

Learning from international development grant making:

**a review of the Baring
and John Ellerman Foundations'
programme**

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The Baring Foundation



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About the Author

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Summary

The Baring Foundation (BF) commissioned this review of their international development grant making to learn how it influences the work of NGOs, north and south, and what different stakeholders experience as 'good' grant making. Good grant making is understood to include the building of strong working relationships as well as enabling positive work to take place in difficult contexts. BF believes that the way grants are given influences the way NGOs behave, what is funded and how money is accounted for.

The focus is the work of the BF and the John Ellerman Foundation (JEF), who have co-funded development NGOs working with forcibly displaced people since 2004. The review uses existing documentation and extensive interviews with grantees, Trustees, the Directors, and peer observers of current grant making in UK. Information about other grant makers, written and verbal, has been included where relevant.

The context is one of intense competition for funding among NGOs, extensive time spent in applications, pressure to over-promise ambitious targets and to show success to get continued funds. Foundations can work differently from donors constrained by Government requirements and media scrutiny and they are potentially able to maintain

- Independence of thought and action
- Flexibility
- Freedom to take risks

This independence is seen as critical at a time when the independence of the voluntary sector appears under threat.

The report looks at how the BF and JEF use these characteristics at each stage of grant making, from application through to evaluations, learning from multiple sources about what is done, how well the processes work and what different people appreciate or are concerned about. From the detailed work undertaken, which is intended to share experience and learning with others doing or planning to do similar work, some overall principles emerged.

Key concerns around grant making raised during this review

The following recurring themes emerged, which echo those to be found in the NGOs evidence, with one dominating around the autonomy of NGOs and the appropriate balance between listening to, and complying with, donors, whose demands are constantly rising and allowing needs of communities and local partner organisations to drive agendas. It is clear that:

1. There is a lot of fear/anxiety in relation to high donor demands around grant making.
2. There are high levels of anxiety around grant seeking because of the intense competition and the high expectations based on target setting.
3. The growing reliance on paperwork and complex documentation appears to be replacing the need for good relationships and spaces for negotiation and shared problem solving.
4. The high costs of completing applications involving extensive paperwork, and growing monitoring and evaluation demands are not covered by the grants given.
5. There is very limited availability of funds for skills building and covering core costs.
6. The rush for demonstrable results in the short term, using quantitative methods (not useful in some contexts) is often not realistic.
7. The 'diminishment of staff' as reliance on fixed paper-based plans and evidence replace confidence in their judgment; they are increasingly working within narrow bureaucratic constraints. Essential skills for development such as initiative, understanding of context, ability to work well with people are being squeezed out by rigid systems approaches.
8. Multiple and contradictory formats, tools, focus, and the ever-changing ideas coming from different donors, makes it difficult for partners in Africa to follow or to work with these changes. Local staff feel they get little support to develop their skills, and they need many as development work is complex and demanding, while demands from the donors increasingly take time and attention away from the work at the local level.

Approaches that support NGOs in development work: key principles

The following principles drawn directly from this review are supported by evidence from several recent UK studies:

1. The importance of face-to-face contact, respect, and building mutual relationships. People are key to enabling and promoting transformative change.
2. The need to be flexible, responsive, and to expect the unexpected.
3. The importance of supporting local agendas.
4. The need to work with those who have a shared vision.
5. The importance of investing in building local and UK organisational capacities, including investing in core costs.
6. The importance of learning from experience.
7. The need to accept the long-term timescales needed for real change.
8. The understanding that money is essential, yet not the most important element in bringing about social change.

9. The need to see development as a joint venture, working with diverse realities and requiring a joint problem sharing approach.
10. The need to remember 'no one size fits all' and to tailor the approach and grant demands to the organisation involved.
11. The need to recognise donor power and the need 'to use it well' to challenge, support, expand, listen, and learn, not imposing ideas and frameworks that take time and may not help.
12. The importance of ensuring good governance at all levels.

The grant making of BF and JEF has enabled many development staff to do excellent work in difficult conditions, it has also allowed people to learn from the inevitable failures and difficulties of working with the most vulnerable. This way of funding appears under threat and is seen to be supportive of building the relationships and skills that can allow positive change to happen.

