a little bit more bearable. At the same time, their projects tend to reinforce the common practice among target groups to adopt a 'what is in it for me' attitude. More importantly, they do not address the question of how to reinforce local government to ensure that it takes up its prime responsibilities.

The MFS II evaluation reports that it cannot take all CSD results at face value because of doubts about the validity of the evaluation method applied. Measuring the impact on CSD is judged the most difficult part of the entire evaluation, since:

- the evaluation took place over two years, which in most cases was not long enough to find measurable change;
- the changes that occurred are hard to quantify and cannot be attributed exclusively to MFS II interventions;
- to a large extent, the country teams had to rely on subjective judgments, although in many cases these were complemented by more in-depth studies using process tracing or contribution analyses to attribute these changes to MFS II interventions;
- in some cases, for instance in the DRC, many SCSOs operate in the same areas and focus on the same objectives. Therefore, the observed good results may not be better than those obtained by similar organisations.

A main lesson that the MFS II evaluation draws, is that success heavily depends on the general environment in which the SCSOs operate. The importance of context clearly emerged in the DRC where, due to continuing violence, CSOs work under very difficult circumstances. On the other hand, in areas where the political climate is conducive to civil engagement, such as in India and Indonesia, significant positive results were found.

A central issue in the MFS II report is that the space for SCSOs is decreasing and that they are increasingly restricted in their operations. This particularly applies to organisations that receive funding from abroad. Direct service delivery by the SCSOs is generally appreciated by governments, but activities that concern awareness raising, organising the marginalised

and L&A to influence policies and practices of the government and private sector are often far more restricted.[72]

For 40 SCSOs, the MFS II evaluation report (Annex C in the MFS II synthesis report) gives an overview of the changes realised in civil society and how the SCSOs and MFS II support are associated with these changes.[73] The overview illustrates the wide variations in results pursued, such as strengthening farmer cooperatives, women's organisations, organisations focusing on better access to education and health care, and organisations aiming to influence policy through L&A. Often, these groups were established as part of the SCSOs' programme strategy in combination with the realisation of the MDGs. In other cases, the SCSOs approached already existing groups.

2.6.2   Analysis

The MFS II evaluation concluded that the overall findings concerning CSD were quite positive, but that there are some significant differences among countries. The success strongly depends on the environment in which SCSOs operate; this environment is becoming increasingly restricted in many countries. The evaluation was also clear about the challenges of evaluating CSD and of attributing changes to MFS II support. These experiences are not unique, as evaluating CSD is notoriously difficult. In addition to the issues mentioned by the MFS II evaluation team, some other issues emerge that deserve attention for an in-depth understanding of the reported results.

The most obvious question is whether the Civicus indicators applied in the evaluation are appropriate yardsticks to measure changes in civil society by. The answer to this question is that it depends on how the concept of 'civil society' is to be understood and on the answer to the question what the focus of civil society is that the ministry wished to be developed: parts of society at large, or specific organisations.

Civicus itself defines civil society as:

> *'The arena, outside of the family, the state, and the market which is created by individual and collective actions, organisations and institutions to advance shared interests.'*[74]

In the policy memorandum *'Cooperation, Customisation and Added Value'* and in the MFS II policy framework, the concept of civil society was not defined. However, the political character of poverty alleviation and the role of CSOs in those processes was described in the memorandum. It referred to giving voice to poor and the oppressed, so that they would be able to stand up for their rights and to gain access to resources, services and political systems. Systematic social change would be required to achieve those goals and improvements would have to be wrested from existing power structures. Within that context, CSOs have a role as engines empowering the drive to a better future.[75]

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[72] For a reflection on the position of SCSOs in restrictive environments, also see: IOB, 2015, chapters 7-9; A. Claessen and P. de Lange, 2016.

[73] SGE/NWO, 2015a, Annex C, pp. 112-124.

[74] Civicus, 2011, p. 8.

[75] MFA, 2009a, p. 9.

The Civicus indicators that were applied in the MFS II evaluation – in line with the ministry's guidelines for evaluation – reveal a tension between the broad (Civicus) definition, the five indicators that include changes at the level of individual organisations, and the minister's clearly political conception of civil society. The Civicus indicators not only insufficiently capture the political nature of CSD, their application also left insufficient space for reporting on organisation-specific results by the MFS II organisations.[76]

There is also a tension between the political characterisation of civil society in the policy memorandum and the three strategies that DSCOs applied – once again in line with the ministry's policy framework for MFS II – to strengthen civil society. These strategies cover a broad spectrum of development interventions ranging from basic needs programmes with a focus on MDG achievement to strengthening democratic institutions and influencing policy. However, the connections between the three strategies and the central objective of MFS II were not made explicit in a ToC, neither by the ministry nor by most of the DCSOs. The question of how achieving results for the MDGs would contribute to a stronger civil society is a particularly critical one in this perspective. Since this question was left open, all actors had ample room to follow their own interpretations and be active in all of those fields.

The choices that DCSOs made and the freedom they had to develop their own programmes within this broad spectrum of strategies, reflects the multiformity of civil society. It also characterizes the historically grown relationship between the ministry and the DCSOs, who were not considered mere implementing agencies but were given the freedom to decide for themselves how to address the goal of CSD within the broad framework of conditions defined by the ministry. This had the advantage that it allowed DCSOs to take their own responsibility and make choices in line with their mission, experience, expertise and convictions. However, the disadvantage was that the links between their programmes and the central goal of the MFS II policy framework were not always clear.

Some good examples of CSD are given in Annex C of the MFS II synthesis report and there may have been other results that were not explicitly recognised as CSD by the DCSOs. The perception study that IOB commissioned for this policy review, reports that many SCSOs focus their projects on civil society activities such as mobilisation and organisation of groups of people, training and information supply about e.g. relevant legislation and policies. However, only 45% of the SCSOs respondents indicated that they contributed to CSD; among Dutch respondents that figure was 76%.[77] The MFS II evaluation shows that a majority of the evaluated projects had no explicit CSD objective and that the evaluators often had to identify the civil society component of projects at hand. Consequently, the MFS II evaluation could not provide a systematic overview of contributions to CSD. These

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[76] The ministry decided that the Civicus indicators should be applied for monitoring, and they were captured in the guidelines for monitoring. The MFS II organisations were not happy with the choice for those indicators, and they criticised the ministry for issuing them after the alliances' proposals had been approved; it meant that the organisations had to redefine their result areas in line with the Civicus indicators. The guidelines for evaluations referred to the same Civicus indicators.

[77] Dieleman, R. and H. van Kampen, 2016a, pp. 15-16.

contradictory findings prevent us from drawing unequivocal conclusions about the level of engagement in CSD activities.

Another issue concerns the unit of analysis. The MFS II evaluation used the indicators to assess the contributions of single organisations and their projects to CSD. The evaluation concentrated on SCSOs and on local organisations that were involved in project implementation and less on changes in communities of poor people.[78] Only in the DRC, the evaluation teams conducted field visits to meet beneficiaries and to talk with them about changes in civil society that could be attributed to support provided by SCSOs.[79] It is therefore uncertain to what extent the reported results should be considered as changes in civil society as intended in the policy documents of the ministry, or whether in fact they concerned organisational changes in SCSOs and local organisations. It should be added that the possible impact of individual projects on the development of wider civil society is likely to be too small to assume changes at levels that would allow for proper assessment.

2.7   Strategy IV: Lobby & Advocacy

2.7.1   Findings

The evaluation of MFS II support for ILA encompasses a wide range of programmes of eight alliances. They cover three thematic clusters: (1) sustainable livelihoods and economic justice; (2) SRHR; and (3) protection, human security and conflict prevention. The MFS II ILA evaluation set as its priority result areas: (1) agenda setting, (2) policy influencing and (3) changing practice.

A summary of the ILA evaluation report made by IOB is given below.

The ILA evaluation reports that almost all alliances, to a larger or smaller degree, contributed to changes in transnational policy processes around key developments. Alliances have included civil society voices into ongoing policy making, often crossing national/international levels, crossing civil society/state/private actor targets, as well as crossing the themes of environment/social justice, or peace/ development. Results included organising CSO collaboration relating to such processes and the provision of inputs into processes. In some cases, increased attention occurred for certain thematic issues, the uptake of positions by actors or groups targeted, and the incorporation of positions or recommendations into e.g. policy drafting, adjustments of plans and company behaviours. A few major results were achieved primarily at national level, mostly Dutch. For all alliances, at least some results involved contributing to the articulating and conveying of civil society voices, and these outcomes were diverse in nature. The processes of change the alliances are involved in are long-term and highly complex.

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[78]   SGE/NWO, 2015a, pp. 112-124, tables C.1 and C.2.
[79]   Ibid, p. 105, table A.7.

Results were mostly achieved in agenda setting. Supplementary to IOB's summary of 2015, we add that many instances of policy influence were also identified.[80] Fewer results were reported in changes of practices. Not all programmes focused on such 'changes in practice'. Rather than seeking e.g. the furthering or improvement of policy implementation and practice change, most programmes focused on policy processes and normative frameworks in national and international institutional arenas. In some cases, programmes did seek changes in practice amongst governments, companies and other actors and, in some cases, they achieved them. In other cases, contributions of results to objectives are less clear, even when they evidently constitute desired changes, because such objectives lie more in the domain of final outcomes that are formulated in terms of impact.[81] The ILA report draws attention to the disconnect between discussions in international forums and local challenges facing SCSOs. Their reality seems far removed from the intentions expressed in international forums.[82]

The case of Ecosystem Alliance (EA) (Box 6) illustrates how influence can be achieved at a global level, but without a link to the local level.

Box 6   *Case Ecosystem Alliance: strengthening livelihoods and ecosystems*

EA designed a common framework that aimed to strengthen the livelihoods and ecosystems in developing countries, to change the policies and practices around four global commodities (palm oil, soy, biofuels and mining products) in favour of local communities and their ecosystems and to ensure an enabling policy environment at international level for climate change adaptation and mitigation mechanisms.

The EA's ILA programmes have contributed to a variety of outcomes across the three priority result areas of agenda setting, policy change and implementation. In addition, the geographical spread was in line with the global character of the EA's ILA programmes under evaluation. Some outcomes were identified at the level of Southern countries, but the EA ILA evaluation mainly focused on Dutch and international policy processes. There was a focus on an international roundtable conference on palm oil, for example, but its effectiveness as an international initiative was questioned. And in the case of soy, there was a focus on an international round table. However, results at regional or local level were lacking.

The programmes varied according to the level they built on, or their degree of involvement with Southern partners. In some programmes, Southern partners were highly involved; occasionally even leading. In other programmes, however, there was little involvement of Southern partners. Northern alliance members in some cases largely acted independently.

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80   SGE/NOW, 2015b, p. 11.
81   Ibid., p. 588.
82   IOB, 2015, p. 67.

Greater involvement of Southern partners would not necessarily have led to more relevant outcomes. However, it should be noted that North/South collaboration in a number of programmes did not materialise as proposed or expected. In the collaboration with Southern partners, it was often difficult to attain the quality and quantity of communication necessary to establish common ground. Developing and maintaining commitment to shared objectives, identifying common interests and co-creation of activities did not always happen, which lead to situations where problems arose in achieving shared ownership, commitment and/or coordination. Outcomes were rarely achieved with alliances as sole contributors. Rather, alliances tended to be part of coalitions and networks, sometimes involving many other CSOs.

2.7.2   Analysis
This section recalls the summary of the ILA findings as earlier reported by IOB.[83] Considerable ILA results were achieved both at Dutch national level and at international level. Results were mostly achieved in agenda setting, with fewer results in changes in practice. This finding is not surprising, as most interventions were in fact aimed at agenda setting. Changing policies and practices would have taken far more time. Also, DCSOs may not always be the most suitable partners for L&A at local level.[84] Therefore, IOB considered the choice made by the MFS II organisations understandable and logical. The connection between local and global policy influencing that was originally envisaged, could not be established at the three result levels (agenda setting, policy influencing and changing practice). IOB found limited evidence of activities at the national level in developing countries — with or through partners in the South — that contributed to results at the international level. IOB could not conclude that the Southern partners had a strong added value in the ILA achievements. Most of the time, influencing policy is a long and difficult process with unpredictable results that are influenced by a wide variety of context variables and different players.[85]

2.8   Analysis and conclusions

2.8.1   Analysis
This section discusses the question to what extent the overall MFS II results presented in this chapter contributed to realisation of the overarching objective of MFS II.

The overarching objective of MFS II
The overarching aim of Dutch development cooperation is to create conditions for structural poverty reduction and sustainable development by supporting those at the bottom of society to stand up for their legitimate rights and to gain access to economic resources, social services, political systems and financial institutions. The objective of MFS II

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[83]   Ibid., pp. 67, 79.
[84]   They may have less understanding of the local context than their Southern partners and their involvement in L&A activities is easily labelled as 'interference in internal affairs' in an increasing number of countries.
[85]   IOB, 2015, p. 136.

was '*to help build a strong and diverse civil society tailored to the local situation*'. A strong and diverse civil society is supposed to contribute to the overarching aim.

The policy memorandum '*Cooperation, Customisation and Added Value*' and the 'Policy Framework MFS II 2011-2015' both stress that MFS II projects are expected to contribute to civil society building by:

- addressing processes that lead to exclusion;
- addressing existing power structures;
- giving voice to poor people and let them stand up for their legitimate rights;
- providing opportunities, access to economic resources, social services, political systems and financial institutions.

This all indicates a political approach towards development which aims to realise systematic social change that has the potential to fundamentally improve the lives of poor and disadvantaged people. To what extent has this ambition been realised?

Millennium Development Goals

The most convincing conclusions of the MFS II evaluation refer to project achievements regarding the MDGs, providing access to economic resources and social services. Many projects followed an integrated approach combining achieving the MDGs with developing organisational capacity of SCSO and CSD. Some technical papers indicate that these projects were successful in e.g. empowering people to improve their access to water and sanitation services or in empowering community groups restoring ecosystems. However, the connection between MDG results and CSD in terms of its contribution to systematic social change was insufficiently established. Another major issue here is that there is a lack of information about the sustainability of the results, and that there are concerns about the continuation of service delivery for poor people after the ending of MFS II.

Capacity development

Results regarding MFS II CD support were mixed. However, they contributed to the organisational strengthening of many SCSOs in terms of meeting donor's requirements. Yet, insufficient information was available about the extent of DCSOs' support contributing to strengthening SCSOs' capabilities to better support CSD. It is also unknown to what extent DCSOs and SCSOs agreed or disagreed about the issues to be addressed by CD activities. Concerns about Dutch support to CD confirm findings reported earlier in IOB's evaluation of Dutch support for CD.[86] Lessons from that evaluation that are still relevant today concern: provide CD support that allows endogenous CD paths; focus on learning; further develop Dutch expertise and make it available, enabling SCSOs to apply it effectively and evaluate innovative approaches for supporting CD. Follow-up to such lessons could have positive effects on the quality of Dutch CD support.

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[86]   IOB, 2011.

Civil society development

Results regarding strengthening civil society indicate that these are often not phrased in terms of the political connotations associated with the MFS II policy intentions. This all indicates that the MFS II evaluation has not succeeded in providing convincing answers that MFS II has substantially contributed to the results areas mentioned above and contributed to systematic social change. This does not mean that all projects failed to contribute to the strengthening of civil society. The country reports contain inspiring and convincing informative examples of what was achieved. Results achieved concern e.g.: improved social cohesion and society's ability to take care of disabled people or orphans at community level and strengthening of local organisations such as cooperatives to pursue economic goals. A smaller portion of the projects clearly relates to the political dimension of development and includes promoting gender equality, environmental concerns and influencing policies and practices through campaigns. The Pakistan country report informs us that partners of DCSOs can be important members of broader civil society networks and shows how they combine various strategies in an effective manner. The projects in Uganda indicate that many results regarding CSD concern improved access for poor people to services often provided by the Ugandan CSOs.

International Lobby & Advocacy

ILA activities contributed to placing issues higher on the agenda and to influencing policy. Fewer outcomes were achieved in practice change. Bringing about such changes take a long time. Increasingly restrictive environments limited the possibilities to realise the objectives. DCSOs did not focus much on such changes in practice, for understandable reasons. Some important results were achieved, primarily at Dutch national level. In some cases, Northern alliance members largely acted independently. In some programmes, Southern partners were highly involved, in others not much. Objectives and interests were not always shared between Northern and Southern partners and activities were not always the result of co-creation. This resulted in a lack of ownership, commitment and coordination by SCSOs. More involvement of SCSOs might have contributed to better outcomes, also at national level in Southern countries.

Five caveats

The following caveats should be kept in mind while reading these observations:

- The MFS II evaluation did not systematically raise the question of relevance from the perspective of Dutch policy, but rather from the perspective of the beneficiaries.
- The compartmentalisation of the evaluation in three separate result areas (silo's) – MDGs, CD and CSD – prevented that insight could be gained into the results of the integrated approach that most SCSOs followed.
- Except for some cases, the evaluation design did not allow to grasp society's complexity and the factors that influence change, such as power structures and the broader political economy.

- The MFS II evaluation did not show to what extent SCSOs conduct in-depth studies that would reveal the core problems of poverty and how these could best be addressed, nor did they show how their Dutch partners supported them in this work.
- The MFS II evaluation did not assess the contribution of individual MDG and CD projects to strengthening civil society, as the focus was on achievements at project level.

Explanations for levels of effectiveness
The above observations confirm the finding in section 2.1.2 that the policy documents were insufficiently explicit about how the concept of '*civil society*' was to be understood and what parts of civil society were to be strengthened. This created a lot of space for different interpretations, e.g. regarding the political dimension of development.

A question closely associated to this discussion is at what moment a society is ready to engage in more politically driven activities, such as holding government accountable for the provision of basic services in health, education or housing services, defending human rights, or holding companies responsible for paying a livable salary. The position of many SCSOs is that basic needs must first be fulfilled; hence they prioritise direct service delivery. They also argue that civic engagement in political activities will often be more successful if concrete goals are formulated, associated with issues such as clean water, health and education facilities. Therefore, limited involvement in political activities could be explained by a deliberate choice to focus on service delivery first, as a precondition for more civic engagement.

CSD is often associated with organisational strengthening of SCSOs. Strong SCSOs are undoubtedly important and often play a stimulating role in CSD. However, in the MFS II evaluation it is unclear what the connection was between organisational strengthening via CD support provided by DCSOs and CSD. There are also questions about the type of CD support provided by DCSOs: to what extent did the focus on improved PME, financial management, resource mobilisation capabilities, etc. help the SCSOs become stronger actors in CSD? Such questions were insufficiently answered.

In the evaluated period, the trend within the ministry was to achieve more with fewer resources and to show more results. It should not be ruled out that DCSOs and their Southern partners reacted to such trends by prioritising activities that would produce relatively fast and visible results. This would mean focusing rather more on MDG projects than on CSD or L&A activities.

2.8.2   Conclusions
The MFS II policy expressed a wish to focus more on systematic social change by strengthening civil society in the South. The MFS II evaluation generated insufficient information to draw conclusions about the extent of realisation of the overall objective of MFS II 'to help build a strong and diverse civil society tailored to the local situation', although several projects indeed provided good examples of convincing results in CSD.

The main explanation for this finding is that the ministry's policy documents were not explicit enough about how the concept of 'civil society' should be understood and what parts of civil society should be strengthened. This created much space for different interpretations among the DCSOs and SCSOs.

Although many positive results were achieved by projects engaged in MDG and CD activities, the connection between those results and CSD was insufficiently established. It thus remains largely unclear how MFS II support helped marginalised people stand up for their rights and gain access to economic resources, social services, political systems and financial institutions.

MFS II support was reasonably effective in realising MDG results. However, there is a lack of information about their sustainability, and concerns about the continuation of service delivery after the ending of MFS II suggest risks for lasting improvements.

MFS II CD support contributed to organisational strengthening of SCSOs regarding PME and financial reporting and in diversifying their donor support. This helps them to improve their legitimacy and become less vulnerable financially. However, the question to what extent the focus on improved organisational capabilities helped the SCSOs become stronger actors in CSD was insufficiently answered, which raises concerns about the CD support provided. It also remains unknown to what extent the CD activities were designed to be supportive of endogenous CD.

The MFS II evaluation judged the findings concerning CSD support as quite positive; there are convincing examples in the country reports of what was achieved. Yet, the findings were often not phrased in terms of the political connotations and systematic social change that are associated with the MFS II policy intentions. Therefore, the links between civil society activities and the central goal of the MFS II were not always clear.

ILA activities contributed to placing issues higher on the agenda and to influencing policy. Fewer outcomes were achieved in practice change. Increasingly restrictive environments in particular limited the possibilities of realising the objectives. DCSOs did not focus much on changes in practice, for understandable reasons. In some programmes, SCSOs were not much involved, which resulted in a lack of ownership, commitment and coordination by SCSOs.

The way MFS II alliances were formed, the lack of common country analyses, the large presence of alliances in some countries and inefficiencies in the tender process and its aftermath indicate that important elements of the ministry's agenda to restructure the support for DCSOs were not realised. This was caused by the framework requirements imposed by the ministry on the one hand, and by the freedom given by the ministry to DCSOs to choose and implement objectives within these framework requirements on the other.

3

Thematic study II: How effective was the TUCP?

Reader's guide

This chapter responds to the following questions in the ToR:

- *What were the objectives of TUCP; how were they operationalised; at what cost?*
- *What research has been conducted into effectiveness and what are the findings?*
- *What factors and conditions explain degrees of effectiveness?*

In this chapter, the focus is on the TUCP programme 2013-2016. In section 3.1, the policies of the trade unions MFNV and CNVI are presented. This is followed by an overview of the implementation of the programme in section 3.2 and of the research conducted into TUCP in section 3.3. The findings concerning the effectiveness of the MFNV and the CNVI programmes are reviewed in section 3.4. The final section 3.5 provides an analysis of the findings and conclusions.

3.1   Policy reconstruction

3.1.1   Background

About the TUCP

Through the TUCP, the ministry aims to strengthen trade union organisations in developing countries and to improve the quality of work and life of workers in the formal and informal economy. The TUCP is implemented by FNV and CNV and their international departments MFNV and CNVI respectively.

FNV is an umbrella organisation with 19 affiliated unions and 1.4 million members. MFNV is affiliated to the International Trade Union Confederation (ITUC) and Global Union Federations (GUF) of different sectors. MFNV's mission is to stand up for the improvement of working conditions and for a fairer distribution of income. The organisation is involved in reducing child labour and HIV/AIDS, and in defending women workers, informal workers and strengthening trade union rights.

CNV has around 300.000 members, and is affiliated to ITUC. Their main partner organisations are confederations. CNVI aims at supporting the organisational reinforcement and institutional development of partner organisations, to promote social dialogue in developing countries. Furthermore, the organisation plans to use its bridging role between companies and workers to promote decent work in international production chains.

Expenditure

The expenditures for TUCP between 2009-2012 (first phase) and 2013-2016 (second phase) accounted for around 3% of the total budget under policy objective 3.3. The subsidy for 2009-2012 was EUR 56.9 million, and declined by about 14% to EUR 48.8 million between 2013-2016. Of this budget, 65% was granted to MFNV and 35% to CNVI.

Table 5	Annual TUCP expenditure of MFNV and CNVI 2009-2016 (EUR million)									
	'09-'10	'11	'12	'09-'12	'13	'14	'15	'16	'13-'16	'09-'16
MFNV	21.9	7.5	7.6	37.0	7.8	8.0	5.7	10.3	31.8	68.8
CNVI	9.7	5.2	5.0	19.9	3.6	3.1	3.6	6.7	17.0	36.9
Total	31.6	12.7	12.6	56.9	11.4	11.1	9.3	17.0	48.8	105.7

Source: MFNV and CNVI annual financial reports. Figures for 2015-2016 are estimates.

History

In 1975, the minister for Development Cooperation for the first time decided to allocate direct project funding to the predecessors of MFNV and CNVI. This decision was based on the consideration that local trade union movements can make a valuable contribution to the emancipation of the impoverished masses in developing countries and to the social development of these countries in general. In 1985, the ministry decided to switch from project to programme funding and TUCP began to take on its current shape. The transition came at a point when free and independent trade unions had started to operate in some developing countries, and the focus shifted to strengthening the trade union movement.[87]

3.1.2   Current policy framework

Between 2009 and 2016, two frameworks guided the policy choices through TUCP.[88] Both agendas argue that a strong and independent trade union movement is crucial for sustainable development and structural poverty reduction. These trade union movements – as part of civil society – can hold civic, private and public actors accountable for their production chains.[89] Moreover, they provide support to improving the quality of work and life of workers in the formal and informal economy. In addition to the well-being of individual employees, the trade union movement also focuses on socio-economic issues at the sectorial, national and international level and it advocates national legislation and adequate enforcement.

For the period 2009-2012, the overarching targets of TUCP were to contribute to sustainable poverty reduction, to promote labour and union rights and to support the implementation of the International Labour Organizations' (ILO) Decent Work Agenda (DWA) (see Box 7).

Box 7   *Decent Work Agenda (ILO)*

Decent work is defined by the United Nations (UN) as employment that respects the fundamental rights of the human person and the rights of workers in terms of work safety, remuneration and respect for the physical and mental integrity of the worker in the exercise of his/her employment.

[87]   IOB, 2008.
[88]   MFA, 2009c: Policy Framework of the TUCP, 2009-2012; MFA, 2012a: Subsidy Framework of the TUCP, 2013-2016.
[89]   MFA, 2012a: Subsidy Framework of the TUCP 2013-2016.

According to ILO, decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Decent work became a universal objective and was included in major human rights declarations, UN resolutions and outcome documents from major conferences. ILO developed an agenda to mobilise resources to create those opportunities and to help reduce and eradicate poverty. The agenda's focus is on four broad themes, which are:

1) promoting the basic rights of workers;
2) creating suitable employment opportunities for men and women;
3) improving social protection;
4) strengthening social dialogue.[90]

Between 2013 and 2016, these programme goals were reformulated in six priority result areas, as shown in figure 9.

Figure 9   *Policy objectives TUCP*
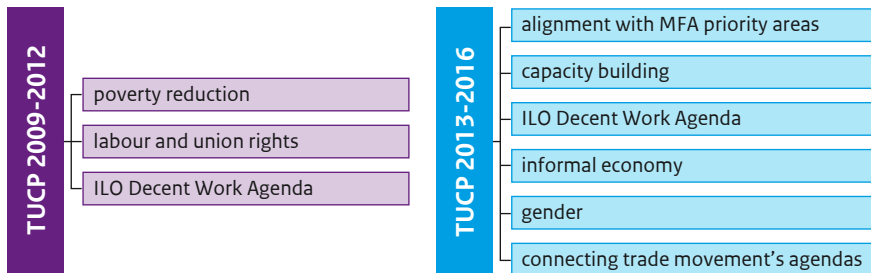
From 2009 to 2016, TUCP was further specified and aligned with other foreign policies. In this period, the design of TUCP covered three spheres of concern. Firstly, these were based on the notion that national public support (i.e. investments, provision of a legal framework for employment, promotion of collective bargaining, etc.) is crucial to strengthening education, skills, employment prospects and – at impact level – reducing poverty. Secondly, at the international level, the ILO DWA has become a benchmark for action to improve the conditions of workers in poor countries. Thirdly, the DWA aims to combine economic growth with social equity and pursues the four interrelated objectives as mentioned in box 7.