Introduction



PHOTO, PEACE DIRECT, COURTESY OF HENRI LADYI

The Baring Foundation commissioned this review of their international grant making. The intention is to draw out learning around funding and how this shapes the work of NGOs, north and south, and what different stakeholders experience as 'good' grant making. Good grant making is understood to include the building of strong working relationships as well as enabling positive work to take place in very difficult contexts.

The review is based on existing documentation and extensive interviews with grantees, Trustees, the two Directors, and peer observers of current grant making in the UK. Information about other grant makers was forthcoming during discussions and, where relevant, this has been included.

Grants are a major source of funding for the UK development sector. Many small and medium-sized NGOs are almost entirely reliant on grant funding and large NGOs now raise substantial funding through grants, from institutional donors as well as Trusts and Foundations. The way grants are given influences the way NGOs behave, what is funded and how the money is accounted for. Grant making is a critical component of the development effort yet often little discussed. There are major shifts taking place in the way major donors

allocate aid funding and new players are entering the funding arena and more evidence and analysis is needed to understand what changes in funding regimes mean for the development work of grantees.

For NGOs competition for funding is high, applications absorb a great deal of time that is often not remunerated. There is pressure to over-promise ambitious targets and to show success to get continued funds. There are concerns among many NGOs that rising donor conditionalities, intended to improve efficiency and effectiveness, can have unintended effects such as taking time away from work with local partners and changing – not always in positive ways - the way the work is done.¹

This report is intended to contribute evidence from the experience of two Foundations about the relationship between funding and development work. This evidence is primarily about Foundations, players often able to be more open and responsive to NGOs by virtue of their independence. It is intended to:

1. inform BF/JEF about the strengths of their approach and highlight issues to be addressed to improve the work.
2. share with other Trusts and Foundations the learning to date from BF and other donors.
3. inform newly forming Trusts and Foundations about issues in international grant making.
4. draw out the key principles, identified by a range of stakeholders, that can contribute to good grant making.
5. promote discussions within the aid sector about the role, power and potential of different approaches to grant making.

¹ Emma Crewe 2007 writes about the trends: *'What is our relationship with our donors like? How does it work? First, we are experts... on reading what they want to hear and translating what our partners want to do into donors' priorities, language and timeframe. We don't lie but we endlessly re-present... during the processes of accountability we reinvent the past by translating their annual and final reports back into the priorities and language of the specific donor' (P1)*

Part 1. Trust and Foundation funding in international development

It is important to put this work into the wider context of the role and place of UK Trusts and Foundations in development funding. What follows is a brief overview drawing on three key studies, *Going Global* (de Las Casas and Fiennes, 2007); *Global Grant-making* (Pharoah and Bryant, 2011); and the work of the Panel on Independence on protecting the independence of the voluntary sector (Baring Foundation, 2012).

The process of grant making

Essentially grant making is a process of finding, selecting, funding and supporting organisations in order to use the funds available for achieving clear development objectives. Monitoring and evaluation, for both accountability and learning purposes, usually follow.

At each stage there are choices to be made: for example, deciding the relative costs and benefits of different methods; ensuring the proportionality of the systems for compliance and control; and how far to prioritize building relations of trust and openness. How highly is learning for the implementers and community valued, what value is placed on quantitative and qualitative evidence of change and whose voices count most?

There is a diversity of practice across Foundations and Trusts, from those with detailed paper based processes and auditing, through to those using a light touch. The way grant making is staffed and decisions about whom to fund, and for how long, also vary widely.

The size of Trust and Foundation funding for international development

In 2011 £292m was spent through Trusts and Foundations (including the largest, such as Comic Relief, The Wellcome Trust and Big Lottery Fund). This is equivalent to just under half of DFID spending on NGOs (Pharoah and Bryant, 2011) but represents just 9% of all UK grant making foundations. 90% of UK Foundations do not fund internationally (de Las Casas and Fiennes, 2007).

90 Trusts and Foundations make grants to development NGOs (or Universities) above £50,000 a year, more give smaller grants. The 2011 report concluded that 'relatively low-level funding can have a transformational power' in the international arena, so small grants have value (ibid, p.5).

The focus of this funding

37% goes to Africa, especially East Africa. Asia receives 23%. The funding is for diverse work, though many Trusts and Foundations follow the UK Government in working in health, education and sustainable development. Some work within the framework of the Millennium Development Goals, others respond to new needs and work in areas considered 'hard to fund'.

The funding is usually delivered through civil society organisations, especially NGOs. The focus can change over time, with Trustees changing their strategy or seeing new opportunities arising from experience. For example, the Nuffield Foundation moved away from numerous grants given through open tender to an approach focused on selecting a few known organisations to work in key thematic areas.²

Risks

The challenges of funding at distance are real, including understanding often poor and remote contexts, having sufficient oversight of the work, language and cultural issues. Trusts and Foundations manage these risks in different ways, with almost 70% using UK NGOs to carry out these functions. Many also require external, independent evaluations.

Some directly fund organisations in Africa or Asia but mitigate their risks by funding organisations known to them over many years. Several Foundations value knowing organisations well and see developing trust with grantees as a key way of managing risks, including the Nuffield and the Baring Foundations.

The benefits of funding from Trusts and Foundations

The three reports highlight core characteristics and the value of Trust funding, characterizing them as:

- Highly independent with diverse patterns of funding, often to neglected areas
- Undertaking strategic and grassroots work
- Targeting civil society, in ways they feel have most impact
- Support for existing organisations and for new ones
- The value of these funds at a time when NGOs experience great competition for funds
- They can take a flexible/responsive approach to unpopular causes and new issues

Foundations stress their unique position (especially those not subject to intense media scrutiny or Government regulation) as:

- Independence of thought and action
- Flexibility
- Freedom to take risks

This independence is critical at a time when the independence of the voluntary sector appears under threat, especially because of a heavy reliance on statutory/institutional funding. The Panel on Independence of the Voluntary Sector (Baring Foundation, 2012)

² **Personal interview and information** from Nuffield Foundation, 2010, Capacity for change: A review of the Nuffield Foundation Commonwealth Programme. Nuffield Foundation, London.

highlighted the importance of protecting the voluntary sector and enabling it to retain independence of voice, action and purpose, which are clearly at risk because of:

- tight statutory funding models, which are imposed
- the NGO's lack of ability to shape these models
- the blurring of boundaries between the voluntary and other sectors
- self-censorship and other challenges to their independence of voice
- threats to their independent governance
- the need for stronger safeguards and effective regulation.

These are all issue for UK NGOs working in the development sector.

Issues of governance

Trusts and Foundations are regulated by the Charity Commission and post their annual accounts and reports to them; these are accessible to the public and subject to Charity Commission scrutiny.

Many Foundations subscribe to the new global commitments at Busan (INTRAC, 2012), to ensure that all development funding is transparent, although how far Trusts and Foundations will participate in the global database being developed is unclear. The recent select committee on Trusts and Foundations working in development did recommend closer liaison with DFID and better access to DFID, which is welcome and will enable them to participate more in public debates.

Internal governance is carried out through the Trustees, who are responsible for ensuring good financial probity and management of the Foundation/Trust.

Key questions for Trusts and Foundations from these reviews

The most important challenges raised by these reports, that need addressing, are

1. The need for more debate about their specific role and effective contribution to development work.
2. Whether to fund independently or through larger programmes.
3. How best to empower civil society and help build sustainable routes out of grant dependency.
4. The need to support the independence of the voluntary sector, including NGOs working in development.

Part 2. Overview of grant making at the Baring Foundation

Some key changes over time

In 2004 BF entered into collaboration with JEF to increase the size of their grant making: the JEF funding went into grants and BF continued to carry the costs of grant administration. In 2005 the two Directors, with an Adviser, refocused the programme to:

- reduce the number of applications received by focusing and tightening the guidelines
- simplify the guidelines
- invite grantees in UK to BF special seminars
- encourage people to ask BF for technical support
- have a strong focus on external evaluation at the end of every project.

In 2006 BF stopped funding in Latin America and focused only on Africa.