90   ILO, 2016.

The potential of the labour movement itself to change society and to create better conditions for workers, is hindered by several factors. These factors are its limited presence in many poor countries and in the informal sector, poor enforcement of labour laws due to poor governance, weak institutional capacity, lack of adequate inspection, and last but not least, suppression (political, physical) against labour representatives.

The ambition to create better alignment with policies of the ministry had implications for TUCP. Next to the core values presented above, the MFNV and CNVI programmes had to fit the ministry's four spearhead areas for bilateral development cooperation: food security, water, SRHR and rule of law. Private sector development became a cross-cutting issue, consisting of international Corporate Social Responsibility (CSR) and the development of sustainable trade and production chains.[91] In addition, the TUCP framework mandated integration of vulnerable groups (i.e. informal sector, women) within trade union efforts.

Other operational changes within TUCP between 2009 and 2016 are:

- an updated ToC for both MFNV and CNVI, to match the TUCP 2013-2016 policy framework;
- focus on six instead of three policy areas;
- revision of the M&E protocol, including more process-related and quantitative targets and specific indicators and the use of external mid-term and end-term evaluations;
- introduction of the 5C model to assess, plan and monitor CD at the individual partner level and introduction of a learning agenda.

The next paragraphs explore policy formulation of MFNV and CNVI, based on these TUCP framework principles.

3.1.3 MFNV

MFNV policies
Between 2009 and 2016, ILO's DWA was central to MFNV policies, together with union development and international L&A. These principles were translated into nine policy objectives. Eight of these were derivatives of the DWA: fundamental principles and rights of work, freedom of association, equality and non-discrimination, reduced forced labour, reduced child labour, employment opportunities, social security, social dialogue and employers' and workers' representation. The additional objective was to contribute to stronger unions and union development, through strategic operation within national and international partnerships.[92]

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[91]   MFA, 2012a, pp. 2-6.
[92]   MFNV, 2009.

A more programmatic approach was adopted by MFNV between 2013 and 2016, with similar objectives within the following three programmes:

- *Stronger Unions – Better Work – Better Life* aims to enable trade unions and worker's organisations world-wide to make a visible contribution to a more equal distribution of income and wealth, with decent work, equal rights and livelihood security for all;
- *Global Decent Work Programme* aims to create more decent work and to secure jobs provided by companies and organisations in the private and public sector;
- *Union2Union* has the ambition to link agendas of MFNV and international partners and increase the commitment of MFNV unions to invest time and resources in international trade union solidarity.

MFNV's intervention logic was developed around the principles of reducing poverty and strengthening the role of trade unions, firstly by improving labour rights and working conditions for workers and secondly by creating an enabling environment with strong social partners. MFNV's interventions use the implementation of the DWA as an instrument to achieve these overarching objectives, both from an accountability and compliance perspective at government level and by improving practices and social dialogue at the level of companies. Activities implemented by MFNV and partners were either *directly* related to these goals (e.g. service delivery, Collective Bargaining Agreements [CBA]), or provided *indirectly* through CD support (e.g. knowledge exchange, training and skills development) and L&A by using relevant international networks.

MFNV partners and beneficiaries

The beneficiaries of MFNV's programmes one and two were workers in formal and informal jobs, whereas programme three aimed at Dutch union members and MFNV unions. To support these target groups, MFNV worked through a combination of private organisations (e.g. trade unions, labour support organisations (LSOs) and domestic Non-Governmental Organisations (NGOs)) and multilateral channels (e.g. GUFs, ITUC and international NGOs). Examples of these partnerships are:

- Collaboration with Trade Union Federations (TUF) on organising strategies, CD and leadership. In turn, TUFs supported base unions and engaged in social dialogue at national and sector level.
- LSOs provided awareness building to workers (e.g. on health and labour rights) by facilitating and stimulating them to organise themselves in trade unions. LSOs were also involved in L&A with governments to persuade them to change or implement policies.
- GUFs can act as change agents for improved policies and practices through interaction and lobby with the international community. GUFs (financially) support domestic TUFs (e.g. to improve their organising strategies and organisational CD). In turn, TUFS strengthen base unions' capacities and coverage.
- Direct interaction with the international community e.g. by involvement in international discussions and lobby efforts toward better working conditions, thus influencing social dialogue.

3.1.4   CNVI

CNVI policies

CNVIs' approach is quite similar to the MFNV policies. In addition, policies are based on CNVIs' core principles of endorsing social dialogue and stimulating pluralism within civil society and regarding working conditions.

Between 2009 and 2012, CNVI focused on four transversal themes: decent work, informal economy, gender equality and fair globalisation. These themes were central to three subprogrammes. The first subprogramme aimed at direct collaboration with partner organisations, the second focused on L&A for decent work. The third intended to create support and awareness for international solidarity work amongst CNVI's constituencies in the Netherlands and to promote CSR issues.

For the period 2013-2016, these programmes were adjusted to achieve better alignment with other policies of the ministry (i.e. MFS II). Amongst others, civil society strengthening and national lobby became part of CNVI's approach, together with a thematic focus on the four spearhead areas of the ministry, more emphasis on CD of partner organisations, and the introduction of improved M&E measures (i.e. M&E protocol, baselines, 5C model).[93]

These adjustments resulted in the formulation of the following three goals:
- Realising changes in the lives of people, by CD of partner confederations (i.e. collective bargaining) to yield better negotiated collective bargaining agreements in line with the DWA. Besides, this should improve access to and quality of services provided by the trade unions.
- CSD, by supporting trade union CD and professionalisation, in order to act as legitimate negotiation partners, enforce accountability of government and companies (e.g. on labour rights) and for L&A purposes.
- Carrying out international lobby, advocacy and campaigns, by developing the (regional, national and international) L&A capacity of partner confederations and raising awareness through ILO, ITUC and other international networks.

Besides the abovementioned thematic redesign of their TUCP-policies, CNVI also set itself a target to diversify its funding base. The objective was to raise at least 20% of alternative funds, in addition to the ministry's subsidy. Annual reports (2014, 2015) show that this objective was almost reached (19%).

CNVI partners and beneficiaries

CNVI provides support to independent national trade union organisations (mainly confederations) in Africa, Asia, Latin America and Eastern Europe. CNVI not only collaborates with these actors but it also cooperates directly with their affiliates, federations or sector organisations. The result chain can be very long: confederations delivering services to affiliates (often federations), affiliates delivering services to workers' organisations

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93   CNVI, 2014.

(mostly at company level and with or without involvement of the confederation), workers' organisations delivering services to their members (workers).[94] In some countries, CNVI cooperates with labour-related NGOs and research institutes for knowledge exchange and to broaden their network base.[95]

3.2 Implementation

3.2.1 MFNV implementation

Between 2009 and 2016, MFNV implemented programme one (almost 80% of the budget) in nine countries and one region by working with national central unions, federations, member unions, members of international federations and NGOs. Activities were related to specific sectors and thematic areas.

Box 8 *MFNV country programmes*

Continent	Countries
Asia[96]	China, Bangladesh, India, Indonesia
Africa	Ghana, South Africa, Zimbabwe, regional programme East African Community
Latin-America	Colombia, Peru

Programmes two and three were implemented through ten multilateral partners, and directly through unions, predominantly in countries that the ministry indicated as eligible for government funding support.[97] The total budget allocated through these programmes was around 20% of MFNV's total TUCP-budget. Initially, the Decent Work and union development activities were carried out in 99 countries in 2009, but for efficiency reasons this number was reduced to 46 in 2012. The number of partner countries further declined in the following years.[98]

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[94] ACE Group Europe, HIVA and Leuven University, 2015, p. 24.

[95] CNVI, 2014, p. 4.

[96] China and India phased out.

[97] In line with policy requirements of the ministry, the second and third programme-components initiatives can only take place in low- and lower-middle-income countries of the DAC list.

[98] OESO/DAC: 8 of them are non-ODA and 38 are ODA eligible countries. According to the categories used by the MFA, 7 are Broad Relations countries (including Moldova), 14 MDGs, 7 Fragile states and 10 LDCs.

Table 6	Channelling funds through private and multilateral channels 2009-2012[99]								
Private				Multilateral				Other	All
Trade union	Confede-ration	Labour NGO	Sub-total	GUF	ITUC	Local consultant	Sub-total	Sub-total	Grand total
7%	12%	26%	**45%**	34%	6%	3%	**43%**	**12%**	**100%**

3.2.2   CNVI implementation

From 2009 on, CNVI implemented its programmes in 36 countries and collaborated with around 40 partners. These countries were predominantly on the OECD/DAC[100] list (eligible for ODA) and 50% matched the ministry's list of partner countries for development cooperation. In the years that followed, the number of countries CNVI worked with declined to 28 in 2012, which was further reduced to 16 in 2015.[101]

Box 9   *CNVI country programmes*

Continent	Countries
Asia	Bangladesh[102], Cambodia, Indonesia
Africa	Ghana, Benin, Niger, Senegal, Togo, Madagascar, Guinea
Latin-America	Colombia, El Salvador, Guatemala, Honduras
Eastern Europe	Macedonia, Moldova

The Mid-Term Evaluation (MTE) of CNVI's policy implementation indicated that greater significance was given to subprogrammes two and three[103], although programme one received the bulk of the funding, particularly to further implement their work on CD in order to challenge governments and companies about labour rights and to influence the national and international political agenda and policies.[104] Allocation of the TUCP budget was highest on programme one (77%) and spending on programme two and three was around 13% and 10% of the total budget. Support was given in the form of both core funding, a contribution to salaries and recurrent costs for service delivery, and project-based funding.

Besides financial support, CNVI provided knowledge, expertise and its international network to partner organisations. The activities undertaken were supporting organisational CD processes, facilitating exchange of knowledge and expertise, providing technical and financial support, supporting research and national and international lobby, advocacy and

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99   MDF and Leuven University, 2016.
100   OECD/DAC = Organisation for Economic Co-operation and Development/Development Assistance Committee.
101   ACE Group Europe, HIVA and Leuven University, 2015.
102   Investigated as potential partner country.
103   Compared with the previous TUCP 2009-2012.
104   ACE Group Europe, HIVA and Leuven University, 2015.

campaigns. L&A support entailed training, research, solidarity statements, strategic partnerships on the national level, specific lobby projects, and ILA.[105]

3.3   Research conducted into TUCP effectiveness

The performance of MFNV and CNVI through TUCP was intensively evaluated in the last decade. In 2008, IOB published an evaluation report assessing the effectiveness, efficiency and sustainability of the programme between 2001-2006. The conclusion was that the implementation of the projects was mostly successful, especially regarding CD, but that the goal of strengthening union and labour rights was not met. Lessons learned focused on the need to improve programme strategies, better prioritise (e.g. partner selection, scale of projects) and take efficiency measures.[106]

For the period 2009 to 2012, an external evaluation was conducted by Consultants for Development Programmes (CDP).[107] The report mapped the choices made by MFNV and CNVI in relation to certain new conditions set out in the TUCP policy framework, analysed the progress achieved by integrating and applying these conditions and assessed the likelihood of increased effectiveness, where possible.

Between 2013 and 2016, external evaluations of the programmes of both MFNV[108] and CNVI were carried out by MDF/Leuven University and ACE Europe/Leuven University respectively. The end-line evaluation of CNVI will be completed in 2017.

3.4   Findings

3.4.1   Effectiveness of MFNV

MFNV programme effectiveness was measured in 2016, by conducting a contribution analysis.[109] As such, the relative contribution of MFNV's (and their partners') interventions to the changes observed could be outlined. The assessment was based on a four-point judgement scale:

- *Good* – the activities of the TUCP programme made a large and essential contribution to the changes at the assessed outcome level. The actions are a major element of the major mechanism that led to the changes.

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[105]   Ibid.
[106]   For further reading, see IOB, 2008.
[107]   CDP, 2012.
[108]   There have been two measurements: baseline (2013) and end-line (2016). The evaluation made an explicit attempt to measure change as a result of programme implementation at impact level (workers) and outcome level (governments and companies).
[109]   The end-line evaluation mentions the fact that 'the evaluation cannot establish (in most projects) causal linkages between projects and changes in the working conditions on the floor, does not mean that the projects will not contribute to work floor level changes over time'.

- *Sufficient* – the activities contributed, but the contribution is not large or not so essential. Within the package of factors that led to the change, the activities are not the major factor; or other mechanisms made equally strong contributions to the changes.
- *Below average* – there was some contribution from the activities, but the contribution was both small and not essential. Without the activities, the difference would probably have been very minor.
- *Poor* – the activities are not likely to have contributed to the changes that have taken place.

Table 7	MFNV contributions related to intended programme outcomes				
	assessed trajectory/sector	capacity and performance changes	changes at government level*	changes at company level*	changes at level of workers
Bangladesh	ready-made garments	o	--	-	-
	shipbreaking	--	-	--	-
South Africa	agriculture	o	n/a	n/a	n/a
	occupational health and safety	-	n/a	n/a	--
Zimbabwe	Africa Labour Educators Network	o	o	o	n/a
	construction	o	+	+	n/a
Peru	social dialogue	+	n/a	+	-
	domestic workers	+	--	-	+

+ = good; o = sufficient; - = below average; -- = poor; n/a = not available/not measured.
* = results of programme 1.

Increased capacities led to better performance of partner organisations. Generally, most partner organisations are sufficiently capacitated to implement the activities, but the capacity to mobilise resources remains a challenge. Local support organisations are used to complement the work of unions in areas where capacity is limited (e.g. through research institutes).

Although all assessed projects have logical frameworks, the methodological quality of project designs varies considerably. Critical assumptions were not always monitored, as was the case for the contribution of training activities to organisational changes.

The contribution analysis showed that it is likely that MFNV made a minor but positive contribution to changes in capacity of partners. The evaluation indicates changes in organisational capacity, at the level of individual partners, for trade unions at federation level, confederation level or even through inter-syndical structures. This contributed to better unity in the fragmented union landscapes. In other countries, external developments (i.e. unrest, violence and withdrawal of donors) led to a decrease in some capacities. The 5C

capacity assessments – mostly facilitated by local MFNV consultants – were actively used to guide further CD efforts and have themselves contributed to increased capacities of trade unions and workers' organisations.[110] The 5C model helps to evaluate organisational strengthening of MFNV partners. However, as in the case of the MFS II programme, it has limited potential as a tool to evaluate CD contributing to broader CSD with a political dimension.

Table 8	5C assessment scores at baseline and end-line		
		Baseline	**Mid-term**
Capacity to commit and act		2.53	2.64
Capacity to deliver on objectives		2.56	2.66
Capacity to relate		2.76	2.81
Capacity to adapt and self-renew		2.47	2.57
Capacity to achieve coherence		2.66	2.80
Average		**2.60**	**2.70**

MFNV partners provided CD support to other organisations, mostly unions. The evaluation gives several examples of these efforts. Some strategies are more comprehensive than others (e.g. workshop-based one-off training events vs. training for organisational development and institutional development strategies). Several partners are aware of critical success factors that make training contribute to organisational change, but this is not common practice yet.[111]

Most partner organisations score relatively low on strategy formulation. This is a problem, because *'the extent to which unions manage to design politically-smart strategies to find windows of opportunity to change the status-quo, largely determines their effectiveness'.*[112]

The evaluation is positive about the quality of services provided by partner organisations. This was confirmed by the workers' appreciation on that matter. Partner organisations score average to sufficient on gender responsiveness, as this topic becomes better integrated within policies. Because partners are at different stages in implementing these gender responsive policies, the evaluation is inconclusive about the exact influence of the MFNV programme on this issue.

Various examples of programme effectiveness exist, but causal linkages were hard to establish. Contribution analysis shows that programme effectiveness has different outcomes in the four case study countries. Similarly, the findings are different per identified outcome level (government, company, worker).

[110] Direct CD of multilateral partners was not included in the MFNV programme, as it is predominantly based on financial support for training and research activities.
[111] MDF/Leuven University, 2016, p. 75.
[112] Ibid, p. 90.

At *government* and *company level*, many MFNV projects engage at different levels in policy influencing regarding improving policies and practices for workers. Although causal linkages between individual projects and changes at this outcome level could not be established, the evaluation identified a couple of examples of successful policy influencing trajectories in Zimbabwe and Peru (collective bargaining and improving social dialogue).[113] This was also due to the fact that the assessed projects focused primarily on CD efforts, rather than on pure L&A. For a comparison between baseline and end-line data regarding international agreements, only one case study was available. The programme effect on influencing international agreements could therefore not be measured.

At the *workers' level*, some aspects of working conditions improved, especially concerning occupational health and safety. In most cases, these improvements were still insufficient, while some other aspects of working conditions deteriorated, due to repression of SCSOs and limited operating space for trade unions.

In several cases, the contribution of the interventions to changes in working conditions could not be established. Reasons for this limited evidence on programme impact were the small scope of the projects, unrealistic assumptions of the supposed intervention effects given the four-year time frame, and external factors (e.g. political and economic situation). However, in cases where interventions focused more directly on working conditions (e.g. by directly intervening in occupational health and safety) it was possible to establish a positive contribution.

Compared to the TUCP 2009-2012, MFNV had more focus during TUCP 2013-2016, thus increasing its performance. At strategic level, there was more focus in the programme design, through the introduction of an assessment framework for interventions and multi-annual planning at country level and partner organisation level. At project level, this was achieved by reducing the number of partner countries,[114] by limiting the types of partnerships and by organising and facilitating collaborative processes between actors clustered around strategic objectives or issues.

Good progress was made on sustainability measures, but further improvements are needed. Institutional sustainability at the level of sectoral unions, company-based unions or other structures was evaluated as positive due to CD activities, but the CD of lower level union structures faced structural challenges. This was sometimes caused by flaws in the project design, and sometimes by the extremely difficult operating context. Financial sustainability turned out to be problematic, because MFNV's share of the funding sources of its partners was significant. Although MFNV is considered as a reliable donor, this makes financial

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[113] The fact that the evaluation could not establish causal linkages in many other projects between the individual projects and changes at the level of the government and the private sector, does not mean that this might not happen over time, but the time frame of the evaluation was often too short to map such effects.

[114] MFNV: Programme 1: 9 countries, 1 region (East-Africa). Programmes 2 and 3: 61 low- and lower-middle-income countries on DAC list of aid recipient countries. CNVI: the number of countries where it works has dropped from 36 to 16 countries.

sustainability a challenge for the partners, as alternative funding sources are scarce. Knowledge sharing and learning opportunities were limited.

3.4.2 Explanations for levels of effectiveness of MFNV

The contribution of the MFNV programme to change is small and depends on various internal and external factors. Establishing causal links between interventions and results proved to be difficult or impossible. In two situations, a small contribution of the interventions to specific changes was found. In two other situations, a more general contribution could be traced at an international level or by the trade unions in general.[115] The mechanisms and factors that explain the (absence of) programme effectiveness are highly dependent on both internal (on the level of organisations) and broader contextual and external factors.

Capacity and performance determine the extent to which unions manage to achieve results. The contribution analysis indicated that MFNV contributed to changes in capacity of partners, resulting in better unity in the union landscapes. Partners with strong (inter) national ties and with political players, performed better compared to their less institutionalised peers. Likewise, proper strategic planning was seen as another factor determining performance. Lack of financial sustainability – a major issue for MFNV's partners – is a fundamental risk regarding the extent to which results are reached.

External factors determine the programmes' outcomes in all countries, although their significance varies. According to the evaluation report, the extent to which unions manage to achieve results is, apart from their own capacity and performance, strongly affected by external factors.[116] Previous studies, e.g. by Weil, confirm this finding.[117] Although the influence of external factors varies between the evaluated countries, the overall picture seems quite problematic. E.g. legislation on minimum and living wages was in most countries passive to basic; security and rule of law turned out to be poor; labour, employment and social security legislation was also problematic (especially regarding women); social dialogue was assessed as passive to basic, and Decent Jobs Programmes and employment policies were mostly problematic. The evaluation uses five themes – adapted from a typology developed by Weil – that affect political leverage of trade unions on influencing government and private actors (see figure 10). According to the evaluation, almost 70% of the trajectories in the sample score moderate to high on factors that decrease union power (i.e. moderate to positive external influence: N=19; moderate to negative external influence: N=41).

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[115] Some of the other four selected trajectories had a too long distance to the workers' level to be able to assess contributions to changes in the course of three years.

[116] MDF/Leuven University, 2016.

[117] Weil, D., 2005.

Figure 10   *Overview of external factors influencing union power*

	factors increasing union power ←——→	factors decreasing union power
political/ regulatory institutions	• strong ties with political players • labor-friendly regulation • substantial policy space for labour	• limited ties with political players • hostile labour regulation • limited policy space for labour
economic climate/ product market	• growing profitability • economic upturn • limited competition • formal economy	• declining profitability • economic downturn • high competition • informal economy
technology and work organisation	• workers with rare skills or using complex technology • limited supply of labour for the sector	• workers with substitutable skills • growing supply of labour for given sector
other stakeholders	• labour-friendly stance by business • limited union fragmentation	• hostile stance by business • high union fragmentation
social attitudes	• high public support for union work • tradition of mass mobilisation	• low public support for union work • difficult to do mass mobilisation

Below, the explanations of the programme contribution are presented, summarised per case study country.

For Bangladesh, programme contribution was small, or could not be directly related to observed outcomes. The changes that could be linked to MFNV efforts, were also caused by other contributing factors. In other cases, the programme was of minor importance compared to other initiatives in the same field (e.g. international pressure, government initiatives) and external factors.

The programmes in Peru showed mixed results. On the one hand, a good contribution was found at the level of domestic workers, because of increasing confidence of trade union members to demand their rights. On the other hand, contribution to social dialogue could not be established as it was too early to assess the impact of a newly reached collective bargaining agreement on working conditions.

In the case of South Africa, the same problem existed as the MFNV interventions were too recent to contribute to (positive) changes that took place in recent years. Within the field of occupational health and safety, contribution was limited (in terms of scale) but visible.

The only trajectory in Zimbabwe that could be used for contribution analysis had an indirect effect on working conditions. The intervention was designed to improve capacities and performance, but the chain towards increased success in bargaining and ultimately improved working conditions, was too long for the evaluation time frame.

3.4.3   Effectiveness of CNVI

The MTE analysed the contributions of CNVI to several outcomes of Southern partners' work regarding effectiveness on improved service delivery, ILA, performance of partner organisations/CD and improved working conditions. These outcomes are outlined below.

CD through CNVI-supported programmes had a positive effect on service delivery of partners. Through programmes supported by CNVI, confederations could (further) professionalise and institutionalise their efforts. This was done primarily through support and advisory visits, provision of training and improving internal governance. Improvements were noticed in each of the countries visited. In turn, partner organisations could provide basic services, for example training, mobilisation of trade union members, awareness raising among potential members, and legal, juridical and technical support during CBA negotiation processes.

Follow-up of training and monitoring of training effects, analysis of the nature and results of the negotiation process around CBA's, redesign of approaches to reach informal workers, and to invest in juridical capacity are areas that could be improved, according to the evaluation.

During the TUCP 2013-2016, the 5C model, the Civil Society Index (CSI) and the organisational checklist were introduced to analyse and monitor CD. According to the MTR, these instruments not only directly contributed to the desired changes, but also fueled a broader debate on capacity issues. Again, the 5C model was less suitable to evaluate CD contributing to broader CSD.

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In-depth monitoring of changes in capacity and strategic use of its learning potential is limited. As the MTR argues: *'there is a tendency to jump from diagnosis to specific activities without reflecting sufficiently upon the appropriate steps to address capacity gaps'.*[118]

Table 9	Overview results of CNVI's CD of partners case study countries, 2013-2014	
Country	**Results achieved**	**Related capacity factor**
Cambodia	Development of multi-annual work plan.	to act
	Creation of independent elected treasurer and financial committee.	to deliver
	Strengthened research capacity and creation of a new working group on industrial relations.	to adapt
	Increased cooperation with other confederations.	to relate

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[118]   ACE Group Europe, HIVA and Leuven University, 2015, p. 30.

Table 9	Overview results of CNVI's CD of partners case study countries, 2013-2014	
Country	**Results achieved**	**Related capacity factor**
Colombia	Digitisation of the membership registration system.	to deliver
	Creation of regional women committees and improved gender awareness at regional level.	to deliver and to act
	Youth informed on their labour rights.	to deliver
	Improved formulation of advocacy messages and position papers, diversified advocacy strategies.	to relate
	Strengthened collaboration on international advocacy and lobby issues.	to relate
Niger	Elaboration of policy documents to strengthen internal management.	to act and deliver
	Strengthened financial management.	to act and deliver

There is limited information on programme outcomes, and as with the methodological challenges mentioned by the MFNV end-line evaluation, CNVI's MTE found out that it is difficult to establish direct causal linkages between the programme and outcomes in policy work. These outcomes are related to changes at the level of governments, companies, and workers.

CNVI operates and interacts in a complex environment, with many different actors, and often with conflicting interests between them. According to the end-line evaluation, however, *'several examples (…..) demonstrate that CNVI support was most likely a necessary component of a larger set of strategies and factors that together made change possible'*.[119] For example, the assessment of the country programmes show that CNVI support contributed to a growing diversity in negotiation and L&A approaches (Cambodia), to a proactive and constructive attitude in tripartite forums and other lobby spaces (Colombia) and to improved social dialogue and policy influencing (Niger). At the national and international level, CNVI showed its capability to implement international L&A strategies in different situations, and received recognition for its expertise.

CNVI's provision of core-funding made it possible for partner organisations to expand their operations in areas for which it is generally very difficult to obtain funding, for example related to social dialogue, protection of rights, social protection and (to some extent) L&A. However, L&A capacity of CNVI's partners is still rather limited.

Insight of the MTE in the improvement of working conditions at the level of workers was limited and will be further assessed in the end-line evaluation. However, the MTE identified several successful trade union activities that had positive consequences for large groups of workers (e.g. minimum wage campaign Cambodia, sectoral CBA Colombia).[120] Information on the explaining factors is not yet available.

[119]   Ibid. p. 8.
[120]   Ibid.

The MTE found out that institutional sustainability, measured as the level of ownership and of integration of change processes of CNVI's partners (and their affiliates) had mixed results in the case study countries. Integration of CNVI's three programmes is limited at country level.

Results regarding financial sustainability are mixed (weak for partners in Cambodia and Niger; sufficient in Colombia). The matter was insufficiently taken up in the dialogue with partners and a strategy on strengthening partners' resource base has not yet been developed.

3.5   Analysis and conclusions

3.5.1   Analysis
The focus of the TUCP programme shifted from an emphasis on direct support modalities to a more integrated approach of CD of local (trade) unions, by working through a combination of international and local partnerships. Complementarity with other related policies of the ministry (e.g. CSR, trade agreements, Dutch investments, exports) and the roles of different stakeholders remained underexposed. However, policy guidelines state that *'Dutch trade unions and their Southern partners have the responsibility to stimulate and monitor international CSR'.*[121] Although current policies include underlying intervention logics, clarity about some aspects required for a ToC is missing. This is applicable to the lack of specific underlying assumptions (preconditions for change to happen) and risk analysis (as part of context analyses).