In 2007 an external review of the funding (Silkin, 2007), looked especially at issues such as focus and learning. The feedback from UK grantees was positive; NGO staff stressed the value of the personal way grants were managed, allowing discussion, openness, and negotiation. Four features were especially highlighted:

1. **The priority given to capacity building and core costs** – to enable partnerships to develop and to build local leaders. Official aid was draining this work of funds because the emphasis was increasingly on tangible results and aid effectiveness. Core costs were hard to raise.
2. **Funding in areas others see as risky** – BF is not prescriptive and is willing to fund e.g. small organisations and work in unstable areas.
3. **High quality support** – this was described as open, flexible and accessible. This contact allowed more of a partnership and good quality communication; NGOs felt supported and not judged. This was motivating, especially because feedback was quick, approaches flexible, and BF know there will almost always be problems in implementing grants.
4. **A commitment to lesson learning** – while NGOs appreciate this focus on learning, in practice this was seen to be somewhat ad hoc and unsystematic. There was a sense in BF that the portfolio was diverse and so lesson learning was difficult. The question about focus was related to whether this would enhance BF ability to learn from the grants more coherently.

The review concluded that overall the grant making was working well. Some recommendations for improvement were made and following Silkin:

- The purpose for the grants was simplified to '*improve the effectiveness of non-governmental organisations (NGOs) and community-based organisations (CBOs) in Sub-Saharan Africa to address problems arising from the long-term forced displacement of people.*' (Guidelines for applicants 2012).
- Grants were limited to organisations of between £150,000 to £15 million per year (thus excluding very small NGOs and those with access to multiple sources of funding).
- Annual visits to projects in Africa by BF/JEF staff and Trustees were instituted to promote learning and annual meetings specifically for international NGO UK grantees were inaugurated.
- Clear MEL (monitoring, evaluation and learning) plans were to be worked out between the grantee and BF Advisers, at a new inception meeting following the awarding of the grant.

The Trustees kept the broad focus on displacement and did not to focus further either by theme or geography (except for dropping Latin America). Analysis and learning were to be on-going, leading to publications: *Filling Gaps and Making Spaces* (Twigg, 2005) and *Sitting on Chairs* (Twigg, 2009), both published by the Baring Foundation.

In 2010 a new element was introduced, a partner meeting in Africa. This was for African partners of UK NGOs, and was to be their space for sharing experiences, learning from each other and learning more about the UK context of Foundation funding. The Directors and some Trustees from UK went, primarily to listen and learn. The workshop was facilitated by BF and Akina Mama wa Afrika, a women's rights organisation in Uganda funded by the Foundations.

The key features of the current approach to grant making

The Director recently highlighted the features he defined as core to the international grant making of the Foundation:

- A focus on partnerships and relationship building.
- Large grants (up to £250,000) spread over the long-term, normally between 3-5 years.
- A 2 stage written application process with short and clear guidelines.
- Interviews with staff from UK NGOs and their African partners at the final stage of applications.
- Funding of £1,000 – £2,000 for short listed applicants to attend the interview.
- Inception M&E meetings to clarify the purpose of the grant and how it will work in practice.
- Funding a year in advance, paid annually to the UK NGO. Reporting follows the funding and releases the funds for the following year, again in advance.
- Publishing external evaluations – required for every grant – on the BF website.
- Annual gatherings for UK grantees.
- Visits by staff/Trustees to projects in Africa, with a view to seeing every project once, funds and security allowing.

The main focus is on capacity building and developing partnerships (good three way relationships, between the donor, UK NGO and African partner) within the broad framework of addressing the problems created by displacement and forced migration. The approach is characterised as 'flexibility plus clarity of expectations and firm deadlines'. The grant making

work is supported by a range of activities such as publications, special events, and funds to support new initiatives in international development.

Funding patterns

The Foundations have spent £7m since 2005 in 27 African countries; funding is in both Francophone and Anglophone Africa. Many countries receive only 1 grant, with clusters in South Sudan (5), Uganda (6), Kenya (3) and Tanzania (3). Some grants were multi country but the focus now is on single country grants, of which there are 15 single. In July 2011 nine out of the 38 grants had gone to Diaspora organisations.