From the evaluation analysis it becomes clear that MFNV's policies contributed to a number of positive outcomes, albeit small, and that they depended on various (internal and external) factors. Gender responsiveness of partners was average to sufficient. Overall, determining programme effectiveness turned out to be complicated, and causal linkages between programme and outcomes were hard to establish. However, evidence shows that through the successful provision of CD, partner organisations increased their performance (e.g. service delivery, CBA's). Furthermore, there was good progress in sustainability measures, although financial sustainability of partner organisations is still a challenge. The focus in terms of programme design improved compared to the previous TUCP period and this contributed to improvement of MFNV's performance.

The absence of an end-line evaluation makes it difficult to present a clear and complete picture on the contributions of CNVI to the effectiveness of the supported programmes of Southern partners. Limited information on programme outcomes makes it even more problematic to establish causal linkages between programme and outcomes. Most likely, CNVI support has been a necessary component of a larger set of strategies and factors that made change possible. Altogether the MTE shows that CD through CNVI's programmes has had a positive effect on service delivery of partners. Several successful trade union activities had positive consequences for large groups of workers. This was strengthened by strategic identification of partners, adequate partnership performance and relevant programme content. The L&A capacity of CNVI partners was still limited. At international level, CNVI was

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[121]   MFA, 2012a, p. 5.

capable to implement international L&A strategies. The results regarding (financial) sustainability were mixed.

3.5.2   Conclusions

Overall, both MFNV and CNVI contributed to delivery of various results through the implementation of TUCP in line with the objectives of the ministry, i.e. strengthening trade unions and improving the quality of work and life of workers.

The evaluations of MFNV and CNVI provide little information about the contributions of the TUCP to broader CSD that takes the political dimension into account e.g. regarding mobilisation of workers for campaigns and membership of trade unions.

Reaching informal sectors and informal workers remains a challenge. Results that could be linked to TUCP, primarily relate to the more formal and institutionalised partners. There is a funding gap between programmes targeting formal and informal workers.

Programme effectiveness had different outcomes regarding the level of CD of trade unions, influencing government and companies, better policies for workers and workers' rights; the high level of expectations, demonstrated in the design of TUCP, could not always be met, due to capacity issues of partners and external factors.

The contributions of MFNV to the intended programme outcomes were mixed. Capacity and performance changes of partners were positive, yet small; changes at workers level were limited, although there were some positive examples as well. The activities in Zimbabwe were the most successful, those in Bangladesh the least; the results in Peru were mixed. There was little information on the outcomes in South Africa, as MFNVs' interventions were still too recent to contribute to change.

There was limited information on programme outcomes of CNVI as the end-line evaluation was not yet available. However, some activities showed positive outcomes regarding service delivery by partners and there were several examples of CNVI support being a factor that made change possible. At international level, CNVI was capable of implementing ILA strategies.

In general, causal linkages between programme effectiveness and TUCP interventions were hard to establish. This was caused by various internal and external factors.

Significant efforts have been made in the field of strategy development. More focus in the programme design had positive effects on the performance of MFNV, and CNVI strengthened the strategic identification of partners and developed a relevant programme content.

There was progress in sustainability measures of MFNV, although improvements are still needed. The results of CNVI concerning improvement of sustainability were mixed. For both MFNV and CNVI, financial sustainability of partners remained problematic.

Thematic study II: How effective was the TUCP?

4

Thematic study III: How effective was SNV?

Reader's guide

This chapter responds to the following questions in the ToR:

- *What were the objectives of SNV; how were they operationalised; at what cost?*
- *What research has been conducted into effectiveness and what are the findings?*
- *What factors and conditions explain degrees of effectiveness?*

In this chapter, the focus is on the effectiveness of the SNV programme 2012-2015. In section 4.1, the policy intentions are described. In section 4.2, the implementation of these policies is presented. Section 4.3 is about research conducted into SNV effectiveness, and in section 4.4 the findings are presented. Section 4.5 contains our analysis and conclusions.

4.1   Policy reconstruction[122]

SNV was established in 1965 by the ministry to send out Dutch volunteers to work in developing countries. In 2002, SNV became an autonomous NGO, legally independent from the ministry. The ministry remained the main source of finance but SNV started to receive funding from other sources too. SNV shifted to an organisation providing advisory services to CSOs, private sector organisations and governments at the meso level. These organisations would develop their capacities and increase their effectiveness. In addition, SNV supported LCBs such as consultants and training institutes specialised in organisational strengthening. The evaluation covering the subsidy period 2002-2005 made recommendations amongst others concerning the relations between SNV and the ministry and the development of instruments for measuring effectiveness and impact.[123] The findings of the evaluation informed SNV's subsidy application for the period 2007-2015.

A grant of EUR 795 million for the period 2007-2015 was awarded in 2006 by the ministry which would make up almost 100% of SNV's budget. SNV would not generate additional income and not act as funder. In this period SNV would cooperate with the ministry to bridge the macro-micro gap by institutional strengthening of local authorities. SNV would also strengthen LCBs. SNV was allowed to deliver services to a broad spectrum of decentralised government institutions, to commercial organisations and to non-profit organisations such as CSOs. The focus would be on the sectors of education, health, renewable energy, WaSH and agricultural value chains. In 2008, forestry and tourism were added. Furthermore, SNV would bring together stakeholders with a common interest. Services to be provided would be mainly CD advice (through SNV advisors and LCBs), knowledge brokering and advocacy.[124]

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[122]   Section 4.1 and 4.2 are largely based on the Corporate Annual Plans and Reports of 2011-2015, the Strategy Paper 2011-2015 and the Corporate Multi-Annual Plan 2013-2014. SNV, 2010, 2011a, 2011b, 2012a, 2012b, 2012d, 2013a, 2013b, 2014a, 2014b, 2015b and 2016a.

[123]   W. Cornelissen and M. Oosterbaan, 2006.

[124]   House of Representatives, 2006, p. 1.

The ministry and SNV started discussions in 2010 about the replacement of the 2007-2015 funding decision amongst others for the following reasons:

- the reduction of the budget for development assistance;
- conflicting interests caused by the situation in which SNV would work towards financial independence as commercial consultancy firm, while at the same time being a partner in implementation of bilateral policy, not allowed to raise funds from other donors;
- SNV's wish to diversify its funding.

The ministry and SNV agreed to replace the original funding decision by a new one for 2012-2015. The main changes were a reduction of the contribution of the ministry and the mobilisation of additional resources by SNV. SNV expected to generate EUR 150 million from resource mobilisation in addition to the new core subsidy of EUR 240 million received from the ministry.

Table 10 Expected income from SNV's resource mobilisation, 2012-2015 (EUR million)[125]					
Year	2012	2013	2014	2015	Total
Expected	29	34	40	47	150

The budget cuts led to a reduction in SNV's core subsidy of nearly EUR 120 million:

Table 11 Budget SNV's core subsidy, 2007-2015 (EUR million)[126]									
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Original	90	90	90	90	90	90	86	85	84	795
Revised	436					70	60	55	55	676

Some of SNV's priorities for the period 2011-2015 as described in a new strategy paper referred to:

- delivering quality results at a competitive price;
- working on advisory services, knowledge networking and evidence-based advocacy;
- developing relationships with LCBs, knowledge institutions and funders, the private sector, and Dutch and international development organisations;
- localisation[127];
- ending partnerships in which SNV has a donor role[128];
- making a lasting difference in the lives of 40 million people living in poverty;
- focusing on agriculture, renewable energy and WaSH; exit from other sectors; closing the Balkans programme;

[125] House of Representatives, 2011, p. 2.
[126] IOB, 2013a, p. 53. In 2017, the actual subsidy for SNV for the period 2007-2015 was settled at EUR 670.1 million. The ministry reclaimed an amount of EUR 6.0 million of the budgeted subsidy of EUR 676.1 million. MFA, 2017.
[127] Localisation refers to the ambition to improve the local CD service environment through local capacity building support to LCBs.
[128] SNV later added a role as fund manager, like in Vietnam.

- implementing the 'Managing for Results' (MfR) framework for measuring SNV's contributions;
- increasing professionalism and an entrepreneurial approach; innovation and renewal;
- reducing indirect costs; reshaping the organisational structure and operations.

The response of the ministry to SNV strategies, policies and plans for 2011-2015 was positive. This concerned e.g. the more entrepreneurial approach, external resource mobilisation[129], localisation, the focus on three sectors only, organisational restructuring, staff reduction and innovation. In 2012, the ministry expressed its satisfaction with SNV's dynamic new leadership and its ambitious plans.[130] Since 2011, the ministry stresses the importance of proper M&E; it wants SNV to carry our baseline studies and to formulate more concrete result indicators for CD. To measure only the numbers of advisory days as indicator was considered unsatisfactory. SNV took important initiatives to improve its PME system. SNV's new monitoring protocol of 2012 was welcomed by DSO.[131]

In 2013, IOB published a mid-term evaluation covering the period 2007-2011. Several strengths and weaknesses were reported:

Box 10   *Strengths and weaknesses of SNV reported by IOB in 2013*

Strengths	Weaknesses
• Focus on institutional development highly relevant at meso level. • Successful in getting programmes up and running at local level at relatively short notice. • Clients demonstrate improvements of their capacities. • Contribution to improved access to and use of basic services. • Successful in resource mobilisation in Latin America, Vietnam and some African countries. • Local service providers strengthened their position in the market thanks to work subcontracted by SNV.	• Poor people often benefit less from SNV's programmes. • Conditions for sustainability of improved access insufficiently realised. • Insufficiently supported clients how to remain relevant and to act according their objectives in changing contexts. • LCBs evolved less as independent, professional advisers. • Not changed the strategy in favour of LCBs and remains an organisation providing advice to clients. • Result reporting system largely unsatisfactory.

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In response to the evaluation, DSO wrote that many observations had already been addressed by SNV in the renewed subsidy agreement for 2012-2015. Three aspects still required attention: the sustainability of the results of SNV's efforts regarding functioning of local organisations and access to services; the contribution of SNV's activities to poverty alleviation; providing sufficient and qualitative good external evaluations. DSO requested

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[129]   The term 'external funding' refers to all funding that is not MFA core funding/subsidy. External funding therefore also includes programme funding by MFA departments or embassies.
[130]   House of Representatives, 2011, pp. 1-2; MFA, 2011b and 2011c.
[131]   MFA, 2011c, 2012b, 2013c, 2013d, 2013e, 2015; SNV, 2012c.

SNV to submit an action plan for the two first aspects and a revised evaluation programme to address the third aspect.[132]

4.2   Implementation

In this section, the implementation of SNV's policies and strategies in the period 2011-2015 is reviewed.[133] Aspects examined are: expenditure, funding, global presence, projects per region and per sector, realised Primary Process Days (PPD)[134], staff development and corporate programmes and internal processes.

Table 12 Expenditure SNV's core subsidy, 2007-2015 (EUR million)[135]										
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Expenditure	82.9	90.8	92.4	83.7	67.4	64.1	58.5	47.9	51.1	**638.8**

These figures show that during 2012-2015, expenditure was not only much lower than originally budgeted, but also about EUR 20 million lower than the revised budget as presented in table 11. This was mainly caused by the budget cut applied by the ministry from 2012 onwards, by underspending in the years before 2011 and by SNV's decision not to claim all budgeted amounts due to successful resource mobilisation elsewhere. The ministry largely allocated the unspent amount to other programmes.[136]

Table 13 MFA core subsidy and external funding, 2011-2016 (EUR million)[137]						
Year	2011	2012	2013	2014	2015	2016
MFA core subsidy	67	64	58	48	51	0
External funding	31	39	50	70	94	105
% External funding of total funding	32%	38%	46%	59%	65%	100%

External funding increased rapidly during the past six years. Whereas in 2011 SNV still depended for 68% on MFA core funding, in 2015 this was already brought back to only 35%.

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[132]   MFA, 2014b.

[133]   2011 is included, because this year can be considered an interim year between the first part of the nine-year subsidy period (2007-2010) and the second part (2012-2015). SNV was still implementing the current plans, but was also preparing for the period to come. In table 12 on expenditure, the period 2007-2010 is also presented to put the expenditure in the period 2011-2015 into perspective.

[134]   PPD refers to the number of working days dedicated to CD support to local actors.

[135]   IOB, 2013a, p. 96; SNV, 2014a, p. 42; SNV, 2016a, p. 50.

[136]   SNV was increasingly successful in raising its own funds; by claiming the full budgeted subsidy amount from the ministry in the period 2012-2015, SNV would have had many extra funds during those years, whereas from 2016 onwards the amount would be much lower, due to the termination of the core subsidy. This would not be good for the organisation from the point of view of continuity. Therefore, the subsidy amount was lower than planned. Information from Petra Hak, controller DSO/MO, 6 October 2016.

[137]   The figures were rounded. External funding in 2016 was projected.

From 2016 onwards, SNV does not receive any core funding from the MFA anymore and is therefore for 100% dependent on external funding.

SNV was active in 34-40 countries, most of them in Africa. Over the years, there have been changes in SNV's presence in certain countries. The Balkans programme was phased out from 2012. In Latin America, the number of countries with SNV presence first increased in 2012, and decreased again in 2015. In Africa, in 2013, some project activities were started in four 'forgotten' countries, and programmes were concluded in two countries in 2013/2014. SNV's Asia presence remained very stable. Between 300 and 375 projects were implemented annually. A large majority of these projects was implemented in Africa, followed by Asia. After 2014, the number of projects declined, mostly in Africa.

Agriculture was by far the largest sector in terms of the number of projects, with the majority focusing on staple foods, cash crops and meat and dairy projects; in the WaSH sector the focus was on rural and urban water supply, sanitation and hygiene and WaSH in schools. In the sector of renewable energy, the emphasis was on biogas, cook stoves, solar energy and reduced emissions from deforestation and forest degradation projects. Over the years, the number of PPDs increased, except for 2015 when there was a slight decline. Agriculture has always been the largest sector in terms of PPD, followed by WaSH and renewable energy. Forestry, education and tourism were concluded in 2012.

The staff reduction in 2015 was caused by the termination of MFA core funding. In 2015, 36% of the staff were women. In 2012, this was 37%. It was SNVs policy to increase the percentage of female staff to 50% after 2015.

Box 11   *SNV corporate programmes and internal processes*

Programmes and processes	Description
Knowledge networking (2011-2014)	SNV's knowledge networks are meant to improve sharing and consolidation of experiences, knowledge and innovations and to serve as a platform from which external contacts and dynamics can be served and stimulated.
Localisation (2011-2015)	SNV's strategy to increasingly work together with LCBs. The strategy is to improve the enabling environment for local CD and to increase the outreach and impact of activities. In response to IOB and other evaluations, a leadership programme for LCBs was implemented in 2015.
Resource diversification (2011-2015)	Mobilisation of financial resources through partnerships and business development apart from subsidies of the ministry. SNV collaborated with many donors worldwide through grants, fees for services and partnership agreements and received funds and support from trusts, foundations and companies.
MfR/Evaluation (2011-2015)	Implementation of a framework to support the four main functions of MfR in SNV: steering, accounting, learning and profiling. SNV carried out an evaluation programme of country programme and strategic evaluations.

4.3   Research conducted into SNV's effectiveness

SNV commissioned several corporate evaluations that were conducted by external, independent evaluators. The evaluated programmes were selected because of their representativeness and they mainly aimed at learning from experience. Most of these evaluations looked at sectoral programmes at country level. For the six impact evaluations published in 2015-2016, an external reference group was appointed to ensure their quality. This group met at key moments during each evaluation process. SNV produced management responses to all these corporate evaluations, including actions to meet the challenges as reported by the evaluators. In all evaluated programmes SNV had used core funding of the ministry, but also other funders were involved. Its expertise and experience, built up over the years with core funding, was indispensable for the implementation of the evaluated programmes. It is therefore justified to use the evaluation reports to assess SNV's contribution to those programmes.

Box 12   *Corporate SNV evaluations, 2012-2016*

Published	Title	Countries	Evaluators
2012	Partnership SNV and World Business Council for Sustainable Development	Global	Leonor Malaver and Menno Oostra
2012	SNV exiting from sectors	Global	Ian C. Davies Conseil Inc.
2012	Transition towards market-oriented CD services	Global	Eka Dunia Consultants
2012	Sustainable Sanitation and Hygiene 4 All Programme	Nepal	FemConsult
2013	Biogas Programme	Rwanda	Institute of Social Studies/IOB
2013	Dairy Programme	Kenya	Social Impact Consulting
2014	SNV's engagement with local CD support providers	Bolivia, Tanzania, Nepal	Context, International Cooperation
2014	SNV interventions in fragile settings	Mali, Kenya, Zimbabwe	Clingendael/Royal Tropical Institute
2014	Food Security programme	Burkina Faso	Royal Tropical Institute
2015	WaSH programme	Ethiopia	Aid environment
2015	School Garden project	Uganda	ECORYS
2015	Improved cook stove programme	Lao PDR	IOD PARC
2016	Biogas Partnership programme	Burkina Faso/ Tanzania	ACE Europe
2016	Rural Agriculture Revitalisation Programme	Zimbabwe	Shared Value Africa
2016	Sanitation and Hygiene Programme	Cambodia	National Social Marketing Centre (NSMC)

Apart from these corporate evaluations, SNV carried out several programme and project evaluations. Examples are: the high value agriculture programme in Nepal (2012), the rural agro-dealer programme in Zimbabwe (2012), the inclusive business programme in Latin America (2012) and the market-led dairy programme in Kenya (2013).

In November 2013, IOB published *'Between Ambitions and Ambivalence'*, mid-term evaluation of the SNV Programme 2007-2015, covering the period 2007-2011. In the context of that study, four country studies (Tanzania, Ethiopia, Benin, Vietnam), published in 2013, were carried out by ACE Europe.

SNV's MfR framework was applied to generate data on implementation and results. Such data were used in annual reports. Figures and stories on effectiveness were presented. Over the years, SNV substantially invested in improvement of the MfR framework, to collect data more systematically and to increase its reliability.

4.4 Findings

4.4.1 Corporate evaluations

The corporate evaluations published in 2012 and 2013 concerned the period before 2012. Below, the main outcomes of the nine (impact) evaluations published in 2014-2016 and dealing with at least part of the period of the current policy review are presented. Four evaluations concern agriculture (one of them with a focus on fragile countries), two address WaSH, two go into renewable energy. The ninth evaluation is about LCBs.

Impact evaluation of the School Garden project, Uganda, 2015[138]
The project aimed to support 750 primary schools in the creation of school gardens and to use them as community Good Agricultural Practices promotion centres. SNV had an advisory, coordinating and oversight role and aimed to contribute by coaching schools and by supporting local governments. The focus of the evaluation was on impact achieved by SNV clients that received CD support directly from SNV or indirectly through LCBs that had received CD support from SNV in their turn. Outputs in the field of improved capacities of implementing institutions were reported too. The project contributed to increased capacity of LCBs, which is important in relation to SNV's localisation strategy. In some cases, the CD goals were not achieved, as the project relied too much on some LCBs that did not have enough capacity to implement the project well and to build the capacity of local governments. The support provided by SNV to LCBs was insufficient to address the gaps in their capacities. The project proved to be complex and ambitious, which negatively affected its effectiveness. The evaluation showed that SNV, next to other factors, contributed to the results by playing a supporting role. SNV took steps to address the shortcomings in capacities of LCBs as signalled in the evaluation.[139]

[138] ECORYS, 2015.
[139] SNV, 2015c.

Impact evaluation of the Rural Agriculture Revitalisation Programme, Zimbabwe, 2016[140]

SNV Zimbabwe implemented the Rural Agriculture Revitalisation Programme (RARP). Its goal was to strengthen value chains through involvement of rural agro-dealers in the supply chain. CD of local institutions and LCBs by SNV was one of the inputs next to other inputs. SNV also hired LCBs to deliver trainings to stakeholders such as agro-dealers. The evaluation concluded that RARP and LCBs had contributed to CD of agro-dealers and small farmers, but to what extent this had contributed to the impact of the programme was not discussed. A lack of focus resulted in some components being less successful and in failure to address the needs of the beneficiaries. The impact on agricultural production was not significant. Several explanations for this were given, but a reflection on the quality of CD support by RARP and LCBs as possible explaining factor was not presented. Therefore, it remains largely unclear to what extent the contributions of SNV's RARP programme have been effective. SNV regretted that the evaluators did not capture the complexity of the programme.[141]

Impact evaluation of the Food Security programme, Burkina Faso, 2014[142]

The Family Farm Management System aims to contribute to food security through better farm management. Informed decision making was the most important result of the programme. Direct impact on food security was difficult to trace, but other positive impacts were detected indeed. SNV provided CD support to unions of cotton producers and LCBs and funded the project until 2012. Beneficiaries confirmed that there had been a link between CD support and improved farming practices and it is likely that CD support from SNV had been more effective than support from LCBs, who took over this role from SNV in 2008. SNV confirmed that other factors influence the household food security situation as well.[143]

Impact evaluation of the WaSH project, Ethiopia, 2015[144]

The WaSH project aimed at increasing access to water supply and improved sanitation services and practices in communities and at schools. SNV provided CD support to local governments and was involved in awareness raising at household level. SNV contributed also to operations and maintenance and supported local WaSH committees. The impact of the project was mixed, but the contributions of SNV have been effective and are likely to sustain. The 'hardware' (UN Childrens' Fund – UNICEF – responsibility) component was the main constraint. SNV implemented some of the recommendations and would increase its attention for watershed management in its new strategy for 2016-2018.[145]

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[140]   Share Value Africa, 2016.
[141]   SNV, 2016b.
[142]   Royal Tropical Institute, 2014.
[143]   SNV, 2014d.
[144]   Aidenvironment, 2015.
[145]   SNV, 2015d.

Impact evaluation of the Sustainable Sanitation and Hygiene for All programme, Cambodia, 2016[146]
The aim of the programme is to enhance access to improved sanitation and hygiene practices of communities. Through CD local governments are supported by SNV to manage the provision of sanitation services better. The programme has been successful. The capacity of local government agencies to steer and monitor the programme has increased. The achievements were the result of the support provided by SNV and of strong commitment of government officials and SNV. Some weaknesses in the capacities of the local implementing agency were identified and concerns about replicability and sustainability of the initiative were expressed. SNV seriously considered the recommendations and explained why it did not agree to some of them.[147]

Impact evaluation of the Improved Cook Stove programme, Lao PDR, 2015[148]
The programme aimed at strengthening value chains to facilitate development of a market for Improved Cook Stoves (ICS). SNV's CD support and other activities had positive impact and have been effective and they contributed to the strength of the local implementing agency. The production of the targeted 100.000 ICS was on track by 2016. ICS offer increased efficiency and lead to charcoal and time saving for users. Training and subsidisation of tools and equipment for producers was successful. It is likely that SNV through strengthened leadership and management capacities of the implementing agency contributed to these results. Other outputs of SNVs activities such as trained producers, established testing facilities and promotion campaigns may also have contributed to the achievements. SNV endorsed most of the conclusions and recommendations. [149]

Impact evaluation of the Africa Biogas Partnership Programme, Burkina Faso and Tanzania, 2016[150]
The programme aimed at developing a domestic biogas sector in Africa. SNV focused on the creation and CD of teams to disseminate the technology. Its advisory role evolved from trainer and expert towards facilitator, coach and critical observer. SNV maintained also some practical implementing tasks and was involved in knowledge development and in brokering relations. In 2014, the achievement of the targets for 2018 was on track, particularly in Tanzania. Adapted credit products, cheaper designs and better promotion were introduced to make biogas accessible for larger groups of users. The programme collaborated with LCBs too and SNV identified and trained them. Their quality was positively assessed by the evaluators. Support from SNV was crucial and highly valued. SNV disagreed with the conclusion of the evaluation that smaller biogas construction enterprises were excluded from the market in Tanzania.[151]

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[146]   NSMC, 2016.
[147]   SNV, 2016c.
[148]   IOD PARC, 2015.
[149]   SNV, 2015e.
[150]   ACE Europe, 2016.
[151]   SNV, 2016d.

Evaluation of SNV interventions in fragile settings, 2014[152]

The evaluation was carried out to draw lessons from SNV practice in fragile settings. Agricultural incomes improved and jobs were created for the poor. Mediation between conflicting groups contributed to conflict mitigation and peacebuilding. These two were interrelated: less poverty helped reduce conflict and less conflict helped reduce poverty. However, a conflict-sensitive approach was not *systematically* applied. This could harm the project effectiveness and the peacebuilding process. SNV achieved its targets despite fragility factors and a politicised environment. Its interventions were affected by fragility and conflict. In some cases, SNV caused adverse effects, due to a lack of understanding conflict and fragility dynamics and a technical focus. SNV announced to strengthen the performance in fragile settings.[153]

Evaluation of SNV's engagement with local CD support providers, 2014[154]

The evaluation focused on Bolivia, Nepal and Tanzania. SNV structurally cooperated with LCBs in the context of the localisation policy. The cooperation had many advantages for both SNV and LCBs. SNV strengthened the capacity of LCBs and their quality improved. Next to localisation, SNV also aims to increase its impact and LCBs fit in that endeavour as sub-contractors. According to the evaluation, the engagement with LCBs is a means in function of programme implementation and a strategy of SNV country offices to meet future challenges. As a result, strengthening the capacities of LCBs received lower priority. SNV responded to this conclusion by introducing initiatives to better address CD of LCBs.[155] The benefits for SNV from working with LCBs are: increased outreach, improved effectiveness in complex situations and contributions to resource mobilisation. There were no visible changes in the CD support market that could be ascribed to SNV. SNV confirmed this and added that its opportunities to influence the market in terms of availability of CD services are limited.[156]

4.4.2   Annual Reports[157]

In the annual reports of 2012-2015, SNV reported on achievements in the three sectors. Aggregated figures on results and brief examples of achievements and shortfalls in programmes were given. The reports also reflected on issues such as strategic priorities, advocacy, innovations, knowledge development and lessons learnt. Much of the information was collected by the project and country offices and fed into SNV's PME software. In some cases, 'highlights' were based on programme and project evaluations. Hereafter some of the findings are presented. Often these concern reports from SNV itself rather than reports from independent external evaluators or researchers. This implies that the information must be treated with some restraint.

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[152] Clingendael, 2014.
[153] SNV, 2014e.
[154] Velden, F. van der, 2014.
[155] In 2014-2015, SNV implemented a leadership programme for LCBs. Information: Allert van den Ham and Margriet Poel (both SNV), November 2016.
[156] SNV, 2014f.
[157] Sections 4.4.2 and 4.4.3 are largely based on the (Corporate) Annual Reports of 2011, 2012, 2013, 2014 and 2015. SNV, 2012d; SNV, 2013b; SNV, 2014b; SNV, 2015a; SNV, 2016a.

Agriculture

In the agricultural sector SNV supported client organisations in the development of programmes for the ultimate beneficiaries. Positive results were reported in value chain development, food security, income generation, cash crop production, employment creation and resilience to climate change. Knowledge and skill development also showed positive results. In many cases small farmers were reached, among them also often a high percentage of women. The figures indicate that in 2012, 2013 and 2015, the targets were exceeded or more or less achieved. Only in 2014, there was considerable shortfall, because many projects implemented in that year were relatively new and impact measurement had to be deferred to a later stage. SNV also reported on the relatively high percentages of improved capacities of its client organisations, but the targets were not in all cases reached.[158] The issue of how to measure improvement of capacities will remain difficult, also in the other sectors, as long as there are no good baselines of present capacities, using suitable indicators. This occurred in the case of LCBs, and it is not unlikely that it also happened with other SNV clients.

Water, Sanitation and Hygiene

SNV played a stimulating role and provided evidence for relevant strategies and plans. As to water, this concerned: better access to water, increase of functional water schemes, lower costs of water and post-construction support. For sanitation, these related to increase in coverage and access, a cleaner environment, improved safety, time saving, more human dignity and training of facilitators. SNV contributed to sanitation and hygiene planning and to advocacy for better WaSH services and equal access. SNV also advocated for institutional and legal reforms and proper resource allocation and assisted CSOs in claiming services and in improving their own supply of WaSH facilities and services. The figures on estimated impact of WaSH programmes on the life of people indicate that the targets were achieved and exceeded only in 2015. The shortfall was caused by delays, insecurity, constraints and too optimistic planning. In 2012, the target for improved capacities was not fully achieved. In 2013 this improved, but the targets were lower than in 2012. The percentages of improved capacities in 2014 and 2015 were high and the number of clients grew in 2015.

Renewable energy

SNV focused on households and small enterprises, promotion of economic growth, mitigation of climate change and the development of a renewable energy sector. Results were reported in biogas, solar, gasification and cook stoves technology, reforestation, waste management, nutrient recycling, tobacco processing and research. The targeted impact on the lives of people was not fully achieved in 2015, due to limited capacity of implementing agencies, high investment costs of biogas digesters, limited access to affordable financing and phasing out or lower subsidies. The figures show relatively high percentages of improved capacities in 2015. In 2013 and 2014, this percentage was lower. SNV lobbied for

[158] The figures for achieved impact are an estimate. SNV has also provided figures for evidence-based impact, based on external evaluations, client records, assessments, etc. Those figures on average represent a small proportion of the estimated impact only, although for some impacts the percentage evidence-based is much higher. This situation equally applies to the WaSH and Renewable Energy sectors.

inclusion of renewable energy technologies in national agendas, affordable financing, market-based development, adoption of clean energy solutions and biomass energy policies.

4.4.3   Corporate programmes and internal processes

Knowledge networking, learning and innovations: SNV collaborated with reputed knowledge institutes, universities and local consultants. The outcomes of research were shared at conferences and workshops and in papers. The results of three research initiatives in the core sectors contributed to sector steering and to practical solutions for problems in the field. SNV reported on lessons learnt from programme implementation, corporate evaluations and the IOB mid-term evaluation. This stimulated SNV to innovate its approaches. Large numbers of research reports, brochures and videos were published and made available on the internet.[159]

MfR/Evaluation: Since 2011, SNV has given high priority to MfR and PME. Elements of a better MfR framework were: a ToC, baselines, harmonised indicators, definition of different result levels and establishment of relationships between these levels, solid reporting, a digital tool to facilitate collection and processing of data at corporate level and a monitoring protocol for accountability to the ministry. A remaining challenge was the quality of the collected data. In 2013, the PME system became an integral part of the work of SNV advisers and managers. By 2014, almost all projects used the PME system. Quality control takes place at country level and M&E capacity is further institutionalised at project level to ensure better accountability and learning.

Localisation: In the context of the localisation strategy, SNV transferred much work to LCBs. In 2012 and 2013, about 50% of the PPDs were provided by LCBs. In 2014, this was about 42%. In 2010, the goal had been 18%. SNV invested in professionalism of LCBs. Some of the challenges concerning LCBs mentioned by SNV in 2012 were: a limited learning culture and donor dependency, difficulties in finding suitable LCBs at subnational level and a lack of a suitable SNV M&E system to track changes in the CD service environment. As said before, the external corporate evaluation, published in 2014, concluded that strengthening the capacities of LCBs was not an explicit priority of SNV and could be done more systematically. Consequently, in 2014, SNV made considerable investments in improving the functioning of LCBs.[160]

Resource diversification/business development: The figures on external resource mobilisation showed that SNV had been very successful in this respect. The percentage of external resources increased from 32% in 2011 to 100% in 2016.

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[159]   See: *www.snv.org*.
[160]   Velden, F. van der, 2014.

4.4.4   IOB mid-term evaluation of the SNV programme 2007-2011, 2013[161]

The IOB mid-term evaluation covers the period 2007-2011. Its findings will not be used for the current policy review. Only the steps taken by SNV in response to the mid-term evaluations' conclusions and recommendations will be reflected on.

IOB reported on strengths and weaknesses. SNV confirmed many of the conclusions, such as the observation that poor people benefit less from SNV services.[162] The minister only partially agreed with IOB's conclusion concerning this aspect, but she shared the observation that SNV's work had focused on strengthening only some of the core capabilities and she acknowledged the risks involved.[163] According to DSO, three aspects still required attention: the sustainability of the results of SNV's efforts regarding functioning of local organisations and access to services; the contribution of SNV's activities to poverty alleviation and the evaluation programme of SNV with sufficient external evaluations of good quality.[164]

4.5   Analysis and conclusions

4.5.1   Analysis

The policy framework for SNV for the period 2007-2015 stated that SNV was allowed to deliver services to a broad spectrum of decentralised government institutions, commercial organisations and non-profit organisations such as CSOs that would focus on inclusive economic development through market-based solutions. The subsidy for SNV is categorised by the ministry under article 3.3 of the budget for the Ministry of Foreign Trade and Development Cooperation. However, this policy objective concerns 'support the development of civil society in developing countries', whereas governments and private sector actors as supported by SNV are not part of civil society.

Initiated by Minister Knapen, the funding decision for 2007-2015 was revised by SNV in 2011, and a new strategy for 2011-2015 was formulated. This strategy focused on funding by both public and private parties and programme-based funding, based on full cost recovery. Ambitious financial targets were formulated aimed at reduced dependency on the ministry. Core funding decreased and eventually stopped. The new goals were: strengthening on-the-ground presence, achieving better quality and measureable results, collection of evidence for advocacy, emphasis on innovation, business development and adequate organisational steering.

SNV went through a difficult period in 2010-2011. It was in search of a new identity, a different relationship with the ministry, an alternative funding structure, and it experienced a leadership crisis. From 2012 onwards, the organisation deliberately prepared for complete financial independency from core subsidy from the ministry and a dynamic market-oriented

[161]   IOB, 2013a.
[162]   SNV, 2013c and 2014c.
[163]   MFA, 2014a.
[164]   MFA, 2014b.

approach. External financing increased substantially; from 2016 onwards, SNV did no longer receive any core subsidy. Nowadays, it operates as a dynamic, innovative organisation that sees and seizes opportunities on the commercial market of CD, knowledge development and brokerage. It cooperates with a variety of funders and cooperation modalities. Much attention is devoted to knowledge development, result management and PME. From annual reports, management responses to external evaluations and other communications, SNV gives the impression to be open, self-reflective and focused on learning. The organisation also shows strong cost-awareness in order to survive in the commercial context in which it operates today. Clients are government and private sector institutions and to a lesser extent CSOs.

SNV plays a variety of roles. The support mainly concerns CD of implementing organisations and of LCBs. Apart from that, SNV is involved in advocacy to strengthen the enabling environment for development activities and in improving the claim making power of CSOs and in policy dialogue. By bringing together various actors with sometimes competing interests in its role as convener, SNV is playing a mediating role, too.[165] Local partners are generally implementing the programmes, with SNV playing the role of capacity builder or advisor. However, in several cases, SNV is engaged in programme management and is responsible for the realisation of the goals. Donors often explicitly demand from SNV to take that responsibility. In its programme evaluations, however, these roles were not always clearly described, which is somewhat confusing.

Based on external evaluations and annual reports, it may be concluded that SNV contributed to the results of the programmes it was engaged in. The capacity of many organisations was strengthened and large numbers of beneficiaries were reached by such organisations. However, improved capacity and development results of client organisations cannot be directly attributed to SNV's efforts. SNV operates in a complex multi-actor environment in which many other parties and influencing factors play a role as well.

Positive results were reported in advocacy, in strengthening the enabling environment, increasing access to services and markets, increased food production and sanitation coverage, behavioural change regarding hygiene, nutrition, energy use and deforestation and in maintenance of hardware and often in the sustainability of the efforts. Women benefitted substantially from programmes in all three sectors.

The corporate evaluations mentioned some shortcomings in the work undertaken. Although SNV did not always agree with the conclusions of the evaluators, it took their observations seriously and announced to undertake action to improve future operations. This applied e.g. to the conclusion in the evaluation of LCBs that SNV had given insufficient priority to strengthening the capacities of LCBs to become independent capacity builders. In response, SNV organised a leadership programme for LCBs in 2014-2015 to strengthen their capacity to adapt and renew to be able to operate as independent LCBs and to remain relevant in changing contexts.

[165]   SNV, 2015b.

A dilemma SNV faces, is caused by the choice to become a market-driven organisation. It experiences difficulties in raising funds in the poorest countries, whereas those countries most need support. This hampers the organisations' goal of poverty reduction. Even in countries where donors are ready to invest, the funds are mostly earmarked for direct programme implementation. Only a very small part of the funds can usually be allocated to indirect costs. This obliged SNV to become more efficient in its operations, which as such is a positive development. But the lack of funds to cover indirect costs not only resulted in several efficiency measures, it also reduced SNVs opportunities to invest in innovation, experiments, knowledge development and in a new generation of SNV staff.[166] And exactly that is required to renew the organisation for it to remain an interesting partner for donors. Given this situation, SNV is in no position to neglect funding opportunities that do not meet all criteria concerning poverty reduction and that provide a reasonable percentage of the budget for indirect costs. SNV's leadership acknowledged the risks of a more business-like approach when it stated that SNV is nowadays less idealistically driven than in the past, because the organisation now looks more at efficiency in the projects it engages in. SNV also indicated that it did not have the ambition to orient its service delivery in all cases on reaching the poorest of the poor.[167] This particularly applies to the sectors of agriculture and renewable energy, where a focus on the poorest is not feasible. In the WaSH sector however, SNV deliberately aims to reach the poorest by engaging in area-based programmes, covering all inhabitants of such areas. According to SNV's Chief Executive Officer (CEO) Allert van den Ham, it is a positive development that the new direction chosen by SNV is more in line with what developing countries want; nowadays, SNV is more demand-driven than in the past.[168]

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4.5.2   Conclusions

SNV mainly reported on impact achieved by its clients at the level of beneficiaries, such as increased agricultural productivity, higher income and employment generated, improved food security, access to inputs, water and sanitation facilities, hygiene, health, installed biogas plants and disseminated improved cook stoves. The results were largely positive with some shortfalls. Their contributions to broader CSD is not clear.

SNV provided support to its clients in various respects. Since impact is usually not exclusively the result of SNV's inputs, it is hard to quantify the effectiveness of SNV's operations. However, it may be concluded that SNV contributed to the results of their partners by playing supporting, catalysing and sometimes managing roles.[169]

The strategy for the period 2011-2015 regarding increasing funding by public and private parties and introducing programme funding based on full cost recovery, has been successful. Ambitious financial targets were achieved and even exceeded.

[166]   Partos, 2016.
[167]   SNV, 2014c; information of Allert van den Ham and Margriet Poel (both SNV), November 2016.
[168]   De Telegraaf, 2015.
[169]   See Annex 6 for an overview of SNV's various roles.

The approach to transfer work from SNV to LCBs has been successful. LCBs improved their track record and are now better positioned in the market to implement projects. However, an external evaluation concluded that strengthening the capacities of LCBs had not been an explicit priority of SNV. In 2014-2015, SNV launched an initiative to strengthen LCB capacities, enabling them to improve their independence and to remain relevant in changing contexts.

The IOB evaluation of 2013 concluded that sustainability, poverty alleviation and evaluation needed to be addressed. In response, SNV paid more attention to all these aspects. The goals concerning sustainability were not always fully achieved and due to the nature of the new SNV approach, service delivery – except for WaSH – was not specifically oriented at reaching the poorest of the poor. SNV introduced a promising new evaluation policy and a programme of impact evaluations.

Substantial improvements were introduced by SNV in the measurement of results of CD activities and learning from experience was a strong point. Knowledge was used for sector steering and development of solutions for problems in the field.

SNV's subsidy from the ministry falls under article 3.3 of the budget for the Ministry of Foreign Trade and Development Cooperation, which relates to 'strengthening civil society'. This is somewhat of a misnomer, since most of SNV's clients are governments and private sector actors that are not part of civil society.

5

What was the added value of involving DCSOs?

Reader's guide
This chapter responds to the following questions posed in the ToR:

- *What specific expertise and experience relating to themes, CSD and CD did DCSOs contribute through MFS II? How was that appreciated by SCSOs?*
- *What was the nature and practice of cooperation:*
  - *among the DCSO in the MFS II alliances;*
  - *between the DCSOs in the alliances and SCSOs;*
  - *between the DCSOs and the ministry?*
  - *What were the consequences of the cuts to the Foreign Trade and Development Cooperation budget, particularly to policy objective 3.3, for the DCSOs (in the MFS II, SNV and TUCP programmes) and Southern organisations that received support through them?*

Section 5.1 goes into the relations between DCSOs and SCSOs, whereas section 5.2 deals with the cooperation among the DCSOs within the MFS II alliances and between the MFS II alliances/the TUCP organisations and the ministry. Section 5.3 goes into the consequences of the budget cuts applied by the ministry. In section 5.4, the analysis of the foregoing and the overall conclusions of this chapter are presented.

5.1   Cooperation between DCSOs and SCSOs[170] | 113 |

5.1.1   Assumptions

While the ministry's decision to provide support for SCSOs through DCSOs was partly politically motivated[171], it was also based on assumptions about their strengths as expressed e.g. in the policy memorandum *'Cooperation, Customisation and Added Value'*. The extent to which these strengths work out in practice, influences the quality of the support they provide. It may be assumed that this, in turn, impacts levels of effectiveness, along with other factors, such as the relevance of development programmes, the capacity of SCSOs and contextual factors.

Several key assumptions about DCSOs' strengths justify their use as channels to support civil society in the South. These assumptions are as follows:

Reach
- DCSOs reach SCSOs that cannot be reached by the ministry.

Relations
- Both SCSOs and DCSOs have the flexibility to respond to poor people's difficult situation and to unexpected changes.
- SCSOs relate more easily to DCSOs than to governmental donors (embassies).

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[170]   This section refers only to MFS II and TUCP; not to SNV.
[171]   Historically, DCSOs have constituencies in the Netherlands that formed a strong political lobby for government support for the private development sector. Binding such constituencies has been one of the motives of successive governments to provide support for SCSOs through DCSOs.

- Relations between SCSOs and DCSOs encourage Southern ownership and demand-oriented support.

Expertise
- DCSOs have the expertise to support the development of SCSOs' organisational capacity.
- DCSOs have expertise for supporting CSD.
- DCSOs have relevant thematic expertise (e.g. SRHR, water and sanitation, education, gender, human rights).

Policy influencing
- DCSOs can provide support in difficult or politically-sensitive situations, which would otherwise not be possible.
- DCSOs have the capacity to influence international policy and to contribute to the development of the L&A capacity of SCSOs.

5.1.2   The perception study

IOB commissioned a perception study to Partnership Learning Loop to test the above-mentioned assumptions.[172] The perception study aimed to shed more light on how assumptions regarding DCSOs' reach, relations, expertise and policy influencing play a role in practice and apply today. Furthermore, the study assessed to what extent the relationships with and expertise of DCSOs are appreciated by the Southern partners and it identifies factors explaining levels of effectiveness of the support provided.

The specific objectives of the perception study were to gain deeper insights into the following research questions:

- What are the DCSOs expertise and experiences regarding themes, CD of SCSOs and civil society?
- What is the Southern partners' appreciation of:
  - the ability of DCSOs to provide support under difficult or politically sensitive situations;
  - the DCSOs expertise and experiences regarding themes, CD and civil society;
  - the capacity of DCSOs to influence policy and to contribute to the development of the L&A capacity of Southern partners?
- What is the nature and practice of cooperation between the DCSOs and Southern partners?

The study included MFS II organisations, CNVI, MFNV and their SPOs during the course of the MFS II and TUCP programmes between 2011-2015. Due to reasons mentioned before, SNV did not participate in the perception study. The focus was on the following countries: Bangladesh, DR Congo, Ghana, Ethiopia, India, Indonesia, Liberia, Pakistan and Uganda. The research methods focused on recurring patterns of practice, using different perspectives to understand changes and to acknowledge that the study meant to draw conclusions about complex systems. The study represents the MFS II and TUCP and programmes, but the representation of TUCP in the study is very small (3%) compared to MFS II. No specific

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[172]   Dieleman, R. and H. van Kampen (Partnership Learning Loop), 2016a.

comparisons were made between the two programmes based on the survey data, as the results show no significant differences. The approach of this review was inclusive, facilitating a broad consultation process. The main components were desk research, an online survey among DCSOs and their Southern partners in nine countries, in-depth interviews with a selection of partners in Indonesia (via Skype), India, Ethiopia, Uganda and the Netherlands, and a feedback webinar with representatives of several countries. Where interviews and the webinar suggested a difference in perception between MFS II and TUCP, this is specified in the text.[173]

Commonly known challenges of perception research concern the reliability of data and a social desirability bias. Several measures were taken to address such challenges, for example triangulation of data and involving a test panel with representatives of SCSOs. DCSOs were in general more critical than SCSOs. Explanations for this small difference between DCSO and SCSO respondents are the generally critical attitude of Dutch people and the dependency relation of SCSOs as well as findings of other perception studies, where scores tend to be more positive at operational level and more critical at strategic level. The difference in scoring was taken into account in the analysis.

The sampled countries and organisations are based on the MFS II evaluation. In hindsight, a sample with better representation of especially smaller CSOs would have been more appropriate to include a better coverage of partners of all alliances, as some of them mainly worked with smaller organisations.

Finally, it is important to mention that the evaluators depended on the DCSOs to collect contact details of their Southern partners. Despite the short time span, most DCSOs were willing and cooperative in sharing such contact details, in consultation with their partners. ICCO shared contact details of all partners instead of MFS II partners only. This means that the answers of some ICCO partners in the online survey are not necessarily MFS II findings. This was taken into account in the analysis and triangulation of the data. Triangulation took place by comparing the results of the survey with those of the interviews and the webinar. Answers of DCSOs, SCSOs and embassies were also compared, and in some cases those of different actors within organisations. Remarkable differences in perceptions were sometimes reported, but in general the respondents to a large extent agreed on most of the statements.

5.1.3   Findings on reach

Many countries; many partners
Section 2.2 informed us that the programmes of the 20 alliances were implemented by 89 DCSOs, including the lead organisations in 100 countries. It is not exactly known how many SCSOs they supported, but it must be a large number, possibly thousands.[174]

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[173] For more information about the research methodology see Dieleman, R. and H. van Kampen (Partnership Learning Loop), 2016a.
[174] Rijneveld and Snoei counted 4,563 SPOs. Rijneveld, W. and L. Snoei, 2017, p. 6.

Though many of those SCSOs may be concentrated in the donor darling countries and in the capitals, it is also clear that DCSOs reach SCSOs located in remote areas in many countries.[175]

Easy access to DCSOs

The survey results and the interviews with SCSOs show that SCSOs – especially those based outside the capitals – have limited or no contact with embassies, while they communicate regularly with DCSOs. The extent to which direct personal relationships between Dutch embassies and SCSOs exist and the role that embassies see for themselves, differ per country.[176] SCSOs feel that the financial requirements of governmental donors are too heavy for them, and that they therefore have to rely mainly on CSOs in the Netherlands and other Northern countries. SCSOs experience that DCSOs are more easily accessible, speak the same language and share the same mission. SCSOs indicate they feel more comfortable to openly share setbacks, challenges and concerns with a DCSO than with a governmental donor. The recent shift in Dutch policy towards the 'Aid, trade and investment' agenda has influence as well, because in the eyes of the SCSOs, this agenda pays less attention to development and poverty issues, and differs from the perspectives of SCSOs and their ideas about international development cooperation.

5.1.4   Findings on relations

In this section, the changes in the relationships, the flexibility of the support and the Southern ownership and demand orientation of the support are presented.

Changes in relationships

The survey and the interviews inform us that overall SCSOs are positive about the way DCSOs relate to them. They feel that DCSOs are generally supportive and open to suggestions and comments and allow discussions to reach consensus on areas where there is no alignment. SCSOs are particularly positive about DCSOs understanding of their strategies and approaches and on what it takes to support them. DCSOs are also very positive on how they relate to their partners, although on some accounts they are more critical.[177] Personal relationships, commitment and trust are the main inspiration for both parties. This is even more the case when relationships go back a long time.

However, appreciated elements come under pressure. SCSOs notice a recent shift of their Dutch partners from supporting long-term to short-term programmes and from core funding to project funding, due to changing priorities and strategies. This makes the relationships between them more vulnerable. Ties are loosened and partners become more 'interchangeable': SCSOs tend to engage in projects for which they can find funding, and DCSOs select partners that best fit their strategy. Both DCSOs and SCSOs argue that this is a consequence of changing Dutch and international policies, leading to fragmentation and a

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[175]   See e.g. the sample of SCSOs for field visits in the perception study.
[176]   The IOB evaluation on direct funding of Southern NGOs by Netherlands embassies concluded that the relationships between NGOs and embassies in Ethiopia, Sudan, Benin and Mozambique were often close and personal. IOB, 2014.
[177]   E.g. on mutual reporting, sharing risks and benefits and the focus on short-term goals.

short-term focus. It endangers the carefully built combination of long-term relationships and CD support that SCSOs valued in the cooperation with DCSOs.

SCSOs express concerns about some DCSOs shifting towards an implementing role for their own field offices. Examples of Dutch field offices competing over scarce resources with local CSOs show that the DCSOs' own organisational interest is predominant, possibly even more so when back donor funding is decreasing and/or the enabling environment for civil society is becoming more restricted by law. SCSOs raise questions about the legitimacy and the role of DCSOs in practice changes as compared to local CSOs, who are more familiar with the context and embedded in the community. In view of decreasing funding opportunities and changing Dutch policies, DCSOs and their Southern partners struggle to find a new mode for their relationship, that includes less or no financial support.

Flexibility
The extent to which SCSOs and DCSOs together have the flexibility to respond to difficult situations of poor people and unexpected changes varies. SCSOs consider DCSOs to be flexible in implementing programmes in terms of budget changes and changes in programme activities. The extent to which SCSOs are equipped to respond to changing situations on the ground depends on their embeddedness in the communities. DCSOs adapt their policy and strategy to changing political and economic circumstances. The thematic focus by DCSOs tends to be driven more by Dutch and global policies than by demands on the ground.

Southern ownership, demand-oriented support
DCSOs set the thematic framework within which SCSOs have space to formulate their projects. Within this limitation, SCSOs in most cases have a substantial degree of ownership at programme level, as most programmes were jointly developed based on local demands and needs as identified by SCSOs. SCSOs are confronted more with the boundaries of these frameworks than before, due to decreasing funding and changing policies and shifting interests of the DCSOs. Both DCSOs and SCSOs are not confident that SCSOs have enough space to define their own programme. In cases in which DCSOs have initiated or developed programmes, SCSOs often consider them less fit for purpose.

SCSOs hardly feel ownership or involvement in co-creating the broader development agenda; often international CSOs represent them on international fora or speak on their behalf. SCSOs would like to be involved, but have insufficient possibilities to voice their concerns and ideas in international platforms to influence agenda setting moments. This may be an explaining factor for the disconnect between the global agenda and local needs.

Financial dependency of SCSOs on donor funding hampers equality in relationships.[178] DCSOs and SCSOs struggle alike with their financial relationship and the associated

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[178] Inequality in the relationships between DCSOs and SCSOs is not new, and inevitable as long as there is a power imbalance, caused by the funding relationship between the two parties. In the past, SCSOs also had little influence on policy of Dutch organisations or Dutch aid policies, and DCSOs could impose certain requirements on their Southern partners.

reporting requirements. They consider many reporting requirements too heavy, not fit for purpose and emphasising accountability rather than learning and increasing effectiveness. A frustration for DCSOs is when reports come in too late and/or incomplete, while a frustration for SCSOs is the complexity and level of detail required in the reporting formats or the late notice for report submission in some cases. Their main frustration is that disbursements come in (too) late.

Interviewees mentioned the heavy donor requirements that sometimes make it hard to incorporate needs-based programme plans. SCSOs also feel that the relationship is mostly contract-based. Accountability takes place mainly from the SCSOs towards the DCSOs. SCSOs for example have no knowledge about the CD budget available for their organisations, as these budgets are incorporated in the programme costs of DCSOs.

5.1.5   Findings on expertise
In this section, we discuss the expertise of the DCSO in terms of supporting CD, themes and CSD.

CD support
The perception study found that DCSOs support SCSOs in many different areas. DCSOs themselves most often mention support to develop M&E capacity as support area, followed by financial management and L&A CD support. Much has been done in the area of organisational CD, and SCSOs acknowledge and appreciate the support provided in this respect.

SCSOs find most aspects of organisational support very *important*, with the highest scores for the importance of financial management and M&E. Their *appreciation* for the support received, however, is lower for all types of organisational support. Scores of DCSOs are lower than those of SCSOs in all areas. This is in line with most other scores and the general impression that the DCSOs are overall more critical than SCSOs in the survey.

The survey findings are supported by the interviews, which confirm the importance and appreciation of organisational strengthening and the fact that DCSOs emphasise M&E, reporting and financial management. Other topics mentioned are programming and strategic planning. The Southern partners explain that the Dutch organisational support contributed to their strategic planning, programme proposals, networking and funding, as well as their exposure, credibility and accountability.

Thematic support
Figure 11 illustrates that apart from gender, L&A and CSD as cross-cutting themes, most respondents worked on the specific themes of poverty & hunger, education and health during the programme.

According to the SCSOs, thematic support for poverty and hunger, gender, education, health, sustainable environment, WaSH, good governance and civil society is very important. However, the DCSOs consider the importance of this thematic support considerably lower, except for CSD and good governance.

The SCSO greatly appreciate the support for themes such as education and health. Findings from the field visits tell us that SCSO consider education to be a precondition for strengthening civil society. Appreciation is mostly expressed for specialised expertise and experiences. From the perspective of DCSOs, the importance of education ranks relatively low. One of the reasons given for this by the DCSOs, is that education is no longer one of the main pillars in Dutch policies on international cooperation.[179] DCSOs seem to be more focused on the importance of broader themes such as civil society, good governance and gender, which are in their top three.