The approach to administration is one of 'proportionality'. BF want to spend enough on administration to ensure that the NGOs are clear about their roles and responsibilities and feel supported, but want to keep as much funding as possible for grants to ensure there are adequate funds for work on the ground. Currently the costs of running the programme are, on average, £30k per year for staff and £20k in Advisers' fees for assessment, monitoring and learning.



PHOTO COURTESY OF CHILDREN IN CRISIS

Part 3. Analysis of the key elements of international development grant making

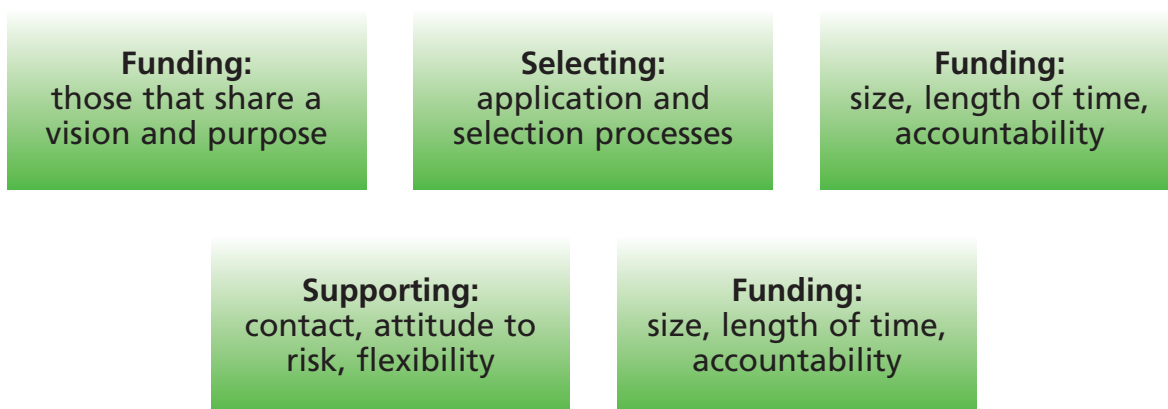
Introduction

The Baring Foundation follows the common stages of grant making laid out in the diagram below. The core principles that guide the way the work is done are:

- The paramount importance of building strong relationships between the funder, the UK NGO and the partner in Africa
- The critical importance of building the skills and capabilities of those delivering the work
- The belief that money is the lubricant for development work, the funding is important but the real challenges and work lie with those on the front line.

This contrasts with other donor approaches that place a higher premium on the value of the money, accountability to donors, and the importance of systems for tracking the money. While professional levels of financial accountability are certainly expected by the Foundation and met through external audits, the focus is less on efficiency and value for money and more on identifying and promoting ways of working that build strong organisations and relationships, and promote positive change for displaced people.

These principles underpin the different stages of grant making:



This section explores the key stages of grant making and the feedback and learning on these approaches gathered from the stakeholders contacted for the review.

1. Finding grantees:

The criteria used by the Foundation are intended to ensure good, but not too many applications:

- a focus on forced displacement of people
- a focus on building the capacity of civil society organisations in UK and Africa
- a commitment to learning
- attention to gender and other vulnerabilities
- attention to environmental issues

Grants are up to £250,000 and can be for two to five years of funding. Those taking a longer-term approach are especially welcome, as are applications from Diaspora organisations.

There were three issues that elicited much discussion and feedback during the interviews. These were the focus of the grants and the related issue of the definition of forced displacement, and the commitment to capacity building. (The phrase forced migration and displacement has been used in previous guidelines).

i. The focus on displacement

Donor views

Focus is an issue that exercises many donors. The dominant thinking currently is that a tight focus means that an organisation can develop specialist skills and knowledge on an issue, enabling them to better select good grantees and learn from the different programmes they run. Focus is felt to lead to increased impact.

However, those interviewed held divergent opinions. Some Trustees and staff would like a tighter focus for the programme, both to cut the number of applications and to increase the learning, enabling the Foundation to become known for expertise in a niche area. For others *'the focus is about right'*. It is broad and covers a wide array of approaches and this openness allows a good number of applications and higher chances of reaching good organisations. For them too much focus becomes prescriptive and limits the number of candidates; finding the right people to fund is critical.