Figure 11   *Activities of DCSOs and SCSOs in the field of MDGs and themes, 2011-2015 (in percentages of respondents)[180]*

Theme	Percentage
gender (MDG 3)	58%
lobby & advocacy	58%
civil society building	55%
poverty and hunger (MDG 1)	51%
education (MDG 2)	50%
health (MDGs 4, 5, 6)	47%
good governance	40%
drinking water and sanitation (MDG 7c)	28%
sustainable living environment & forests and diversity (MDGs 7a and 7b)	26%
fragile states	11%
other	5%
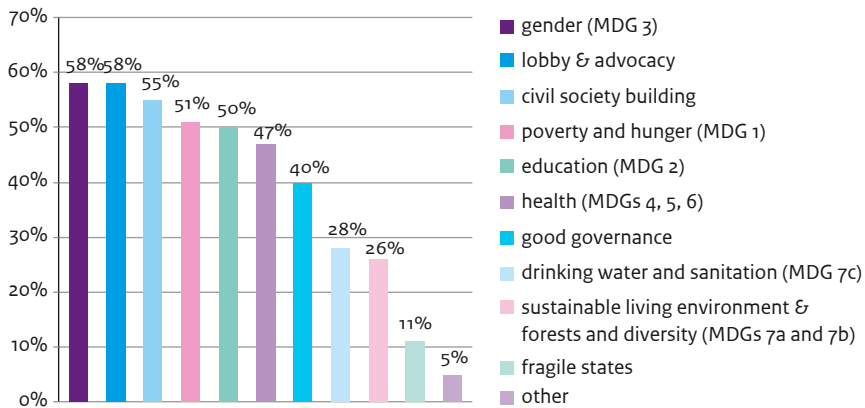
Remarkable during the interviews was a distinction between thematic support provided by DCSOs with a broad scope and approach, and the more specialised DCSOs. The tools, content and approaches of specialised organisations were particularly valued.

Box 13   *Feedback webinar on perceptions (2016)*

The feedback webinar confirmed the main findings on organisational and thematic CD. There was an interesting debate about the changing funding landscape and the shift from more long-term institutional funding towards more short-term project-based funding. Some argue that institutional support along with CD should be integrated in project funding to sustain the organisations' existence and impact. Overall, the participants stressed the importance of long-term continuity to achieve their goals, irrespective of project duration, and to maintain the valued aspects of the relationship, such as long-term support, trust and flexibility.[181]

[179]   Meeting between DCSOs and IOB of the Dutch MFA, 29 February 2016 and consultations with DCSOs.
[180]   Multiple answers are possible.
[181]   The feedback webinar took place on 7 June 2016. About 80 respondents of the perception study survey and the interviews participated.

Civil society support

On average, 55% of the Dutch and Southern respondents indicated that they contributed to civil society strengthening in the period 2011-2015. However, if one looks at the disaggregated scores of DCSOs and SCSOs, one can see a remarkable difference. 76% of the Dutch respondents indicated that they contributed to CSD, compared to only 45% of the SCSOs. Apparently, between DCSOs and SCSOs, too, views diverge about how to strengthen civil society. It appears that the DCSOs might consider civil society and CSOs as more or less identical when it comes to strengthening SCSOs as a channel to support the development of civil society. Field visits, however, illustrate that interviewees make a clear distinction between civil society and CSOs, which only represent a relatively small and organised part of civil society. Interviewees also indicated that the governments in their respective countries might recognise the importance of civil society but that they might also feel that their influencing power is being threatened by SCSOs, especially by those receiving foreign funding. There is a widespread concern about the space for civil society.

CSOs consider themselves important actors in helping civil society understand and demand their rights and in helping them get organised to obtain a strong voice. DCSOs and SCSOs are aligned about their general view on the value of civil society and on the need to strengthen civil society. Both groups of respondents agreed to most of the statements in the survey, except for the statements that civil society is a Western concept and that supporting civil society is only effective when the state also receives support from donor governments. Survey respondents strongly agreed that civil society is a positive force and that support in strengthening civil society is crucial to put topics of general interest on the agenda in the countries. They also agreed that strengthening civil society is a precondition to fight poverty and that local CSOs are crucial actors in strengthening civil society.

The interviews provided deeper insights as to the role of Southern and Dutch partners in carrying out activities to strengthen civil society. It became clear that many SCSOs strongly focus their activities on all sorts of civil society strengthening activities. They mobilise and organise groups of people, carry out trainings and provide information e.g. about relevant legislation and policies. There are high expectations of the role of CSOs.

Appreciation and good examples of Dutch expertise and experiences with civil society were mainly related to contributions of DCSOs with a clear profile on a thematic issue and related knowledge and networks.

In the interviews, SCSOs frequently referred to certain preconditions for civil society strengthening, such as literacy and basic needs, that must be met before communities can be actively involved in civil society strengthening. While they focus on providing training, support and services to communities, the Dutch approach is shifting from service delivery towards systemic change, e.g. by focusing on policy influencing and L&A. Several SCSOs are also engaged in such activities. The differences between the ministry and certain SCSOs and among SCSOs can be explained by the diversity of approaches resulting from different priorities. Some SCSOs argue for an approach in which support for basic needs activities and for civil society strengthening programmes e.g. through L&A is more in balance. They also

express the need for a more integrated, context-specific, joint approach to civil society strengthening, combining the potential of DCSOs, SCSOs and embassies.

5.1.6   Findings on Lobby & Advocacy support

Whereas in section 2.7.1 the findings of international L&A activities were presented and discussed, the current section assesses the perceptions of DCSOs' capacity to influence international policy and to contribute to developing SCSOs' L&A capacity. As support for L&A often comes in the form of CD, there is some overlap with section 5.1.5 on expertise in terms of CD support.

DCSOs' support in difficult situations

The survey results point out that DCSOs and SCSOs sometimes have different perspectives on the extent to which L&A should be perceived as a means to achieve larger goals. What also stands out, is the view SCSOs in different countries have on the extent to which L&A can help their development approach. SCSOs in Ethiopia and Indonesia, for example, feel that L&A in difficult or politically sensitive situations distracts them from their focus on development. In the DRC SCSOs feel the same, but even stronger. Overall, it appears that SCSOs are more critical than DCSOs on the following statement: '*DCSOs can support us in politically sensitive situations which otherwise would not be possible*'. In general, the ability of DCSOs to provide support under difficult or politically sensitive situations is not evident.

SCSOs are concerned about the DCSOs' high expectations of the influence SCSOs have in their countries, especially at local level, while expectations are unclear on what their respective roles should be. Given the complexity and an increasingly restricted environment in several countries, the operating space for SCSOs is shrinking, especially in the field of rights based and/or L&A activities. In several countries, such as Ethiopia and Uganda, where recently civil society laws and/or NGO bills have been put in place, SCSOs are strongly controlled by the government. This has far-reaching consequences for the operating space of CSOs and SCSOs. In some cases, rights-based and L&A activities are even prohibited. SCSOs argue that a long-term commitment is required as well as a vision on e.g. L&A strategies and -approaches, the roles to be fulfilled by the different stakeholders involved and the skills that are needed. According to the SCSOs, learning and exchanging experiences on different L&A approaches and strategies is also key to enrich the L&A practice. Much can be learned from more L&A-specialised DCSOs.

The field visits showed that in the opinion of SCSOs, DCSOs tend to conform and manoeuvre within the limited operating space for CSOs, rather than trying to defend the operating space. At the same time, some SCSOs indicated that they received support from DCSOs for certain innovative approaches and/or politically sensitive issues. In this respect, DCSOs found ways to reach out to and partner with organisations advocating the greater inclusion of civil society and a more enabling environment for civil society.

Importance and appreciation of DCSOs' support for L&A

The capacity and ability of DCSOs to contribute to the development of SCSOs' L&A capacity was assessed in the perception study. The results of the survey showed that SCSOs perceive the support of DCSOs to strengthen the capacity of SCSOs to develop effective networks and coalitions as very important. The same applies to CD support on developing long term L&A strategies and action plans, increasing access to relevant information and knowledge, and M&E and learning in L&A. The importance of making use of DCSOs' capacity to influence policy scored low.

What stands out in the survey results, is that across the board the SCSOs have low appreciation of the L&A support they received from DCSOs. Possible explanations for this are presented in 5.4.1. Of all the dimensions, SCSOs appreciate CD support for effective networking and coalitions most, whereas making use of DCSOs' capacity to influence policy and campaigning are appreciated least. The low scores given by the SCSOs is discomforting, as the general tendency of SCSOs in this survey is to be quite positive. A more critical score is therefore quite telling. In comparison with the higher appreciation of organisational and thematic support, it is even more remarkable that the SCSOs' appreciation of L&A support scores low across all dimensions.

From the interviews in some Southern countries, IOB has learned that SCSOs' appreciation of DCSOs ability to provide L&A support varies per partner and per country. For some organisations, L&A is inherent to their work, and as such the national and international networks, coalitions and the support from DCSOs are more obvious. Other DCSOs have more recently explored the possibilities in this domain, in line with shifting Dutch policy priorities focusing on L&A. This difference may explain the divergent appreciation for DCSOs' support of policy influencing and campaigning.

DCSOs' role in direct policy influencing at national level

The DCSOs have not taken a clear role in direct policy influencing at national level. If they are involved, they usually participate as members of a consortium. In the interviews, the SCSOs argued that the activities of DCSOs could focus on several levels (local, national, international) and actors (their back donor, governments, companies, consumers) and on their own activities towards their local and national government. In this respect, it is often emphasised that a context-specific approach and tone of voice is crucial, and DCSOs do not always have sufficient knowledge of the local political context to be able to decide on effective approaches and on an appropriate tone of voice. Depending on the local political context, being too confrontational and direct can have adverse effects, leading to further restrictions, while in other situations a more confrontational approach may be needed. The relation between DCSOs and Dutch embassies regarding L&A is limited and varies per country.

5.2 Cooperation among DCSOs in MFS II alliances and between MFS II alliances/TUCP organisations and the ministry

5.2.1 The MFS II and TUCP policy frameworks on cooperation and the role of the ministry

The policy framework for MFS II included the intention to form alliances of two or more DCSOs. These alliances would formulate and sign alliance agreements with each other, describing aims, objectives and duration of the collaboration, procedures for M&E, communication and meetings, finance, governance and structure of the alliance. Most alliance agreements discussed the method of collaboration and the tasks and responsibilities of the lead applicant and the co-applicants. In many cases, the agreements described the lead applicant as the sole contact, representative and responsible organisation towards the minister, both regarding programme implementation and compliance with the obligations connected to the grants awarded.

The policy framework for MFS II included the need to combine forces and to prevent fragmentation within the development sector, assuming DCSOs need to cooperate more to be more effective. The ministry preferred alliance formation and cooperation with private sector actors.

The framework for TUCP stressed the importance of complementarity and of having a good balance between government, private sector and civil society. The ministry encouraged alignment and collaboration between the two trade unions.

5.2.2 The study on cooperation

IOB commissioned a study to Partnership Learning Loop to assess the patterns of cooperation among the DCSOs in the MFS II alliances and between these alliances/the TUCP organisations and the ministry between 2011 and 2015.[182] This section is largely based on that study. The main components of the study were desk research carried out by IOB, an online survey about the collaboration among DCSOs in the MFS II alliances and between MFS II/TUCP organisations and the ministry, including embassies, and in-depth interviews with directors and staff of all alliance members of five MFS II alliances[183], CNVI and MFNV. A total of 22 MFS II organisations were consulted, many of which participated in several alliances as lead organisation or as member.[184] Among the MFS II alliances, perspectives of different departments were considered: top management (directors), PME, finance and programmes.

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182   Dieleman, R. and H. van Kampen (Partnership Learning Loop), 2016b.
183   In-depth interviews were held with all members of the Woord en Daad/Red een Kind Alliance; SRHR Alliance; People Unlimited; Impact; Fair, Green and Global Alliance.
184   The survey had a response of 114 (more than 50%) from MFS II organisations, MFA and embassies.

5.2.3   Findings on cooperation among DCSOs in the MFS II alliances

Formation of the alliances

The build-up towards forming alliances was a scramble; all partners were looking for complementarity. The big former CFOs searched for partners that would fit and complement their strategies and other DCSOs looked for opportunities in different alliances. The larger organisations approached many potential partners to identify the ones most suitable. As many organisations wished to form an alliance with one of the former four CFOs, these were able to choose between various potential partners. It was a time of hard work without certainty. The common factor involved for almost all was the search for complementarity in terms of strategies, programmes, approaches, expertise, networks and knowledge.

The main difference in structure was between 'Amoeba' alliances and 'Octopus' alliances. An Amoeba alliance is a multilateral form in which all members are organically involved in collaboration, whereas an Octopus alliance is a multiple bilateral collaboration under one umbrella. Alliance agreements included descriptions of the role of the lead organisation as the sole contact and responsible organisation towards the ministry regarding programme implementation and compliance with obligations. The financial share of organisations in alliances varied considerably, from 96% for the lead to 0.4% for a member.
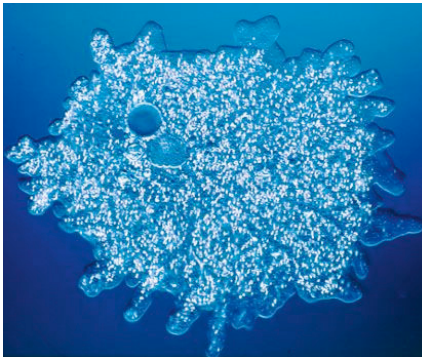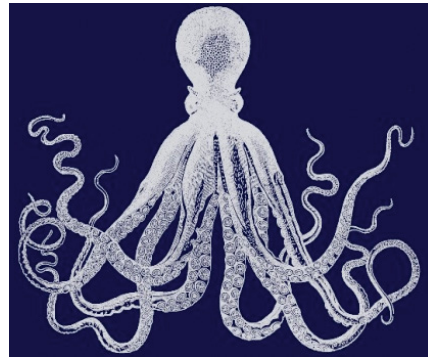
Amoeba alliance

Octopus alliance

Box 14   *Main characteristics of Amoeba and Octopus alliances*

Amoeba alliance	Octopus alliance
Any of the members can be the lead.	The largest organisation is usually the lead.
Different shares of budget depending on role in the programme.	The lead has a relatively large share of the budget.
Joint decisions about proposal and programme.	The lead decides on proposal and programme with input from members.
Systems and procedures of different members are used, joint systems/ procedures are developed.	Systems and procedures of the lead are used by the others.
Mutual accountability between all members.	One-way accountability from members to lead.
All members are to some extent involved in joint programme.	Bilateral programmes between lead and members; minor or no linkages between members' programmes.
Governance structure with shared roles and responsibilities.	Governance structure where the lead is mainly responsible.

Role and appreciation of the lead organisation

In many cases, the bigger organisations took the initiative to form an alliance and selected and invited smaller organisations to join. Alliances chose one of the members as lead and decided about its role and responsibilities. Sometimes that decision had already been taken by the organisation that took the initiative to form the alliance. Alliances with former CFO's as lead organisation were mostly Octopus collaborations. Their leadership was usually accepted by the smaller members without much discussion. In Amoeba alliances, members showed their interest as a lead; the choice and the decision about the role and responsibility of the lead was usually a joint one. Some DCSOs were the lead in one alliance and a member in other alliances (up to four).

Lead organisations of Octopus alliances mostly functioned as exclusive contact for the ministry; Amoeba organisations had joint meetings with the ministry. The lead organisation held legal and financial liability and responsibility, was the contact for the ministry, and chaired the steering board of directors. In Octopus alliances, the lead chaired other groups as well and had a decisive vote in set-up, use and changes of programmes and systems. In Amoeba alliances, the chair of different groups rotated or was divided among members; all organisations jointly decided about changes in the programme. In both types of alliances, the lead collected and harmonised M&E data of all members to report to the ministry. Almost all lead organisations had an alliance coordinator. It was usually highly appreciated if this coordinator smoothened the alliance processes, especially regarding joint PME.

Most members and leads themselves were content with the role of the lead organisations; there was a potential power imbalance between the leads, particularly those of Octopus alliances and the member organisations. The most appreciated characteristics of the leads were:

- openness about potential power dynamics; exploring ways to deal with that;
- aspiration to operate as an equal partner;
- balance between attention for the collaboration process and programme progress;
- a facilitating rather than a directive role;
- a serious attitude towards the interests of all members, regardless of size or share;
- inviting all members for policy meetings with the ministry;
- representing the interests of the collective in meetings with the ministry;
- genuine interest in each member and stimulating interest between members;
- involving all members in change processes;
- a pragmatic way of working: not too much bureaucracy.

For the lead organisations, their position had various advantages, such as increased visibility with the ministry, overview of what was going on in the alliance and consequently great influencing power within the alliance and towards the ministry.

There were some issues concerning the position of lead organisations too, such as:

- how to retain an equal role in the alliance considering the legal position;
- how to feel responsible on the one hand and be an equal partner on the other hand;
- the administrative burden being heavier than expected;
- the lead becoming another layer between members and the ministry;
- the perceived role of the lead as a donor hampering the contacts of the members with the ministry.

Value and appreciation of the relations within alliances

Octopus alliances were more on the transactional side of the spectrum and Amoeba alliances more on the transformative side. In more transactional alliances, some members had no contact with other members, only with the lead. They usually continued to work with their own Southern partners, without alliances in the countries concerned. Sometimes there was hardly any geographical overlap in countries where the alliance members were active; they did not have extensive meetings or communication with each other. This even applied to lack of overlap within countries. As a result, intervention strategies did not change much and business remained more or less the same as usual. Sometimes they learned from other organisations' way of working. In many cases, they appreciated the fact that the alliance was not labour-intensive in terms of extra paperwork and time for meetings and decision making. In more transformative alliances, some local alliances were formed and more exchange of expertise and learning took place among the members. The collaboration process was often considered more labour-intensive. Staff of all members had to participate in meetings at different levels and aligned systems and procedures. This was especially the case for smaller organisations.

The nature of personal characteristics, attitudes towards collaboration, ways of working, communication and added value were the main strengthening or hampering factors for collaboration.

Box 15   *Strengthening or hampering factors for collaboration*

Strengthening factors	Hampering factors
Personal factors: Personal click between directors and departments, joint values, goodwill, genuine interest, trust, respect, openness, transparency, equity.	*Personal factors*: Ego's, hidden agendas, suspicion, no room for diversity, lack of interest and support, 'Calimero effect': small organisations feel they must fight for their position.
Attitude towards collaboration: Previous relations, seeing opportunities to add value to programmes, taking time to build trust, balance between own organisational interests and alliance interests.	*Attitude towards collaboration*: Different values, the alliance seen as a pre-condition for funding, forming alliances that are favourable in the MFS II framework rather than for a joint cause, putting own organisational interest before alliance interest, members with small financial share must fight for their position; members with large share dominate.
Ways of working: Focus on learning and reflection, respect for autonomy of members, clear roles and responsibilities, nurturing process of collaboration, addressing difficulties in collaboration, joint decision-making, alliance coordination.	*Ways of working*: Power imbalance, focus on progress and not on process, not considering alternative solutions, focus on bureaucracy, administration, unclear roles and responsibilities, limited sphere of influence, no alliance coordination, INGOs consulting mother agencies causing delays, field offices not interested in collaboration.
Communication: Face-to-face meetings, locations at short distance, to the point meetings and communication, bottom up, stimulating communication and collaboration in the field.	*Communication*: Long physical distance, extensive meetings, reports and minutes, top down communication, no local alliance/collaboration, field office as account managers rather than partners.
Added value: Complementarity between organisations, collaboration at local level.	*Added value*: competition, paper tigers, in theory: 1+1=3; in practice 1+1=2.

Added value of collaboration

Most alliances remained the sum of their parts, rather than the whole becoming larger than the sum of the parts; the anticipated added value in terms of increased efficiency and effectiveness was less than hoped for in most cases. According to the DCSOs, the budget cut in 2011 was one reason for this. The number of countries had to be reduced and geographical overlap between alliance members decreased. Also, the PME requirements – considered as heavy by the DCSOs – put pressure on the potential synergy and added value, because choices were often based on organisational rather than collective interests. Often, the result was a programme plan that merely consisted of different programme plans of all alliance members stapled together.

Especially for Octopus alliances, the added value largely remained a paper tiger; for Amoeba alliances, the situation was more positive. Members of Octopus alliances were often not complementary or had insufficient geographical overlap. Each organisation was committed to its own part of the programme with its own partners, usually only in consultation with

the lead about financial progress. The collaboration in Amoeba alliances in some cases led to new intervention strategies and more impact. This was mostly the case with alliances with specific themes and expertise. Collaboration at local level led to stronger L&A, joint learning and professionalisation. However, many results of joint programmes will only show after some years. Therefore, it is too early yet to draw conclusions about their effectiveness. In the Netherlands especially, alliance members without professional PME, financial and communicative systems profited from members that already had such systems. For the ministry, efficiency improved as the administrative burden decreased. For alliances, this burden became heavier because of PME requirements and because organisations participating in various alliances had to report in different reporting systems.

After MFS II

For most alliances, the end of MFS II also meant the end of the alliance. Of the 20 MFS II alliances, two continued in a strategic partnership under 'Dialogue and Dissent' (D&D)[185]; one applied but was rejected. Some others continued as a thematic strategic partnership, for example on SRHR. In some cases, alliance members continued with one or two members or invited others to form a new alliance. Mutual dependencies that had developed in the alliances created problems for some members after the end of MFS II. Strategies for the alliances after the finalisation of MFS II were not mentioned in documents or communications between alliance members. In 2012, most organisations started looking for new partners under a new framework. In some cases, this caused anxiety and unrest, decreasing mutual communication and increasing attention for own activities. However, many alliance members indicated that former alliance partners became more accessible for them and that there was more mutual understanding between them, even after the end of MFS II. The policy shifts caused the DCSOs to reorient on new partners, suitable to work with in the future. This search is more directed towards joint impact and the collaboration process now than under MFS II.

5.2.4 Findings on cooperation between MFS II alliances/ TUCP organisations and the ministry

Set-up and design of the relation

MFS II organisations understood and agreed with the ministry's requirement of intensified collaboration among the DCSOs to reduce the existing fragmentation at the start of MFS II and to improve effectiveness. For TUCP organisations, collaboration is core business. The ministry wanted the two trade unions to work closer together, but structural collaboration has not yet developed. According to the DCSOs, the intensified collaboration under MFS II has contributed to more open and flexible DCSOs, that find it easier to approach and find each other. There is more contact between them and they better understand what other organisations do, compared to 2011. The tender process was not considered the best instrument to create collaboration. Apart from the huge investment in time, it rather

[185] D&D is a new policy framework for strategic partnerships for L&A (2016-2020), introduced by Minister Ploumen in 2014.

increased competition between organisations. The number of subsidies and tenders increased from seven subsidy schemes in 2003 to 27 tenders in 2016. The heavy threshold criteria used in tenders create problems, especially for small DCSOs. They have the perception that bigger DCSOs qualify more easily for funding than smaller ones.

The start of MFS II was characterised by changing application requirements that influenced the programmes and collaboration of the DCSOs: the link between the PME framework and MDGs, changes in the requirements for baselines and changes regarding Civicus and 5C requirements. DCSOs felt that the ministry did not understand what changing the requirements meant for them. Some of the requirements were discussed with the ministry and were relaxed after some time.

MFS II alliances had to write detailed proposals, which was a labour-intensive and time-consuming process, but they received only between 51-74% of the proposed budget, Moreover, after the programmes including budgets were determined, there was an overall budget cut of 11.2% just after the start. As a result, the alliances had to readjust the proposals and budgets, which caused frustration and anger towards the ministry.

TUCP's start was not a tender process and there was less emphasis on collaboration. However, the trade unions also found the PME requirements heavy, and not always relevant and clear. They complained about the changes in PME requirements, but they were positive about the shift from DSO as the account manager to the Sustainable Economic Development Department (DDE), as the TUCP programmes under DDE fit better with the trade unions than those under DSO.

New approaches were introduced for the strategic partnerships for L&A in the context of the policy framework D&D 2016-2020. This was much appreciated by the DCSOs.

Appreciation of the relation between DCSOs and ministry
DCSOs considered the relation with the ministry and its staff to be good. The ministry, trade unions and MFS II organisations experienced the quality of the relation, the value of the relation for their organisations and the impact for beneficiaries as close to satisfactory. There were only small differences in the perceptions of the various actors, although MFS II alliance leaders scored a little higher than the other alliance members. This may be explained from the fact that the lead organisation met with the ministry more frequently than the members.

According to the DCSOs, the ministry shifted its role of donor more to a role of partner in the past five years, which implied more open communication, trust and respect, thematic sharing, more intense relationships and networking. DCSOs also appreciated continuity in the ministry's account holders. Other characteristics of the ministry that were appreciated were: accessibility, supportive attitude, commitment, flexibility in budget changes. Joint field visits, reading documents by ministry staff prior to meetings and constructive feedback were appreciated, too. This shift was a deliberate choice of the ministry. It has invested in clarifying the context in which it operates and its potential and limitations. The ministry's

staff was encouraged to be open, genuinely interested and supportive. The appreciation of DCSOs of the relations with different departments within the ministry varied, and depended on the roles of the departments and the persons involved. The relation with DSO was more contractual, whereas the relation with thematic departments had more characteristics of a partnership. Exchange on themes and policies fed both DCSOs and thematic departments. This contributed to equality of the relationship. Although overall the relationships were considered as open, many DCSOs agreed that too little time had been devoted to relation building and maintenance between ministry and DCSOs. The DCSOs also recognised that their own organisational interests are at stake, that competition is high and that it is important to meet the ministry's requirements.

The relationships DCSOs had with embassies varied widely. DCSO appreciated the embassies if they were interested in the work of DCSOs, if trade was not considered more important than aid, if their priorities coincided with alliance priorities and if they had enough capacity to support the DCSOs. The division of roles, responsibilities and approach between the ministry and embassies was sometimes unclear, which led to confusion among DCSOs.

The ministry considered DCSOs as professional and devoted partners. The regular exchange on policy and thematic issues was valued. The ministry experienced trust in the relationship, but deeper understanding from DCSOs of the context in which the ministry has to operate, could help improve the relationship. This particularly refers to more understanding for the ministry's sometimes limited manoeuvring space in case of unpopular political decisions. DCSOs sometimes regard the ministry as the culprit, not the politicians. Most DCSOs also perceived and approached the ministry mainly as funder. The embassies' perception of the relationship with DCSOs is very different from the ministry's. Overall, they were less satisfied about all aspects of the relationship.

The intensity and characteristics of the relation differed per MFS II alliance and alliance member. About 29% of the organisations had quarterly contact by e-mail, phone, skype or face to face, whereas fewer had annual, six-monthly or monthly contact with the ministry. Alliance lead organisations had more contact than the other members. Remarkably, about 16% of the alliances never had contact, mostly the members. The ministry experienced the relation as more intense than the MFS II leads and the members. Trade unions had more regular contact than many MFS II alliances. Overall, the intensity of the relation decreased towards the end of MFS II, because everybody was busy with new programmes.

Meeting agendas were jointly shaped by both the ministry and the DCSOs and the meetings were open. Topics discussed during meetings included progress of the programme implementation (70%), policy issues/dialogue/challenges (61%), changes in the programme (52%), best practices (50%), finances (43%), the collaboration itself (40%), future cooperation (36%), procedures and systems (34%). During the lifetime of MFS II, the topics changed from progress and finance towards policy and political developments. This was appreciated by both DCSOs and the ministry.

The DCSOs consider the ministry as an easy accessible partner. Nevertheless, they experience the relationship as transactional rather than transformative.[186] Alliances with a lead with a big share of the subsidy regard the relationship with the ministry as more transactional compared to alliances where all alliances members have a more equal share. The ministry experienced the relationship as more transformative than the DCSOs.

Added value of the relationship
DCSOs considered financial or in kind benefits as the greatest added value of the relationship with the ministry. Second to financial or in kind benefits, MFS organisations considered a network of valuable relations and learning, knowledge and expertise as most valuable to their organisation. Trade unions considered the network most valuable, followed by financial or in kind benefits of the relationship. Innovation, increased effectiveness of interventions and skills and capacity building score lowest among the DCSOs. The ministry sees most added value for them in learning, knowledge and expertise and in a network of valuable relations.

DCSOs and the ministry were not very satisfied about the extent to which they made use of each other's expertise and resources. Did the collaboration lead to the synergy expected?[187] MFS II organisations had a neutral opinion about this and trade unions and the ministry were more positive. These results are noteworthy as the ambition regarding complementarity and synergy has been an important element in the plans of the MFS II organisations.

The ministry was considerably more positive about the impact of collaboration with DCSOs on development issues than the DCSOs themselves. This collaboration concerned the joint addressing of important development issues, together reaching more people and having more impact on beneficiaries and combining expertise. Trade unions were more positive than MFS II organisations; alliance leaders more positive than alliance members. DCSOs see the potential of adding value through collaboration, but also point to the huge task to make collaboration work.

Factors influencing the relation
Apart from the budget cut in 2011, as discussed before, the main factors influencing the relation between DSCOs and the ministry were: changes in policy, procedures and PME/ reporting requirements, the role of the lead applicant, the disconnect in policy priorities between embassies and the department in The Hague, the decreasing capacity at the embassies and department, the shift from aid to aid & trade and the end of the MFS programme.

Changes in policy, procedures and PME and reporting requirements impacted the relations between DCSOs and ministry negatively more often than positively. PME and reporting requirements influenced the relationship most. According to the DCSOs, the requirements

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[186] Transactional relationship = contract based, strategic framework created by one party, major decision making with one partner, one-way accountability, focus on results. Transformational relationship = co-creation of strategic framework, mutual accountability, joint decision making, risks and benefits shared, focus on relationship.
[187] Synergy is defined here as: rather than going for option A or B, organisations find new approaches together; they complement each other; the total exceeds the sum of the parts; synergy is a precondition for creating added value.

were too heavy and strict, and not well connected to their daily practice. Collecting and aggregating data was a huge task for many alliances and for trade unions; it put a lot of pressure on the collaboration. This pressure was less for alliances with a big lead organisation and some smaller members. It was doubted whether the ministry fully understood the complexity and intensity of the PME framework. According to the DCSOs, the reporting system did not generate appropriate information to monitor progress. It mainly provided quantitative information for the ministry; syntheses and analysis were often lacking. DCSOs had no idea if the information provided would help the ministry create a better understanding. Obviously not, because it took the ministry some years to understand the focus of the alliances. On the other hand, the ministry did not provide clarity on which information was needed and relevant for the DCSOs. Both the ministry and the DCSOs seemed to lack a clear vision of what was relevant information for them and for each other. Initially, reporting mostly focused on accountability, but towards the end of MFS II, there was more emphasis on learning and improving, which was appreciated by DCSOs.

The lead applicant construction that was part of the contract between the MFS II alliances and the ministry fostered inequity between the alliance members. Many lead organisations felt pressured, because they were held responsible for programme implementation and compliance with the obligations connected to the grants awarded, while they had little or no influence on them. Their reaction was to control and to decide what would be the best thing to do and which formats should be used. In some cases, the lead would function as the exclusive contact for the ministry. Some alliance members were content with the lead organisation taking that role, because it decreased their administrative burden. Other members felt that their visibility and influence decreased because of the lack of direct contact with the ministry; the visibility of the lead increased. 37% of the alliance members did not have any direct contact with the ministry. Some members, particularly of alliances with a big lead organisation, felt that an information and relation gap between members and the ministry had been created. Some smaller alliances had joint meetings with the ministry.

There was a disconnect in policy priorities between embassies and the departments in The Hague. The capacity at the embassies and departments decreased, which led to confusion among the DCSOs and a decline in support from embassies. As a result, DCSOs found it hard to understand how they could be part of a department policy framework while at the same time not fitting in with the policy of embassies. They sometimes had different expectations of the role of the embassies. DCSOs observed that the capacity at the ministry and especially at embassies had decreased due to budget cuts. At the embassy level, there was little time available and staff tended to be reactive and more distant than before. DCSOs indicated that interest, listening, sharing information and willingness to support each other make a working relation worthwhile and that this does not need to cost a lot of time. They considered decreasing embassy capacity a major mistake. Content/thematic expertise also decreased at both ministry and embassy level. The relationships between embassies and DCSOs varied, depending on policy priority, thematic knowledge, whether an embassy became a transition facility, personal interest and attitude.

The shift from aid to aid & trade impacted the collaboration and programmes. DCSOs were generally positive about Minister Ploumen's policy, but critical about ODA budgets also being used to pursue the Netherlands' own interests. The merge between aid and trade made the relationship between DCSOs and the ministry more complex. The DCSOs mentioned the tendency within the ministry to value trade over aid, particularly at embassy level. Some DCSOs felt that they were no longer seen as serious partners. Embassies had very different approaches towards the aid and trade agenda. Those that focused on Holland Branding were usually not interested in DCSOs. Linking up with the corporate sector and trying to involve them as a CSR partner, as encouraged by the policy framework, was not easy for DCSOs, as the corporate sector is not keen on working with themes that are politically sensitive. DCSOs were sceptical about the intent of the corporate sector and its potential to reduce poverty. They stressed that the effectiveness of trade on economic development is unknown.

DCSOs were disappointed about the ending of the MFS programme and this affected the relationships between the ministry and the DCSOs. When the end of the programme was communicated in 2012, DCSOs began to worry about their financial future. The decision also negatively affected the intensity of the relationships between ministry and DCSOs. The tenders for other funding channels, such as the strategic partnership D&D, led to a focus on new opportunities rather than on the cooperation and added value within the MFS II alliances. The lead up to the new policy framework for D&D also impacted the relation between the ministry and the DCSOs. Some DCSOs felt disqualified because of the narrow L&A focus of the framework. Their understanding of L&A is policy influencing mainly at national and international level, whereas their focus on empowering people on the ground and service delivery is not considered to fit within the new framework. Because of the shift of focus, most alliances discontinued their cooperation. DCSOs felt that MFS II had not contributed to reducing fragmentation and to reinforcement, but rather increased the competition for funding among DCSOs. They also felt that they increasingly seemed to become implementing agencies of the ministry rather than being autonomous organisations. Although DCSOs appreciated the opportunity to provide inputs for a new policy framework, they felt the process was quite ad hoc rather than strategic.

Future relations
It is still unclear what the shift in role from donor to partner of the ministry means in practice. The role of the ministry is very diverse, and depends on personal interpretations of ministry and embassy staff. According to some DCSOs, not much has changed and they do not talk much about playing complementary roles. In other cases, the ministry is active in a steering group while some embassies organised workshops. This diversity is part of the ministry's search of value-adding roles. Some DCSOs expressed doubts about the shifting roles. They fear that a partner role will maximize the influence of the ministry at the expense of the DCSOs' autonomy, or they question whether a funding role can go hand in hand with a partner role.

There is a shift in focus from North to South, which raises questions about the future of Northern DCSOs. More direct funding of DCSOs present in the South by governments and

increased ownership over budgets, learning and CD seems to be the trend. This will have considerable consequences for the roles of the DCSOs and the ministry. DCSOs agree that a role as grant maker is no longer realistic in the future. They already shifted towards roles as technical advisors, consultants for resource mobilisation and L&A agents at the global level.

According to DCSOs, *competitive tendering* has several disadvantages. Tendering is extremely costly, time intensive and technical; track records are often not taken into consideration enough; assessments of proposals are often done by external parties who do not know the context well enough. Competition increases, which contradicts the aspiration for more collaboration. DCSOs have to meet tender requirements, and as a result they become implementing agencies of the ministry rather than independent DCSOs. Selection processes do not always lead to more efficiency. The above risks greatly depend on the approach of the tender. The more open and co-creative tender process that the ministry applies today is appreciated by the DCSOs.

5.3   Consequences of budget cuts

In previous paragraphs, some of the consequences of the budget cuts applied by the ministry were already highlighted. In the current section, these consequences are systematically reviewed, aimed at meeting the commitments made by the minister to the Parliament.

Decreasing budgets

The ODA-percentage made available by the Government of the Netherlands for development cooperation decreased from 0.80% in 2010 to 0.64% in 2014, to increase again to 0.75% in 2015. The total share of funding for CSOs, excluding the funding via Dutch contributions to the EU and multilateral institutions, decreased from 26% of ODA in 2011 to 18% of ODA in 2015.[188] As there is still a commitment of the Government of the Netherlands to make 25% of ODA available for CSOs, although this commitment is clearly under pressure. The budget for the CSOs is made available through the thematic programmes (45%), the CD programme, including policy objective 3.3 (40%) and direct funding via embassies (15%).

Overall, the DCSOs managed to compensate the budget reduction during MFS II by mobilising funds from other sources, mainly the EU and other bilateral donors and by winning thematic tenders issued by the ministry. At the level of individual DCSOs there are considerable variations with winners (usually the smaller thematic DCSOs) and losers (the former CFOs). Lau Schulpen of the Centre for International Development Issues (CIDIN) summarised the situation as follows:

> *'The four original CFOs (Cordaid, ICCO, Hivos and Oxfam Novib) are – together with SNV – the biggest losers of the changing subsidy regime of the Dutch government. Between 2003 and 2010, they together received on average EUR 405 million per year, while over the period 2011-2015 this was EUR 263 million. For 2016-2020, they are now scheduled to receive an average annual subsidy of EUR 47 million, but this will most likely still increase if and when the still open subsidy schemes are finalised. Considering the fact*

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[188]   Source: DSO.

that 'government subsidies' constituted between 91% (ICCO and Hivos) and 56% to 57% (Oxfam Novib and Cordaid) of total income of these four CFOs in 2010, it thus seems logical to expect that the substantial decrease in Dutch government subsidies has had an enormous negative financial impact on these organisations.'[189]

In anticipation of the large budget reduction, the former four CFOs have implemented substantial reorganisations and are still involved in considerable change processes. They tend to decentralise their organisations with more autonomy and responsibilities for their country offices, introduce a 'business culture' with a focus on resource mobilisation from other donors and introduce a 'project organisation' making it possible to calculate full cost recovery. All four organisations had to reduce their staff and make their organisations more flexible, to adjust to changes in their budget.

DCSOs criticising the ministry
Many DCSOs tend to criticise the ministry not only for the budget cuts, but also for policy changes, including the introduction of the Dutch 'aid, trade and investment' agenda. These changes resulted in less attention for development and poverty issues from the perspective of DCSOs and the way they think about international development cooperation, which differs from the priorities and views on how the new trade agenda would contribute to development and poverty reduction. This also led to a different distribution of funds, with sometimes negative effects for traditional DCSOs. As was said before, DCSOs regretted that some embassies nowadays focus more on Holland Branding as part of the aid and trade agenda and that they show less interest in cooperation with DCSOs.

Changing relationships between DCSOs and SCSOs
In many of the countries studied, DCSOs have had a long-term presence, in some cases dating back to the '90s. Despite decreasing funding, most DCSOs intend to stay in these countries, sometimes with fewer partners than before, or with smaller programmes.[190] As a result of decreasing funding, the relationships and division of roles between DCSOs and their partners have become more diffuse. DCSOs, especially those with field offices, tend to take up an implementing role themselves, to secure funding for their organisations, leaving less financial space for the SCSOs. SCSOs regard this competition for locally available donor funding with DCSOs as unfair, as DCSOs have the systems, the knowledge and the connections that they do not have. The SCSOs feel that Dutch field offices compete with them over scarce resources, showing that their own organisational interest is predominant, possibly even more when back donor funding is decreasing and/or the enabling environment for civil society is becoming more restricted by law. In recent years, there has been a growing concern among SCSOs about decreasing funding and/or termination of projects or the relationship altogether. In some cases, SCSOs indicated that their Dutch partners had not informed them in advance that funding would be cut, reduced or stopped

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[189]   Schulpen, L., 2016, p. 22.
[190]   See online survey topic 14.

and if they had, they did not always know or understand the reason for this.[191] Ensuring funding and the ability of SCSOs to handle donors in the light of their future existence is of great importance.[192] This was confirmed in interviews during field visits when SCSOs emphasised that funding opportunities – especially institutional funding – are decreasing and that they do not feel confident enough to find sufficient funding elsewhere.

Both DSCOs and SCSOs argued that decreasing funding is leading to fragmentation and a short-term focus. Ties are loosened and SCSOs are becoming more 'interchangeable'. SCSOs tend to get engaged in programmes for which funds are available and DCSOs increasingly select partners that fit their strategy. As a result, there is a shift towards more short-term contracts and SCSOs are concerned about that shift.[193] Their main concern is that DCSOs will further reduce or stop funding altogether, while the SCSOs still have insufficient resource mobilisation capacity and are still too dependent on donor funding.

SCSOs argue that decreased funding and short-term contracts are sometimes accompanied by less knowledge about their organisations and about the context in which they operate due to staff turnover both within DCSOs and within their own organisations. They advocate an integrated approach towards civil society strengthening, rather than what they now consider a fragmented approach. They appreciate the networking possibilities that DCSOs offer them to find alternative resources. However, DCSOs do not seem to take up that role very clearly, as they struggle with their own financial survival.

5.4   Analysis and conclusions

5.4.1   Analysis
This section analyses the findings regarding the added value of DCSOs for SCSOs, the collaboration between DCSOs and SCSOs, between DCSOs within the MFS II alliances, between the alliances, the TUCP organisations and the ministry and the consequences of the budget cuts.

The 'unique strengths' of Dutch support (long-term support of 10-15 years, trust, flexibility in implementation and thematic expertise) are under pressure, due to changes in Dutch development cooperation policy and how it is organised now. Ties between DCSOs and SCSOs have loosened and partnerships have become more 'interchangeable'. SCSOs get engaged in programmes for which funds are available, which may lead to them having to renounce their mission and vision. DCSOs increasingly select partners that fit their strategy. This may have negative effects on the level of ownership by SCSOs, which was one of the priorities of the ministry's policy to restructure the support for DCSOs. However, such pragmatic choices are understandable, given the precarious funding situation.

[191]   See online survey topic 14 (Stories), topic 26 (Main inspiration and frustration in the relationship) and topic 33 (Positive and negative influence on the relationship between 2011 and 2015). Field visits in Ethiopia, Uganda, Indonesia and India confirm these findings.
[192]   IOB, 2011.
[193]   See online survey topic 25 (Characteristics).

SCSOs' main concern is that DCSOs will further reduce or stop funding altogether, while they still have insufficient resource mobilisation capacity. This is a serious issue, as most SCSOs' future depends on donor funding, although it may also have positive effects. For example: it may lead to more active and creative attempts to find alternative (including domestic) sources of income, to break with the self-evidence of long-lasting and sometimes routine relations and to the establishment of fresh and surprising ones. Also, both DCSOs and SCSOs are forced to pay more attention to cost-awareness and efficiency.

The current trend among DCSOs is to focus on short-term results and to limit the funding periods. This trend and other policy changes and shifting interests of DCSOs have negative effects on the key characteristics of support to SCSOs. Such support should be based on Southern ownership and should respond to demands of SCSOs. Furthermore, the relations between DCSOs and SCSOs should be symmetrical.

DCSOs' support for organisational CD mostly concerns strengthening of SCSOs' strategy, PME, reporting and financial management capacities. The present role of DCSOs in supporting CSD is mainly financial. CD support in that area is limited. SCSOs have low appreciation for both Dutch support for L&A activities and for L&A DC support. This may be due to the tendency of DCSOs to conform and manoeuvre within the limited operating space, their lack of specialised knowledge of certain L&A issues and their high expectations of the influence of SCSOs, also concerning L&A activities. However, some SCSOs received support from DCSOs for innovative approaches and/or politically sensitive issues, which was indeed appreciated.

Specialised or thematic DCSOs with expertise, skills and a network have a clearer added value for SCSOs than DCSOs with a broad scope. SCSOs argue for more balance between support for basic needs activities and CSD programmes. They also express the need for a more integrated context-specific, joint approach to civil society strengthening, combining the potential of DCSOs, SCSOs and embassies. It would be interesting to consider such suggestions in the context of a discussion on a suitable ToC in which the roles of DCSOs, SCSOs and embassies and their mutual relationships are specified. This could help define which interventions would be the most effective. Currently, DCSOs and SCSOs struggle to find new modes for their relationships, that includes less or no financial support and more SCSOs' leadership at strategic level.

The perception study did not reveal substantial differences between MFS and TUCP organisations regarding their added value in the changing context.

In most cases, the anticipated added value of the MFS II alliances in terms of increased effectiveness and efficiency was less than hoped for. Most alliances remained the sum of their parts, rather than the whole becoming bigger than the sum of its parts. However, in some alliances collaboration led to new intervention strategies, more impact, stronger L&A, joint learning and professionalisation. On the other hand, despite all this, most alliances fell apart at the end of MFS II.

The ministry's policy to reduce the fragmentation of the Dutch civil society landscape amongst other things resulted in the awarding of extra points in the tender procedure for formation of alliances. This compelled several DCSOs to join such alliances, although this was not their preference. The approach of the ministry was insufficiently based on endogenous urges to cooperate, but rather on imposing exogenous instruments. The ministry could have invested more in inspiring DSCOs and in developing and sharing a vision and innovative ideas regarding patterns of cooperation.

At the same time, the members of several MFS II alliances seem to have been too occupied with their own interests to invest in making the alliances a success. They could have done more in this respect. However, some alliances produced better results than others, which had mainly to do with the added value they expected of cooperation and with their ways of working. In some alliances one large lead agency had disproportionate influence, which did not contribute to fruitful cooperation. Others were more characterised by equality, which had positive effects.

The relations between the ministry and MFS II alliances were generally good and open. The ministry wished to play a role as partner, characterised by communication, trust, respect, flexibility and support, and this was appreciated by the alliances. The ministry regarded the DCSOs as professional and devoted partners. The ministry had its own responsibilities as to policy shifts, including budget cuts. Although the alliances understood the ministry's sometimes limited manoeuvring space in case of unpopular political decisions, they sometimes saw the ministry as the culprit.

The earlier cuts in the budgets of MFS and TUCP organisations and the termination of MFS had far-reaching consequences. Particularly MFS organisations are in the middle of difficult reorganisation and strategic reorientation processes, struggling to define their future roles and relations with Southern partners. Such reorientation ideally is a continuous process, but the budget cuts increased its urgency. Some DCSOs take up implementing roles to secure funding for themselves, thus creating competition and leaving less financial space for SCSOs.

5.5.1   Conclusions

The relationships between DCSOs and SCSOs have traditionally been good, close and valuable thanks to the unique strengths of the Dutch support, such as long-term support, trust, dialogue, flexibility in implementation, thematic expertise and support to many SCSOs in many countries. To a certain extent, this is still the case, but there have also been changes in this pattern.

Since 2011, budget cuts and changes in Dutch development cooperation policy have put the relationships between DCSOs and SCSOs under increasing stress. Financial dependency and competition between DCSOs and SCSOs for locally available donor funds have increased, reporting requirements have become more demanding, with emphasis on accountability rather than on learning and they hampered the equity in the relationships. Support has become more short term and fragmented, and partners have become more interchangeable.

Whereas previously SCSOs had substantial freedom to develop their own programmes, they were now confronted more with the boundaries of the policy frameworks set by the DCSOs. This was caused by the tendency among DCSOs to select partners and programmes to be supported that fit their own strategies better than before, and this had negative effects on the ownership of SCSOs.

As a result of all this, the relationships between DCSOs and SCSOs loosened and both parties had to identify new ways to meet the challenges that reduced budgets and changing policy contexts suggest. They are currently in the middle of reorganisation and strategic reorientation processes and searching for alternative funding. This is difficult and often painful, but it may also open new windows of opportunity.

Several goals of the ministry to restructure the support to DCSOs were not realised. Cooperation among DCSOs improved and fragmentation reduced slightly thanks to the formation of the MFS II alliances. However, in most cases this was less successful than hoped for. Both ministry and DCSOs could have done more to make the alliances a success. Attempts to strengthen the complementarity between the programmes of the ministry and the DCSOs resulted in more concentration of DCSOs working in partner countries of the ministry. However, the cooperation between DCSOs and the embassies at country level varied widely. As was said, the aim to increase the ownership of SCSOs was negatively affected by the budget cuts and the policy changes.

6

How efficient was the support provided?

Reader's guide

This chapter responds to the following questions in the ToR:

1) *What research was conducted into efficiency, and what are the findings?*
2) *How efficiently have DCSOs performed in terms of their indirect costs expressed by the ratio of inputs provided to SCSOs' (outputs) to grants received from the ministry (input)?*
3) *How aware were DCSOs of efficiency management and how did they manage their efficiency?*

Section 6.1 present the findings concerning the efficiency of the MFS II programme, sections 6.2 and 6.3 report on efficiency of the TUCP organisations and of SNV. In section 6.4 the findings are analysed and the overall conclusions of this chapter are presented.

6.1   Efficiency MFS II

In this section, the efficiency of the MFS II funding at three levels is reviewed: single projects, organisations and the entire MFS II programme.[194]

6.1.1   Findings on efficiency of single projects

The MFS II evaluation report informs that answering the question whether MFS sponsored projects were implemented efficiently is problematic. Efficiency was only addressed for MDG projects, since it was considered too difficult to disentangle budgets for CD and civil society activities.[195] 35 of the 53 evaluated MDG projects received a score, as illustrated in table 14.

Table 14 Overview of MDG efficiency scores		
Countries	**Number of Observations**	**Efficiency**
Democratic Republic of Congo	-	-
Ethiopia	13	6.7
India	9	8.2
Indonesia	6	5.8
Liberia	2	6.5
Pakistan	2	6.5
Uganda	3	5.7
Total	**35**	**6.8**

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[194]   In the context of this policy review, an efficiency study was carried out by a consultancy firm. SNV did not participate in this study. See: Carnegie Consult, 2016.

[195]   The total number of evaluated projects was 190: 53 MDG, 58 CD and 79 CSD.

The average score for the 35 projects was 6.8. However, the synthesis team concluded that these figures fail to shed much light on the efficiency question because of two significant problems:

- The MDG projects are very diverse and appropriate benchmarks for these projects were hard to come by. For the MDG projects, the synthesis team provided an inventory of benchmarks found in literature, but even here reliable benchmarks were very scarce.
- There is a lack of sufficiently detailed financial information, not only on the part of the SCSOs, but also on the part of the DCSOs.[196]

Neither SCSOs nor DCSOs routinely collect financial data or use benchmarks against which to measure their own performance. The synthesis team considers this lack of reliable financial data a matter of grave concern that urgently needs to be addressed.

The MFS II evaluation raises the question whether it is sensible to exclude CD and civil society activities from efficiency analyses, as the MDG evaluations were in many cases able to analyse the cost of training activities and find relevant benchmarks. Arguments to include the CD and civil society components are that both often concerned training activities of which the efficiency can be established, and that CD often concerned capabilities that are quite similar across organisations, even if they pursue very different objectives.

6.1.2   Findings on efficiency of MFS II alliances

IOB commissioned a study to Carnegie Consult to assess the efficiency at the level of the MFS II alliances.[197] The findings of this study are presented in the current section.

Direct transfers to SCSOs

Figure 12 illustrates the flow of funds from the ministry to the SCSOs in the period 2011-2014. On average 74% of MFS II funding was channelled directly from the DCSOs head offices in the Netherlands to the SCSOs. It is unknown which percentage of this budget was directly used by SCSOs for project implementation and project supporting activities (direct costs) and which percentage concerned costs to cover the organisational expenditures of SCSOs (indirect costs).

Figure 12   *Budget flow MFS II, 2011-2014*

100% MFS II budget

74% transferred to SCSOs

13% directs costs DCSOs

13% indirects costs DCSOs

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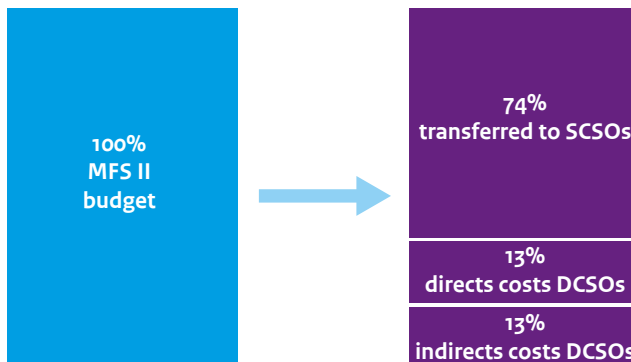
[196]   When we talk about DCSOs in section 6.1, we only refer to MFS II organisations; not to MFNV, CNVI or SNV.
[197]   Carnegie Consult, 2016.

Transfers increased after the inception period in 2011. In 2014, the ministry permitted the DCSOs to use part of their MFS II funds to finance reorganisations of their operations. As a result, the percentage of funds transferred to SCSOs in that year decreased to 67%. The reorganisation costs were labelled as indirect costs.

Direct costs DCSOs

13 % of the budget was labelled as direct costs for implementation by the DCSOs. Activities under this heading include project implementation by DCSOs in the South and support for CD that was not included in the SCSOs' project proposal. 10% of these costs were made by the DCSOs' head offices and 3% by their country offices.

Indirect costs DCSOs

Within MFS II, the indirect costs were 13% on average. These costs concerned the indirect costs of the alliance lead and of the alliance members, including the indirect costs made by their country offices. This 13% is significantly lower than the indirect costs of non-MFS II income, which ranges between 20%-23%. As the overall income had a substantial MFS II share, the overall indirect costs of DCSOs ranged between 14%-18% of MFS II and non-MFS II income over the period 2011-2014. Major explanations for the differences in the level of indirect costs between MFS II and non-MFS II funds are that:

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- Under MFS II, fundraising was not permitted as a cost category. However, this was permitted outside the MFS II framework. Over the investigated time frame, fundraising expenditure represented some 3% of overall expenditure of the DCSOs. Therefore, a significant part of the discrepancy in indirect costs between MFS II funding and non-MFS II funding can be attributed to fundraising activities.
- According to several respondents, the chosen methodology within MFS II had a major impact, whereby DCSOs had to estimate their expected indirect costs ex-ante, and could not exceed this amount during the subsidy period. After awarding the MFS II funds, the DCSOs were therefore guaranteed to have covered part of their organisational cost, but not all per se. The remainder of the indirect costs was therefore covered by other funders (e.g. individual donations or non-earmarked funds such as *Postcode Loterij* donations) that allowed higher percentages of indirect costs. One might therefore conclude that a relatively large part of 'other' sources did not directly benefit programme goals but was used to cover indirect costs for activities such as management, finance departments or business development activities. Vice versa, one could argue that the ministry did not contribute proportionally to the indirect costs of DCSOs.