Perspectives from African grantees

There is a unity of view among the African partners consulted, who were all clear that a tight donor focus can curtail them in putting in projects they have developed, often in close collaboration with local communities and groups. Instead they have to select or 'cherry pick' the parts of the work that fit the donor criteria, something they are becoming adept in but which skews their work. For them the tension between working to tightly set external criteria and responding to the needs and demands of the communities they are working with is very real; they much prefer funding that supports the local agenda:

Two quotes (from many) illustrate this well:

'it is good to diversify when working with poverty or women. Focus can narrow opportunities and exclude certain key actors.'

'the focus on displacement meant we had to leave out many schools (in the district). This has been very challenging and led to many tensions.'

It is interesting to note that the issue of who is **excluded** in a community by the focus of a grant is almost never discussed, something of concern. Emma Crewe argues that all interest and M&E is focused on the participants in a project, with little thought given to those excluded by the programme (personal communication). It is clear from other research (e.g. Wallace and Chapman, 2010) that a tight focus can often over-ride the priorities of the most vulnerable in communities and can lead to divisions, exclusion and jealousies between people, which may become very counter-productive.

These are issues keenly felt by the NGOs working on the frontline in Africa, where donor concepts, understanding and priorities may have limited relevance to the lives of the women and men they are working with.

The UK NGOs

They discussed the issue of focus in a different way, highlighting how the displacement focus took them into new areas of work (and one African respondent raised this too), which they felt was positive. For several this was their first grant on post conflict or displacement and they have enjoyed working with new populations with their partners and learned a lot.

Several noted the importance of the Foundation having a clear focus, well articulated in the guidelines so that agencies don't waste time applying if their work does not fit. They felt the guidelines are clear and NGOs can quickly work out whether they are likely to get funding or not; this is appreciated.

Others felt the definition of forced displacement was unclear when they were applying, but they looked at previous grants made, who the Trustees and Advisers were and tried to work out what would appeal most to BF! Some benefited from the definitions being used quite flexibly, while others fall squarely within the arena of forced displacement.

Six UK NGOs talked about focus in the same way as their partners, saying that a tight focus means NGOs always have to put their work together in new ways, selecting the bits that will appeal; 'we have to put the right piece of work together'. This does not always fit well with African partners who often take a more holistic approach: 'partners are involved in multiple activities and may find it hard to stay focused as new opportunities arise and issues change in a fast changing context'. 'Pinning them down' can be a challenge, especially if projects appear to them to be very donor led.

One NGO said that 'too many donors have a strategic focus' making it hard for local agendas to be funded. She wanted donors to be more open, eclectic and keep the focus on funding strong partnerships and working according to clear principles. Another said, *'the more freedom you give the better'* allowing grants to be 'locally led' and responsive. If you focus hard *'you get proposals telling you what you want to hear'* and not necessarily what is needed. There is a real concern around donor driven agendas over-riding agendas of staff and communities on the ground.

The feedback showed some of the dilemmas for NGOs, who are in real need of funds for their work, and highlighted some of the dangers for donors of setting too tight agendas for their funding.

ii. The meaning of displacement

This was an issue touched upon in several interviews. The history of the grant making in BF shows that while there are strong, agreed parameters to the way the issues around forced displacement are defined, in practice these are applied somewhat differently over time, allowing Trustees to select good projects that might be seen as borderline in relation to the strict definitions. While this means the range of grants widens further, raising concerns about how to compare and learn from them, it also means that the projects identified as the best by Trustees were included for funding, something some Trustees value greatly.

For the NGOs that receive grants, even though they lie on the edges of what forced displacement means, this is a good approach. For some NGOs who do not apply, because they feel they fall outside the definitions, this flexibility creates uncertainty and lack of clarity about their (and BF) understanding of displacement.

iii. Capacity building

A commitment to building civil society is core. There are, however, different views among Trustees about the balance to be made between funding capacity building and funding the project work that more directly or quickly leads to development results. For a minority, development results are paramount and capacity building should not become 'an end in itself'. For others, the belief that building strong organisations and communities, able to work independently and accountably, is core to ensuring long-term development. They are willing to invest in this in the expectation of sustainable changes for the displaced, recognising that these may sometimes take longer to come than the 3-5 year grant period.