Financial efficiency management of SCSOs

According to the Carnegie Consult study, DCSOs usually assess SCSOs' project proposals and budgets to verify whether the goals fit within their own goals. They scrutinize indirect costs, sometimes combined with an audit. In some cases, the relation between indirect and direct costs is taken as a criterion to determine whether the proposed budget is reasonable. In other cases, DCSOs' staff somewhat subjectively decide whether the proposed budget of the SCSO is reasonable. However, especially in case of relatively small project proposals, a check on their financial organisation is often too costly in relation to the total project size.

Many DCSOs indicated that an independent audit is required if the sum of funds provided to a SCSO exceeds EUR 50.000 per year. Furthermore, SCSOs provide reports, showing how the funds were used. However, as these reports are sent on a project basis rather than an aggregate basis, there often is no insight in the total expenditures or efficiency of the SCSO (i.e. only at a project level).

Most SCSOs do not systematically undergo independent audits. This is primarily due to two factors:

- the sheer number of SCSOs supported by the DCSOs is often too large; one organisation mentioned collaboration with hundreds of SCSOs for MFS II funds only;
- the costs of audits in relation to the funds channelled to individual SCSOs are frequently disproportionate and they therefore form an obstacle for audits.

As a result, the actual cost reporting is often sketchy and specifications of the mentioned cost categories are difficult or impossible to provide. The investigated DCSOs are aware of this fact. They indicate to prefer monitoring of the goals achieved compared to baseline indicators at inception of a programme rather than an assessment of how indirect costs are allocated. A further analysis of how the funds were spent, specified for direct and indirect costs, would certainly provide valuable insights. Yet this would be extremely time-consuming given the large number of Southern partners of the DCSOs.

Efficiency awareness
The study found large differences regarding efficiency awareness among DCSOs.
The interviewed staff of DCSOs is well-aware of and active in efficiency management.
However, they may not necessarily be representative for their organisations: financial efficiency management is frequently limited to the financial and top managerial domains.

In their efforts to maintain a grasp on efficiency, most of the organisations under review have 'time sheet' mechanisms in place, in which quite detailed splits can be made between programme-related (direct) personnel expenses and non-programme related (indirect) personnel expenses. This allows for enhanced capacity planning of staff and greater insight in direct versus indirect costs. Those organisations that do not work with time sheets can only indicate how programme and non-programme personnel expenditures are divided in broad terms. In addition, no objective measure can be made of workload or output of staff members in relation to the time spent on activities.

DCSOs' indirect costs are monitored intensively, providing frequent inputs for internal discussions and actions to improve efficiency and budgeting. DCSOs often have policies to control certain costs, such as expense/reimbursement policies, travel expense policies, office procurement costs, communication expenses, et cetera. In addition, it is noteworthy and commendable that numerous DCSOs apply active monitoring of non-financial controls, extending to sanction, anti-corruption and anti-bribery policies.

Donors have their own demands to control indirect costs. In the case of MFS II funding, the DCSOs committed themselves ex ante to a specific percentage of indirect costs and had to make sure they kept within the agreed bandwidths. Other donors apply different methods. To make meaningful comparisons and allow for a more in-depth study of indirect costs, it would be helpful if donors were to align their policies regarding reporting on indirect costs.

The DCSOs are generally funded by several donors, ranging from international donor organisations and government programmes to smaller (individual) donors and foundations. Larger donors generally fund programmes and allow a certain percentage of surcharge to cover the organisations' costs. For these donors, the surcharge may be allocated as the DCSO consider appropriate, i.e. to non-programme activities, technical assistance, implementation costs, or other (re-)organisational costs.

Funds that are not specifically tied to programme deliverables, so-called 'non-earmarked' or core funding, are highly sought by the DCSOs, as they permit them to spend such funds as they consider fit. Examples of such non-earmarked funding are the *Postcode Loterij* and household donations. Besides programme expenses, these funds are frequently used for developing business concepts, for tender activities to specific programme funding and for coverage of a part of the organisational cost (such as local offices). In general, DCSOs require a certain amount of core funding from such flexible donors to cover these costs, as larger official donors are increasingly unwilling to provide core funding. The fundraising activities are treated as a separate 'programmes' by a number of DCSOs and these are even mentioned as such in annual reports.

6.1.3   Findings on efficiency of the MFS II programme

This section presents the findings of what has materialised of the ministry's policy intention to increase efficiency (and effectiveness) of development aid through DCSOs. The findings of an analysis of the efficiency of the tender process for MFS II subsidies and of the efficiency of the M&E requirements are also presented. These findings are based on the perception study, discussions with representatives of alliance members, an assessment of the MFS II process and the MFS II evaluation report.

The policy intentions were operationalised in the MFS II policy framework. This framework provided operational guidance for the applications. A tender procedure for MFS II was issued, aimed at selecting alliances that would be able to realise the envisaged institutional changes; the formation of alliances aimed to increase the efficiency of MFS II. The policy memorandum and the policy framework for MFS II emphasised aspects such as:

• geographical distribution of responsibilities to prevent duplication of efforts and to ensure a balanced spread of resources;
• genuine cooperation, formation of alliances and joint programme applications to promote partnerships to reduce fragmentation and to increase efficiency;
• thorough context analyses to tailor programmes to the local situation and harmonise them with other programmes of the applicants or other donors in the same countries.

The ministry formulated several M&E requirements that applied to the participating MFS II alliances.

Findings on efficiency of cooperation and reduction of fragmentation:

- Alliances were formed and they jointly submitted programmes, but harmonisation and coordination was very limited during the programme design. Collaboration in the alliances during implementation was also less than hoped for. Although in some alliances there was genuine cooperation, in most cases cooperation was only nominal; in several alliances lead organisations had disproportionate influence.
- Cooperation between alliances at country level was limited and joint country analyses were rare, although there are also examples of very good analyses that were sometimes used by the ministry/the embassies for their own programming. Nonetheless, many proposals suggest that the intervention strategies were only loosely related to the goal of systematic social change.
- 43% of the funds were spent in 10 countries; in 6 countries, at least 8 alliances were active; 25% of the funds were allocated for security and rule of law; 20% for food security. Although there may have been a geographical distribution of responsibilities, given the large number of countries where DCSOs were active, there was still a large concentration of alliances active in the same countries and themes.
- At least 241 programmes – and probably considerably more – were implemented by a 89 DCSOs in 100 countries. There may have been a reduction of fragmentation compared to e.g. MFS I, but these figures suggest that fragmentation during MFS II was still substantial.

Findings on efficiency of the tender process are:

- the procedures were complicated and demanding for the applicants;
- threshold criteria were perceived as heavy, especially by smaller DCSOs;
- for many smaller alliances and DCSOs, tender costs were disproportionally high compared to the costs for the four big alliances;
- the tender produced competition among the DCSOs;[198]
- during the process policy changes and a budget cut were introduced that compelled the applicants to revise their proposals;
- the outcome of the tender process was that fragmentation continued;
- the tender process was also a heavy burden for the ministry, regarding both administration and policy dialogue.

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[198] Discussions on these issues were held at the expert workshop, organised by IOB on 24 October 2016. In this workshop, representatives of MFS II alliances and TUCP organisations participated.

Findings on efficiency of the M&E requirements are:

- the joint evaluation of the MFS II alliances enabled sharing of expertise and costs, comparison and learning;
- the M&E requirements were considered too complex, demanding and difficult by several MFS II organisations, and their late publication was criticised;
- the emphasis on accountability reduced the possibilities for learning;
- the 5C framework to measure effectiveness that was part of the monitoring guidelines and for the joint evaluation was considered unfit by the alliances, because it did not allow for diversity and flexibility;
- the complexity and diversity of the joint MFS II evaluations and confusion about definitions of civil society and CSD had negative effects on the efficiency of the programme;
- inefficiencies in the MFS II evaluations were also caused by the fact that the set-up was developed while the evaluation process was already going on.

6.2   Efficiency TUCP

The activities of MFNV and CNVI are funded by the TUCP programme for 80-85%. The remaining part is funded by own contributions and other subsidy programmes. Neither organisation has local offices. In the Carnegie Consult study, the efficiency of TUCP was assessed separately from the efficiency of the MFS II programme. The investigated time frame was the period 2013-2014.

Direct transfers to SCSOs
About 75% of all TUCP expenditure relates to projects implemented by SCSOs. This is comparable to the direct transfers of MFS II organisations. In the case of TUCP, too, IOB has no information about which share of these expenditures is used by SCSOs for project implementation (direct costs) and which share to cover their organisational expenditures (indirect costs).

Indirect costs
25% of the expenditure of one organisation relates to indirect costs made in the Netherlands and 17% of the other one.[199] More than half of the indirect costs were accounted for by personnel costs. It should be noted that all salary costs of the organisations were labelled as indirect costs, although FNV and CNV staff members regularly conducted training and advisory services and activities in the programme countries and participated in programme activity meetings. Such costs might therefore just as easily be labelled as direct costs.

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[199]   In addition to the 75% direct transfers to SCSOs, one of the two organisations made 8% direct costs for lobby and advocacy either in the Netherlands or abroad. Total direct costs of this organisation are therefore 75% + 8% = 83%, and thus 17% are indirect costs.

Any remaining TUCP expenditure was categorised as 'other direct costs' and consisted of a myriad of campaigning costs, promotional activities and consultants. The difference between TUCP indirect costs and non-TUCP indirect costs is negligible.

Efficiency awareness
TUCP organisations did not differ much from MFS II organisations in terms of awareness of efficiency management. One of the organisations used a time sheet mechanism to register hours spent on specific projects, the other did not. In the former case the indirect costs were no longer charged as a flat fee, but based on hours worked on the TUCP programme.

Strategic partners drew up individual annual or multi-annual project proposals including budgets. Before approval, these budgets were internally analysed on aspects such as relevance, cost-effectiveness and organisational capacity. One organisation pointed out that partners need to identify the amount of indirect costs in their proposals, and a maximum of 15-25% indirect costs was considered acceptable. Audited annual statements were provided by the partners to account for the funds received. The two TUCP organisations invested in financial CD of their partners, because many still have inadequate financial and administrative management systems.

6.3   Efficiency SNV

An assessment of SNV's efficiency was not included in the Carnegie Consult study. Therefore, IOB has no information about the relation between direct and indirect costs. Information on efficiency awareness was reported in the Annual Reports 2011-2015.[200]

Efficiency awareness
Since 2011, SNV has significantly reduced its costs and efficiency awareness has improved. The strategy for the period 2011-2015 focused on programme-based funding by both public and private partners, based on full cost recovery. In this period, SNV took numerous steps to improve its efficiency. This was required to be able to survive as an organisation after 2015, when the ministry's subsidy would stop and new partners would be less lenient in allowing a substantial part of the budgets to be used for indirect expenditures. In other words: SNV had to become more business-like to compete successfully with (other) commercial parties in the same market sector.

Some of the steps to improve efficiency were: professionalisation of the procurement function, cost-saving initiatives within the Head Office, introduction of business plans at country level ('do more with less'), streamlining of contract management, development of a programme approach, follow-up action on internal audits that revealed areas for improvements in efficiency, et cetera.

Special attention was given to more efficient procurement. First, a Business Development Support Unit was developed at central level for the coordination of global calls for

[200]   SNV, 2012d, 2013b, 2014b, 2015b, 2016a.

proposals, global customer account management and proposal development. This was followed by the set-up of a Global Budgeting Facility for quality budgeting and pricing of proposals. In 2015, SNV planned to coordinate the centralised bid management in a new Global Tender Facility.

6.4   Analysis and conclusions

6.4.1   Analysis

The outcomes of the MFS II evaluation about efficiency at the project level were problematic, as efficiency was only evaluated for 35 MDG projects of the total of 190 projects, and all support for CD and CSD was systematically excluded. There were also serious problems concerning the availability of sufficiently detailed financial data and appropriate benchmarks. The positive score of 6.8 should therefore be treated with care. IOB agrees with the synthesis team that the lack of reliable data and appropriate benchmarks is a serious problem, because it fails to enable both DCSOs and SCSOs to analyse figures on efficiency indicators and thus to take appropriate action to improve efficiency whenever required. The efficiency issue is gaining increasing importance in a context of reduced availability of and growing competition for local funds. In addition, asking whether funds were spent efficiently is a legitimate question for those providing the funds and satisfactory answers will help preserve public support for development cooperation.

The rate of 13% indirect costs that the ministry negotiated with the MFS II alliances is low compared to rates other donors pay and in relation to real indirect costs made. This may imply that 13% is not sufficient to cover the costs that really must be made to run organisations professionally, including the necessary investments in strategy and programme development, networking, knowledge management, communication, fundraising activities, etc. Such activities are required for any organisation to be prepared for the challenges of the future. It evokes the question whether the ministry should be more generous in this respect in future. At the same time, as was said before, DCSOs have a continuous duty to pay serious attention to their efficiency. This could lead to measures to reduce their indirect costs so that 13% or even less would prove to be sufficient.

Efficiency measures were introduced as part of the ministry's agenda to restructure the support for DCSOs and formulated as requirements in the MFS II policy framework. This concerned for example cooperation in alliances, reduced fragmentation, harmonisation, more focus on structural social change and a tender procedure that would contribute to the envisaged institutional changes. It can be concluded that several goals of the ministry's agenda were hardly realised. What could explain this? The goals should be shared by all parties involved to have a chance of being achieved successfully. Obviously, most of the MFS II alliances and their members were not primarily concerned with goals such as harmonisation, coordination and cooperation. It looks as if many merely complied with the demands of the ministry to stand a better chance of receiving a subsidy by joining alliances and submitting joint programme proposals. In practice, they were primarily occupied with their own institutional interests, although there were positive exceptions too.

The ministry's ambition to influence the institutional setting in the sector and the dynamics within DCSOs, e.g. by introducing alliances, proved to be infeasible. The ministry also allowed large numbers of DCSOs to implement programmes in many countries. In addition, a concentration occurred of many alliances in the same countries, engaging in the same themes. Programme proposals were approved even though joint country analyses were rare. Had the ministry organised the process of subsidy allocation differently, it might have been more successful regarding its own restructuring agenda.

The tender procedures were complicated, demanding and costly for both the applicants and the ministry. Policy changes and a budget cut that were introduced during the tender process added to their inefficiency. The outcomes were disappointing with respect to the goals to strengthen cooperation and reduce fragmentation. The joint MFS II evaluation was efficient with regards to sharing expertise, costs and learning between the alliances. However, its complexity had negative effects on the efficiency.

A large share of 17% to 25% of the expenditure of the TUCP organisations relates to indirect costs. It was explained that part of such costs could also have been labelled as direct costs since they often concerned the salaries of staff engaged in activities (training, advice) that supported programme implementation by their partners. In future, it would be wise to make a more precise distinction between actual indirect costs and costs that should be classified as direct costs. In the first place this would give a fairer and for funders more acceptable impression of the funds spent on programme implementation. Second, it would enable the TUCP organisations to analyse their indirect expenditure more realistically aimed at possible efficiency measures.

The approaching termination of ministry funding for SNV compelled the organisation to pay more attention to the efficiency of its operations as of 2011. It was expected that future funders would be less lenient in covering non-programme costs than the ministry had been, which eventually proved true. SNV showed strong efficiency awareness in many aspects of its operations. Some of the measures taken were painful, e.g. staff reduction and fewer opportunities to invest in innovation and knowledge development. However, increased efficiency awareness has also helped SNV to become more selective and focused. It helped them to come up with creative solutions and innovative approaches. The organisation eventually became stronger than before. Despite the problems many other DCSOs are facing nowadays, reduced funding and the associated need for more efficiency and more creativity may in the end prove to be a blessing in disguise and help them too to become stronger organisations, just like SNV.

6.4.2   Conclusions

MFS II projects scored 6.8 on a scale of 1-10 as to MDG efficiency, but this figure should be treated with considerable restraint, because reliable financial information and appropriate benchmarks were lacking. Efficiency was not addressed for CD and civil society projects.

The alliances used 13% of the MFS II funds to cover indirect costs, which was significantly lower than the share of non-MFS II funds. This implies that the 13% was insufficient and that

other donors had to contribute 20-23%. To correct this disproportionality, either the ministry's share should be increased, or DCSOs should improve their efficiency, to reduce their indirect costs.

On average, 74% of the MFS II budget was channelled directly from DCSOs to SCSOs. Specified reporting on direct and indirect costs of SCSOs was difficult or impossible. It is therefore unknown which share was used directly for project implementation and supporting activities by SCSOs and which share was used for indirect costs they made. DCSOs do assess project proposals and the accompanying budgets on the relation between direct and indirect costs, but this does not say much about the actual expenditures.

DCSOs used the remaining 13% of the budget to cover direct costs for their own project implementation and CD support.

TUCP direct expenditure for projects implemented by their Southern partners was comparable to those of MFS II organisations. The share of this expenditure used by SCSOs for project implementation is unknown. Indirect costs were considerably higher than those of MFS II organisations. This was caused by the fact that all staff salary costs of the two organisations were labelled as indirect costs, whereas a large share of this could also be labelled as direct costs for training and advice to SCSOs.

There were large differences in efficiency awareness between the MFS II organisations, and efficiency awareness was generally limited to their top management and the financial departments. The majority of the organisations had mechanisms in place to specify direct and indirect costs. Non-programme costs were intensely monitored, providing input for actions to improve the efficiency. TUCP organisations did not differ much from MFS II organisations in terms of efficiency awareness.

SNV has significantly reduced its costs and improved its efficiency awareness since 2011. This was required to survive after 2015, when the subsidy from the ministry would stop. The organisation became more business-like to successfully compete with commercial parties in the same market sector.

Efficiency measures in the context of the ministry's agenda to restructure the support for DCSOs concerned e.g. cooperation in alliances, reduced fragmentation, harmonisation and more focus on structural social change. The ministry could barely influence the institutional setting in the sector and allowed fragmentation of the DCSO landscape largely to prevail.

The tender procedures were complicated, demanding and costly for both the applicants and the ministry. The outcomes were disappointing with respect to some important goals.

The joint MFS II evaluation contributed to sharing expertise, costs and learning between the alliances. However, its complexity had negative effects on efficiency.

7

Policy options for significantly less or more financial means (-/+ 20%)

7.1 Introduction

The Order on Periodic Evaluation and Policy Information (RPE) of 2015 prescribes that policy reviews contain one or more so-called '20% saving options': different policy options and their impact in case of significantly lower budget available. This chapter offers two options: a 20% savings variant and a variant for increasing the budget by 20%. It is formulated by the Social Development Department and the Sustainable Economic Development Department of the Ministry of Foreign Affairs. IOB does not assume any responsibility for the text of this chapter.

7.2 Support to civil society in perspective

The policy review relates to three co-financed programmes, i.e. MFS II, the Trade Union Cooperation programme and SNV, which were the vehicles for the majority of civil society support. The recommendations in this policy review offer starting points for increasing the quality and efficiency of the policy, but they do not offer sufficient starting points for determining policy-rich options for either 20% budget savings or increases.

Such options should be considered against the background of past and future budgetary developments in the context of the entire budget article. Tables 1 and 2 in section 1.1. of this policy review show this budgetary context: in 2011 the total budget amounted to EUR 550 million, in 2015 EUR 443 million, and for the multi-annual budgets EUR 228 million is reserved for 2020.

In 2013 and 2014, the House of Representatives repeatedly spoke out in favour of maintaining levels of support to CSOs. Based on this support, the minister for Foreign Trade and Development Cooperation repeatedly stressed her commitment to try to spend some 25% of ODA through CSOs and to report annually to the House (adopted resolution Voordewind/Mulder 34 300 XVII no. 46 and resolution Van Laar and Van Dijk, 33 625, no. 77).

For this reason, this chapter will describe one generic option for budgetary cuts and one option for budgetary increases.

7.3 Scenario 1: generic cuts

Both TUCP and Dialogue and Dissent are five year programmes (2016-2020) based on tenders. This is why the option of choosing specific partners to realise budget cuts is not realistic. For this reason, generic cuts are proposed which amount to an across-the-board 20% budget cut for all 25 partnerships within Dialogue and Dissent, Voice, the Accountability Fund and the two TUCP implementing trade unions (FNV and CNV). This means that their relative share in the total budget remains unchanged. As a result, the activities and the results of the partnership programmes and the TUCP will be reduced. Changing subsidy regulations is legally difficult. The cuts will reduce the impact on the policy goals mutually set by CSOs and the minister. The policy review concludes that, as a result of changes in Dutch policy since 2011 and of budget reductions, relations between

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Dutch and Southern CSOs are increasingly under strain. With extra cuts, this will be even more so. Investments undertaken in the first two years will be partially undone. As was the case during MFS-II, organisations will again have to reorganise or perhaps even discontinue, resulting in destruction of investments. In addition, this scenario will limit the innovative role of the minister as an equal partner as well as a subsidy giver. Finally, it will put political pressure on the minister's target of spending 25% of ODA through CSOs, unless other means of ODA will also be cut by 20%.

The figures that form the basis for the calculations, together with the successive budgets for the period 2018-2021, are shown in the tables below. The option consists of successive cuts of 20%, leading to savings of EUR 27.5 million in 2018, EUR 35 million in 2019, EUR 42.5 million in 2020 and EUR 44 million structurally from 2021 onwards.

| Table 7.1	Option for 20% cuts							
	2014	2015	2016	2017	2018	2019	2020	2021
Trade Union Cofinancing Programme (art. 3.3)	12.000	12.000	4.000	2.451				
Trade Union Cofinancing Programme (art. 1.3 private sector development)				10.000	10000	10.000	10.000	0
Budgetary cuts (generic)					-2.500	-5.000	-7.500	
SNV programme	55.000	55.000	7.000	0				
MFS	382.000	382.000						
Strategic partnerships	0	0	323.000	219.000	219.000	219.000	219.000	219.000
Budgetary cuts (generic)					-25.000	-30.000	-35.000	-33.850
Total	**449.000**	**449.000**	**334.000**	**231.451**	**201.500**	**194.000**	**186.500**	**185.150**
Budgetary cuts (absolute) compared to 2017:					-27.500	-35.000	-42.500	-43.850
Budgetary cuts (in percentage) compared to 2017:					-12,94%	-16,18%	-19,42%	-20,00%

7.4   Scenario 2: generic increases

As mentioned above, the policy review concludes that as a result of changes in Dutch policy since 2011 and of budget reductions, relations between Dutch and Southern CSOs are increasingly under strain. A budgetary expansion of 20% will preserve and repair these relations.

More concretely, in this scenario from 2018 onwards extra means are available for current programmes falling under the Dialogue and Dissent partnerships and the VMP.
The budgetary costs will amount to EUR 32.5 million for 2018, EUR 40 million for 2019, EUR 47.5 million for 2020 and EUR 49 million structurally from 2021 onwards.

Table 7.2	Option for 20% increases							
	2014	2015	2016	2017	2018	2019	2020	2021
Trade Union Cofinancing Programme (art. 3.3)	12.000	12.000	4.000	2.451				
Trade Union Cofinancing Programme (art. 1.3 private sector development)				10.000	10000	10.000	10.000	0
Budgetary increases (generic)					2.500	5.000	7.500	
SNV programme	55.000	55.000	7.000	0				
MFS	382.000	382.000						
Strategic partnerships	0	0	323.000	219.000	219.000	219.000	219.000	219.000
Budgetary increases (generic)					30.000	35.000	40.000	58.750
Total	**449.000**	**449.000**	**334.000**	**231.451**	**261.500**	**269.000**	**276.500**	**277.750**
Budgetary increases (absolute) compared to 2017:					32.500	40.000	47.500	48.750
Budgetary increases (in percentage) compared to 2017:					12,98%	16,22%	19,46%	20,00%

Annexes

Annex 1   Summary of Terms of Reference

Rationale

This policy review was listed in the Explanatory Note to the 2016 Budget as part of the ministry's evaluation programme. The Ministry of Finance's Order on Periodic Evaluation and Policy Information (RPE) requires each policy article to be reviewed within seven years at most. Since Article 3 (social development) covers a wide range of themes, it would be undoable to review it in full. IOB therefore decided to confine its policy review to policy objective 3.3, 'support the development of civil society in developing countries'.

Support through DNGOs to civil society in developing countries is based on assumptions about the roles they play. As will be pointed out below, some of these assumptions may be open to question. If so, this poses a threat to levels of effectiveness. It is therefore worthwhile to not only answer the usual RPE questions but also examine these assumptions in the context of Dutch support and draw lessons that may contribute to making support through DNGOs more effective.

Policy objective 3.3

This policy objective expresses the importance the Government of the Netherlands attaches to the role of DNGOs as a channel for supporting Southern civil society. Until recently, the objective served as a broad framework for funding DNGOs rather than as a basis for the development of a coherent policy with a consistent ToC. As a result, the DNGO programmes that received support had a variety of aims, not all of them necessarily within the overarching objective. The Explanatory Memorandum of 2015 described envisaged results under objective 3.3 as follows:

- MFS II: strengthened civil society, strengthened NGOs, contribution to achievement of the MDGs;
- SNV: strengthened capacity of NGOs, private sector and local government in developing countries;
- TUCP: adherence to labour rights, stronger trade unions, improved social dialogue and improved labour conditions.

MFS II catered for a wide variety of DNGOs encompassing a broad range of objectives and strategies, including direct poverty reduction, strengthening the organisational capacity of Southern NGOs (SNGOs), strengthening civil society and influencing policy. SNV mainly focused on inclusive economic development through market-based solutions. TUCP focused on strengthening trade unions and on improving workers' quality of life and working conditions in the formal and informal economy. The PSO programme and the Suriname Twinning Facility, the other programmes that received support under objective 3.3. are not included in the review. The Suriname programme received too little funding and was already evaluated in 2012, while PSO was phased out in 2012.

Overview of support provided by the ministry

Table 15 Expenditure under policy objective 3.3 (EUR million)							
	2011	2012	2013	2014	2015	Total	%
SNV	85	65	60	50	45	305	13
TUCP	17	15	13	12	13	70	3
MFS II	431	384	379	387	382	1,963	83
PSO	13	11	0	0	0	24	1
Suriname Twinning Facility	3	1	0	1	3	8	0
Total	549	476	452	450	443	2,370	100

More accurate figures are presented in section 1.1 of this policy review.

Assumptions about the roles of DNGOs

Reach
- DNGOs reach SNGOs which cannot be reached by the ministry.
- DNGOs can provide support in difficult or politically-sensitive situations, which would otherwise not be possible.

Relations
- Both SNGOs and DNGOs have the flexibility to respond to poor people's difficult situation and to unexpected changes.
- SNGOs relate more easily to DNGOs than to governmental donors (embassies).
- Relations between SNGOs and DNGOs encourage Southern ownership and demand-oriented support.

Expertise
- DNGOs have the expertise to support the development of SNGOs' capacity.
- DNGOs have relevant thematic expertise (SRHR, water and sanitation, education, gender, human rights).

Policy influencing
- DNGOs have the capacity to influence international policy and to contribute to the development of the lobby and advocacy capacity of SNGOs.

Purpose of the policy review

The purpose of this review is to account for budget expenditure under policy objective 3.3 and to test the assumptions that underpin the ministry's policy.

Evaluation questions

Three basic questions to be answered are:

- How effective is the support provided by the MFA through DNGOs under policy objective 3.3?
- What reasons can be given for levels of effectiveness?
- What lessons can be learned from the evaluation?

Questions originating from the RPE:

- What are the government's reasons for providing support to civil society in developing countries through DNGOs and what are the objectives?
- How have these objectives been operationalised and at what cost?
- What was the nature and practice of cooperation between the ministry and the DNGOs (MSF II, SNV and TUCP) and what was the impact on the latter?
- What research has been conducted into effectiveness (MDGs, capacity development, civil society development and influencing policy) and efficiency, and what are the findings?
- What factors and conditions explain degrees of effectiveness?
- What measures can the ministry and the DNGOs take to increase the effectiveness and efficiency of the support provided?[201]

Questions on the reasons for financing through DNGOs:

- *Reach*: what types of SNGOs, GOs or private sector organisations received support from DNGOs?
- *Expertise*: what specific expertise and experience relating to themes and civil society capacity development did DNGOs contribute through MSF II? How was that received by SNGOs?
- *Relations*: what was the nature and practice of cooperation among the DNGOs in the MFS II consortia and between the DNGOs in the MFS II consortia and SNGOs?

Questions relating to commitments made by the minister to the Dutch Parliament:

- What were the consequences of the cuts to the Foreign Trade and Development Cooperation budget, in particular to policy objective 3.3, for the DNGOs and Southern organisations that received support through them?

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[201] This question includes a sub-question on options available in the event of a 20% budget cut. The answer will be provided by DSO, the policy department responsible, and it will be included in the main report.

Design of the review

The review will be based on:[202]

- A reconstruction of Dutch policy;
- A study of the evidence for the effectiveness of the support provided through MFS II, SNV and the TUCP and of the factors that explain degrees of effectiveness;
- A study of the efficiency of MFS II, SNV and the TUCP;
- A perception study of assumptions about the role of DNGOs;
- A study of the consequences of the budget cuts.

Policy reconstruction

The policy reconstruction will put the present situation into a historical perspective. It will examine the reasons for providing support through NGOs and how support was channelled from the ministry to the DNGOs and from the DNGOs to SNGOs. It will include a discussion of the relations between the ministry and the DNGOs, the changing policy priorities, the conditions set by the ministry and how that impacted the capacity of the DNGOs and their values, mission, strategy and practices and how that affected their support to SNGOs. It will also elaborate on the assumptions about the role of civil society in the South. It will take into consideration other policy changes that may have affected the implementation of 3.3. The policy reconstruction will comprise a desk study of the ministry's policy documents, MSF II grant applications by DNGOs, and application assessments of DNGOs. Interviews will also be held with staff from both the ministry and DNGOs. This study will be conducted by the IOB core team.

Appraisal of effectiveness

Several indicators for measuring effectiveness in terms of the MDGs, CD, CSD and policy influencing will be used. The great diversity among the DNGOs is recognised. The review will not draw conclusions about specific DNGOs within MFS II. Effectiveness at project level will be appraised against the project's objectives. It is recognised that social development is a particularly long and complex process with implications for attributing results to donor support. The review will attempt to establish linkages between strengthening civil society and the key assumptions about the role of civil society in developing countries as presented before.

MFS II

The review will focus on the effectiveness of the ministry's support in relation to the objectives of the MFS II grant framework:

- promoting sustainable economic development and achieving direct poverty reduction geared to strengthening people's resilience, in accordance with the MDGs;
- supporting the organisational capacity of SNGOs;

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[202]   A study of the relationships between MFS alliances and between alliances/TUCP organisations and the ministry was added later.

- supporting development of civil society (including peace initiatives and conflict prevention) by strengthening pluralist democratic institutions and organisations tailored to local conditions, with the aim of establishing a more equitable distribution of power;
- influencing policy by giving ordinary people a voice with a view to effecting change in the processes and structures that perpetuate poverty and inequality.

The study of MFS II will be based on the evaluations conducted under the responsibility of the MFS II consortia:

- MFS II Evaluations. Joint evaluations of the Dutch Cofinancing System 2011-2015. Civil Society contribution towards achieving the MDGs. Synthesis report of 8 country studies (2015).
- MFS II Evaluations. Joint evaluations of the Dutch Cofinancing System 2011-2015. Civil Society contribution to policy change. ILA report (July 2015).
- Evaluation report of the TEA Alliance. Thematic Synthesis Study for TEA Alliance countries Georgia, Lao PDR, Sri Lanka, Tajikistan and Vietnam. '*The Challenge of Inclusive Development.*'[203]

The MFS II evaluation reports include findings regarding MDGs and support to NGO and civil society CD. It will take a considerable effort to synthesize relevant findings from the eight country reports and the technical reports of the 53 MDG case studies (8000 pages) on which the synthesis study is based. No additional field research is foreseen.[204] Part of this work will be conducted by a consultant to be contracted by IOB. Specific ToR will be drafted for this assignment.

SNV

The review will focus on the effectiveness of the ministry's support in relation to the objectives of SNV's grant framework, i.e. promoting sustainable economic development and achieving direct poverty reduction and strengthening the capacity of NGOs, private sector and local government in developing countries.

Indicators for appraising effectiveness are: better living conditions for poor people, poor people's access to basic services and products, clients' or client groups' capacity development.

The basis for this part of the policy review is the evaluation report '*Between Ambitions and Ambivalence: Mid-term Evaluation SNV Programme 2007-2015*', conducted by IOB and sent to Parliament in 2013. As this report covers 2007-2011, an update is required. The update will take place based on the new agreement for the 2012-2015 period and the relevant multiannual plan, annual plans and reports, nine evaluations conducted under the responsibility of SNV. The IOB core team will conduct this part of the study.

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[203] It was later decided to leave out an analysis of the evaluation of the TEA Alliance.
[204] It was later decided to conduct a series of additional interviews in Ethiopia, India and Uganda.

TUCP

The review will focus on the effectiveness of the ministry's support in relation to the objectives of the TUCP grant framework. These are to strengthen labour and trade union rights and civil society development in the context of poverty reduction for sustainable economic growth in developing countries. Indicators for appraising effectiveness are: stronger trade unions, adherence to labour rights, improved social dialogue, improved working conditions.

The latest TUCP evaluation report dates from 2012 and covers the 2009-2012 period. The report draws conclusions about changes proposed in an earlier evaluation. However, it contains no information on the effectiveness of support. Mondiaal FNV and CNV International's end-line evaluations of the 2012-2016 grant period are expected to be published in mid-2016, in time to be incorporated into this policy review. This work will be done by the IOB core team.

Efficiency appraisal

The available evaluation reports reveal that in many cases no conclusions can be drawn about efficiency in terms of outcome/input ratio. The policy review will therefore not attempt to appraise efficiency at that level. It will, however, try to answer the following questions:

- How efficient are the DNGOs in terms of overheads expressed as the ratio between output (support to SNGOs) and input (grants received from the ministry)?
- How conscious are the DNGOs of efficiency management? How is this reflected in their procedures and instruments?

Overheads will be assessed against the added value they generate. This part of the review will be based on the annual reports and financial records of the DNGOs and on interviews with staff from the ministry and the DNGOs. IOB will contract a business economist/accountant to conduct the financial component of this study. A specific ToR will be drafted for this assignment. IOB is responsible for the efficiency appraisal of the overheads.

Perception study

Claims regarding DNGOs' reach, relations, expertise and capacity for policy influencing are based on assumptions which are backed by little tangible evidence. The perception study aims to shed more light on how these assumptions play a role in and apply to current practice. The review will then attempt to explain whether DNGOs' relations and expertise are relevant in the eyes of the SNGOs and impact on levels of effectiveness. A specific ToR will be finalised in consultation with the researcher and the IOB internal peer review team. If feasible within the policy review time frame and budget, the perception study will not only include MSF II but also SNV and the TUCP. The study will compare the perceptions of a selection of Dutch MFS II organisations to those of SNGOs. In selecting the DNGOs, their diversity in terms of preferred strategy, relationships and thematic expertise will be considered.

The perception study will consist of the following elements:

- an online survey of all the SNGOs that were part of the MFS II evaluation in the eight countries targeted for support (N=183). The sample will represent the diversity among the DNGOs. We may possibly expand the selection to all SNGOs that received MSF II support in these eight countries, since this would enable detection of bias to the evaluated NGOs (N=736);
- preparatory workshop with DNGOs to discuss the assumptions;
- in-depth interviews with selected SNGOs in four countries (Ethiopia India, Indonesia, Uganda – by skype) for which MFS II support was a substantial share of the annual budget (N= 30-45);
- verification interviews with the Dutch research teams that conducted the MFS II evaluations in the above two to four countries. (University of Groningen, University of Amsterdam, Wageningen University);
- verification interviews with DNGOs that provided support to selected SNGOs;
- investigation of links between the findings of the perception study and those of the MFS II evaluation of the selected SNGOs;
- analysis of changes in Dutch policies and procedures and how they permeated to the level of SNGOs;
- study of documents on perceptions of SNGOs, such as the Keystone report (2015).

The following four assumptions about relationships, as held by the ministry, will be integrated into this framework:

- DNGOs can provide support in difficult or politically sensitive situations.
- DNGOs possess expertise in the field of organisational capacity and civil society development which adds to the quality of their support.
- SNGOs relate more easily to Northern NGOs (peer-to-peer) than to governmental donors (embassies).
- DNGOs encourage Southern ownership and demand-based support.

Consequences of the budget cuts

The consequences of the budget cuts will be examined at the level of the Dutch and SNGOs' annual budgets. A critical point is the termination of MFS II at the end of 2015 and its consequences for the financial relations between Dutch and SNGOs. This study will be combined with a study of the reach of DNGOs, one of the Dutch policy assumptions. IOB will contract a business economist or accountant to conduct this study in combination with the efficiency study.

Products

Learning and communication

A main purpose of this review is to produce insights and lessons that may contribute to more effective support to civil society in developing countries. To facilitate the learning process, communicate findings at an early stage and help stakeholders exchange ideas, IOB will organise events during the review.

Final report

The final product is a report in English of no more than 100 pages, written according to the pyramid method. Chapter headings will reflect the evaluation questions and section headings the answers to them. Each chapter will contain a summary of conclusions and lessons.

Organisation of the evaluation

Reference group

A reference group will be established to ensure the quality of the policy review. Its main task will be to advise the director of IOB on the quality and relevance of the ToR, the interim products and the draft report. The members of the group will submit written/oral lessons on the quality of the draft report, and the director of IOB will make the final decision. Members of the group will be: Manuela Monteiro (former director of Hivos and PSO), Bart Romijn (director of Partos), Rob van Tulder (Professor of International Business-Society Management, Erasmus University), Barbara Jansen and Ruud van Druenen (Ministry of Finance), Bert Vermaat (Financial and Economic Affairs Department, Ministry of Foreign Affairs) and To Tjoelker (Social Development Department/Civil Society Division, Ministry of Foreign Affairs). The reference group will be chaired by the director of IOB, Wendy Asbeek Brusse.

IOB team

IOB's responsibilities will be fulfilled by a core team comprising evaluators Floris Blankenberg and Piet de Lange and policy researcher Elise Landowski. Floris Blankenberg has final responsibility for conducting the review. The IOB internal peer review team comprises IOB evaluators Nico van Niekerk and Otto Genee and senior policy researcher Kirsten Mastwijk, and is chaired by IOB director Wendy Asbeek Brusse. This team will review the ToR, the interim products and the draft final report and will be available for advice.

Annex 2   Overview MFS II alliances

Alliance Lead	Members	Request 2009	Request 2010	Committed 2010	Committed 2011	Committed percentage
Impact Oxfam Novib	SOMO, HIRDA, 1% club, Butterfly works	737	531	421	374	50.7
Communities of Change Cordaid	PAX, Impunity Watch, Mensen met een missie, Rode Kruis, Wemos, Both Ends	720	531	402	357	49.6
ICCO ICCO	coPrisma, Edukans, Kerk in Actie, Share People, Yente, Zeister Zendingsgenootschap	656	531	382	339	51.7
People Unlimited 4.1 Hivos	IUCN, Free Press Unlimited, Mama Cash	431	413	308	273	66.1
Dutch Consortium for Rehabilitation ZOA	CARE, Healthnet TPO, Save the Children	96	96	71	63	65.6
Girl Power PLAN Netherlands	Child Helpline International, Defense for Children – ECPAT Nederland, Free Press Unlimited, International Child Development Initiatives, Women Win	100	90	59	52	52.0
Together4-Change International Child Support	SOS Kinderdorpen, Wilde Ganzen, Wereldkinderen	101	80	52	46	45.5
WASH Simavi	Akvo, AMREF Flying Doctors, ICCO, RAIN, WASTE	69	69	51	45	65.2
SRHR Rutgers	Amref, CHOICE, dance4life, Simavi	69	69	51	45	65.2
Freedom from fear Pax	Amnesty International, FPU, GPPAC	87	60	51	45	51.7
Connect4-Change IICD	Cordaid, ICCO, Edukans, Akvo, TTC	79	66	46	41	51.9
Ecosystem Alliance IUCN	Wetlands, Both Ends	69	69	45	40	57.9

Alliance Lead	Members	Request 2009	Request 2010	Committed 2010	Committed 2011	Committed percentage
Partners for Resilience Nederlandse Rode Kruis	CARE Nederland, Cordaid, the Red Cross/Red Crescent, Climate Centre, Wetlands international	70	63	40	36	51.4
Woord en Daad & Red een Kind Alliance Woord en Daad	Red een Kind	173	58	38	34	19.6
Kind en Ontwikkeling Terre des Hommes	St. Kinderpostzegels, Liliane fonds	62	68	33	33	53.2
Fair, Green and Global Alliance Both ENDS	ActionAid, CCC, Milieudefensie, SOMO, TNI	47	47	28	24	51.1
United Entrepreneurship Coalition Spark	BID	30	30	24	21	70.0
Connect Now War Child	Child Helpline International, Free Press Unlimited, TNO	35	35	24	21	60.0
Press Freedom 2.0 Free Press Unlimited	Mensen met een Missie, European Journalism Centre, World Press Photo Foundation, European Partnership for Democracy	30	34	22	19	63.3
Transition in the East MCNV	World Granny, GIP	14	14	9	8	57.1

Figures are rounded/amounts in EUR million.

Annex 3   Sample MDG and themes projects

Country	SPO	Project	MDG/ Theme	% MFSII	Score Objecti- ves	Score Attribu- tion
DRC	SOFIBEF	Programme d'appui	1, 3, FS	100%	5.5	3
DRC	VECO	Development of value chains	1, FS	100%	4	3
DRC	CEPROF	DCR Pamoja	1, FS, GG	100%	5.5	3
DRC	Salvation Army	Construction and support to primary schools	1, 2	86%	5	3
DRC	Réseau CREF/ AGIR	Appui au plan de gestion	7ab, GG	92%	1	2
ETH	Hundee	CAVC / C4C / OGRI	1	100%	5	7
ETH	Facilitators for Change	FMO Consortium	1	100%	5	7
ETH	OSRA	Zero Grazing Project	1	100%	5	6
ETH	NVEA	Non-formal alternative basic education	2	97%	8	7
ETH	TTCA	Improving the Teaching-Learning Processes	2	83%	3	3
ETH	SIL Ethiopia	Multilingual education	2	58%	7	7
ETH	ECFA	Nazareth Child Help Line: Protection	3	71%	5	7
ETH	FSCE	Girl Power	3	100%	6	5
ETH	AMREF	AE Project / Unite for Body Rights	4	100%	7	6
ETH	CARE	Climate proof risk reduction	7ab	100%	5	6
ETH	HOAREC	Sustainable energy	7ab	15%	1	8
ETH	HOAREC /N	Innovative WASH	7c	100%	1	8
ETH	AMREF	Pastoralist WASH	7c	100%	6	6
IDN	FIELD	Local Economic Development	1	100%	7	7
IDN	SwissContact	Implementation of GREEN	1	43%	6	7
IDN	KSP	Seed capital programme	1	95%	8	7
IDN	SwissContact SE Asia	Local Economic Development	1	34%	7	6
IDN	YPI	YPI project	3	100%	7	8
IDN	Rifka Annisa	RA project	4	3%	8	4
IDN	WIIP	Climate-Proof Disaster Risk Reduction	7ab	100%	9	7
IDN	Pt.PPM	Empowerment of Papua Customary People	7ab	100%	3	1

Country	SPO	Project	MDG/ Theme	% MFSII	Score Objecti- ves	Score Attribu- tion
IDN	NTFP-EP	Up-scaling forest livelihoods	7ab	100%	6	7
IDN	HuMA	Security of Strengthening Communities Rights	GG	n.a.	7	7
IDN	YRBI	Empowering Mukim	GG	n.a.	7	8
IND	RVGN	Graduating NGOs	1	32%	7	7
IND	Samarthak Samiti	Mobilisation of Community	1	14%	6	6
IND	FFID	COFA Institution Building	1	49%	7	7
IND	Pradan	VBN Poultry Coalition	1	48%	7	5
IND	Jana Vikas	India People's Participation	1	20%	6	6
IND	LGSS	Dahar	2	100%	8	7
IND	COUNT	Education programme	2	100%	8	6
IND	VTRC	VTRC Edu Gate	2	100%	6	6
IND	LRC-KJHAM	Strengthening Marginalised Women	3	100%	9	4
IND	BVHA	Community Awareness building	4	47%	5	8
IND	Smile Foundation	Action for Children	GG		8,5	5
LBR	DEN-L, LBR LSGCE and FORD	PAMOJA	1, FS	100%	6	7
LBR	BSC Monrovia	Business Start-up Centre	1, FS	100%	5	5
PAK	Lok Sanjh	Food Security in the Changing Climate	1	100%	8	8
PAK	Awaz CDS	Parwan	4	100%	8	8
PAK	PFF	Just and sustainable livelihood	GG		7	8
UGA	Kampabits	Establishment of E-learning Centres	1	100%	8	8
UGA	St Elizabeth Girls Home	Rehab of street & orphan girls	1	72%	7	7
UGA	War Child Holland Office	Conn@ct.Now	2	100%	3	5
UGA	FOKAPAWA	N/A	2	54%	2	5
UGA	Health Child	HC Project 1	4	55%	7	8
UGA	SHU	Reducing delays to maternal & child health care	4	57%	6	7
UGA	Diocese of Jinja	Integrated Health Care	4	44%	9	9
UGA	Uganda RCS	CPDRR Uganda	7ab	n.a.	3	10

FS = Fragile States; GG = Good Governance.

Annex 4   Civicus' Civil Society Index

The CSI distinguishes 5 dimensions:[205]

Civic Engagement or 'active citizenship': describes formal and informal activities and participation undertaken by individuals to advance shared interests at different levels. Participation within civil society is multi-faceted and encompasses socially-based and politically-based forms of engagement.

Level of Organisation: assesses the organisational development, complexity and sophistication of civil society by looking at relationships among actors within the civil society arena. Key sub-dimensions are:

- internal governance of CSOs;
- support infrastructure (supporting federations or umbrella bodies);
- self-regulation (e.g. the existence of shared codes of conduct amongst CSOs);
- peer-to-peer communication/cooperation (networking, information sharing, alliance building);
- human resources (adequacy of human resources available for CSOs to achieve the objectives);
- financial and technological resources available at the CSOs;
- international linkages (e.g. international networks or participation in global events).

Practice of Values: assesses the internal practice of values within the civil society arena. Key values that are crucial to gauge the extent to which civil society's practices are coherent with their ideals are:

- democratic decision-making governance: examines how decisions are made within CSOs and by whom;
- labour regulations: includes the existence of policies regarding equal opportunities, staff membership in labour unions, training in labour rights for new staff and a publicly available statement on labour standards;
- code of conduct and transparency: measures whether a code of conduct exists and is publicly available; also measures whether CSOs' financial information is available to the public;
- environmental standards: examines the extent to which CSOs adopt policies upholding environmental standards of operation;
- perception of values within civil society: looks at how CSOs perceive the practice of values; includes the existence of forces within civil society that use violence, tolerance, democracy, transparency and trustworthiness in the civil society they operate in.

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[205]   Source: Centre for Development Information (CDI), Wageningen UR: Operational guidelines for Ethiopia, India and Indonesia, 2012.

Perception of Impact: is about the perceived impact of civil society actors on politics and society as the consequences of collective action. It measures the extent to which these values are practiced within civil society, compared to the extent to which they are practiced in society at large. The perception of both civil society actors (internal) and actors outside civil society (outsiders) is taken into account. Specific sub-dimensions are:

- responsiveness in terms of civil society's impact on important social concerns within the country; 'responsive' types of civil society effectively take up and voice societal concerns;
- social impact measures civil society's impact on society in general;
- policy impact: covers civil society's impact on policy in general; also looks at impact of CSO activism on selected policy issues;
- impact on attitudes: includes trust, public spiritedness and tolerance.

Context Dimension: External Environment: considers the social, political and economic environments in which civil society exists. Some features of the environment may enable and others may hamper the growth of civil society. Three elements of the external environment are captured by the CSI:

- socioeconomic context: Social Watch's basic capabilities index, measures of corruption, inequality and macroeconomic health;
- sociopolitical context: political and civil rights and freedoms within the law and organisational rights and freedoms; information about CSO experience with the country's legal framework and state effectiveness;
- sociocultural context: the level of trust that ordinary people feel for other ordinary people to measure the social psychological climate for association and cooperation.

Annex 5   Links to background studies and summaries of SNV impact evaluations

Link to *Shifting Interests, Changing Practice; Key insights into the perceptions of DCSOs and their Southern partners about Dutch non-financial support* (2016):
https://www.iob-evaluatie.nl/publicaties/rapporten/2016/06/21/416-%E2%80%93-deelstudie-%E2%80%93-shifting-interests-changing-practice

Link to *Intentions and Interests; Collaboration among MFS II alliance members and the relation between DCSOs and the Dutch MFA under MFS II and TUCP 2011-2015* (2016):
https://www.iob-evaluatie.nl/publicaties/rapporten/2016/10/25/416-%E2%80%93-deelstudie-%E2%80%93-relatiestudie-mfs-ii-en-tucp-%E2%80%93-intentions-and-interests

Link to *Efficiency appraisal Dutch NGOs within MFS II and TUCP funding* (2016):
https://www.iob-evaluatie.nl/publicaties/rapporten/2016/07/01/416-%E2%80%93-deelstudie-%E2%80%93-efficientierapport-mfs-ii-en-tucp

Link to Summaries of SNV impact evaluations:
https://www.iob-evaluatie.nl/publicaties/rapporten/2017/04/01/416-%E2%80%93-deelstudie-%E2%80%93-snv-impactevaluaties

Annex 6   Overview of SNV's roles[206]

Capacitating actors: SNV strengthens the capacity of government agencies, businesses and CSOs with the tools, knowledge and connections they need to support the ultimate end users of their services to increase their income, food and nutrition security and gain access to basic services.

Convening actors: SNV supports the forming of public-private partnerships, made up of public bodies, NGOs, companies, producers, and research institutions, to ensure involvement of all interests in tackling development issues. By strengthening the skills of the partners and empowering them, SNV ensures that balanced and equal partnerships emerge, which will be able to develop innovative and sustainable solutions to complex problems.

Stimulating new policies: SNV uses evidence-based advocacy in each sector to guide local, national governments and businesses in strengthening the enabling environment. While using evidence gathered from SNV's own and other knowledgeable actors' practice as well as policy oriented research, SNV supports relevant actors to advocate for pro-poor policies, legal frameworks, regulations and better services. CD, evidence creation and dissemination, and support to advocacy plans are SNV's key activities in this field.

Stimulating innovation: SNV brings innovative models to the market in the three sectors.

Managing projects: SNV manages bilateral and multilateral programmes in multiple countries, involving donors, governments, and other key stakeholders such as cooperatives, smallholder farmers, and the private sector. In addition, SNV manages funds that provide value for money to both donors and beneficiaries.

[206]   Information: Margriet Poel (SNV), December 2016.

Annex 7   Themes for further research

What is the influence of the suitability of the ToC on effectiveness?

• suitability of ToC 2009, 2010 or other possible ToCs;
• influence of agenda to restructure support: to what extent do increased effectiveness and efficiency contribute to realisation of policy goals of the ToC.

Which roles for DCSOs are most conducive for achieving the desired results?

• sustainable economic development and direct fight against poverty;
• civil society building;
• policy influencing;
• other strategies.

In which themes or sectors are interventions most effective?

• MDGs;
• fragile states;
• good governance;
• strengthening organisations;
• enhancing civic engagement;
• other themes or sectors.

What factors in the country context are conducive/less conducive for effective implementation?

• nature of the of government;
• strength of civil society;
• fragility situation;
• other factors.

What type of (potential) partners contribute most to effective operations?

• institutionalised organisations (e.g. NGOs);
• less formalised structures (e.g. CBOs, social movements);
• governments;
• private sector enterprises;
• knowledge institutes;
• other (potential) partners.

What type of funding structure would be most appropriate?

- MFA funding DCSO → DCSOs funding SCSO;
- MFA funding DCSO → DCSOs funding local DCSO offices;
- MFA delegating funds to embassies → embassies directly funding SCSOs;
- other funding structures.

To what extent does the nature of alliances/partnerships influence effectiveness?

- Amoeba/Octopus/other types;
- general/thematic;
- large/small;
- intensive/extensive relations;
- other characteristics.

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Malawi | A group of women who have gathered for the morning village council meeting and sit separately from the men. A fire has been lit for warmth. | Jan Banning / Panos Pictures

Photo main findings and lessons:
India | Women on their way to a women's group meeting. | Mikkel Ostergaard / Panos Pictures

Photo chapter 1:
Yemen | Children play during breaktime at Al Kwod Othman School. The school, which is supported by Oxfam, is located in one of the slum areas of Aden. | Abbie Trayler-Smith / Panos Pictures

Photo chapter 2:
Uganda | Children from the offshore islands of Lake Victoria attend a monthly Mildmay Hiv/Aids day at Kalangala, for screening, testing and educational fun. | Penny Tweedie / Panos Pictures

Photo chapter 3:
Sri Lanka | 54 year old Bandara Meneke (second from right) harvesting chili peppers from her field in Akkara 50. She has hired these three women to work with her and has received IFAD loans through her farmer's group. | G.M.B. Akash / Panos Pictures

Photo chapter 4:
Bolivia | Indigenous women are gathering for a chat in the village of Chunavi. | Petrut Calinescu / Panos Pictures

Photo chapter 5:
Mali | The elders of a Soninke village discuss a dam project constructed with the support of GRDR to better manage water resources in this region of the Sahel. | J.B. Russell / Panos Pictures

Photo chapter 6:
Afghanistan | A girl stands in line with her mother and other women wearing burqas to get food packages on the outskirts of Kabul. A hundred food packages were distributed to flood-hit families by the ISAF led by Turkish troops on the outskirts of Kabul. | Hossein Fatemi / Panos Pictures

Photo chapter 7:
Mauritania | Village elders meet to discuss drought, meager agricultural yields and a project to build a small dam in the village to retain rain water and extend the planting season. | J.B. Russell / Panos Pictures

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