The feedback from UK NGOs

For most of those interviewed the money for capacity building, both in UK and Africa, was critical and highly valued. Eleven of the UK organisations interviewed emphasised the importance of this funding.

However, because the dominant donor focus is on achieving measurable results and money for core costs and organisational development is difficult to raise, they appear wary of asking for too much for this work. Some have not taken full advantage of the BF offer to fund core costs to develop the capabilities of staff, for fear of coming across as not 'up to the job'. A few were wary, wondering if this was 'a trick' issue in the application.

The majority of UK NGOs have included some capacity building costs for activities in Africa and to a lesser extent in UK. A few examples illustrate the use of these funds and their value. One UK organisation stressed the need to understand how organisations develop and can take on more sophisticated and complex work. They want to support them to move from the early stages to being able to manage relationships with many partners – the Government, the private sector and the community, and including women in the community. Institution building in their experience takes four or five years and someone has to do this work to build up strong partners in Africa, able to manage and effectively use substantial funds to achieve real changes for displaced people. The stage of each partner organisation needs to be assessed and the capabilities, systems and support they need identified, to enable them to move to the next stage. They work with several partners from community organisations through to national NGOs and all need to be able to work effectively, separately and together, to achieve their aims.

One UK NGO working with a new community organisation stressed the massive impact large income flows can have on those unused to handling large grants, and the critical importance of working painstakingly with new staff and volunteers to understand budgets, manage funds and develop the skills needed to run good projects. Building relationships with the community organisation, the local NGO and the UK NGO is critical to ensuring the project works; this takes time as well as money. Understanding the cultural pressures on the funds, finding ways to talk honestly about challenges and identify appropriate solutions, are essential prerequisites for delivering good results.

A Diaspora organisation working with a new community based women's organisation stressed the importance of working with them on developing appropriate systems, policies and procedures for the organisation. They also had to learn how to work with their mainly volunteer workers in the new context of external funding, which changes the dynamics between those who now get paid and those who do not.

Many of the grantees in UK work with emerging community based organisations, in turn working closely with their communities and responding to strongly felt needs. Many lack clear organisational structures and systems and to develop these in a meaningful way requires time and money. They need skills ranging from financial management to gender analysis, reporting through to how to work with those with HIV. Systems need to be understood and appropriate and people need time to learn new ways of working; funding these processes 'is essential to building civil society' in Africa. There are risks in working with emerging organisations but the capacity building grant allows them to take those risks and fund organisational development, which most see as central to long-term development in Africa.

Several UK NGOs working with more established NGOs in Africa talked of the way these funds enable them to pay staff and train them, a time consuming but essential process. Those that invest in staff in Africa find their staff turnover is lower and the quality of their work improves as they become more experienced and trained. They are loyal to the organisation and develop real expertise in their field of work.

The feedback from African partners

Not all the partners interviewed knew they could apply for funds solely for capacity building, which was surprising. Two organisations said they needed more funding for organisational development with their community partners, because building up these organisations is slow and at times difficult. One wanted more funds for developing their own NGO. They had assumed they could get all the technical support they needed from the UK partner but discovered they needed more locally based, hands-on specialist support to enable them to work well in fast changing and challenging contexts.

One NGO was very forthright. They said core costs are essential for building and retaining good staff, but they often 'hide them' in their proposals believing that most donors want to fund project work and not staff costs. They work in a complex area where specialist skills are needed to deliver good quality services to displaced children, and recruiting staff, training and supporting them are central to achieving good results, which they do. Without motivated and skilled staff they cannot build relationships with children, families or the many community based partners they work with to meet the multiple and complex needs of the children.



Another talked of the critical importance of *'building a sustainable organisation to stand on our own feet'*. More money is needed for this, especially given the high expectations donors have of what local organisations can and should deliver.

The external observers all stressed the importance of building good relationships, building essential skills and ensuring NGOs and CBOs have the tools to do the job they have identified as critical for their (displaced) communities.

2. Selecting grantees

The Baring Foundation asks for clear, jargon free applications showing the need; organisational track record; and a realistic plan with clear objectives, which promotes genuine partnerships, which in turn offer the prospect of enduring improvement.

Applicants are asked to take gender issues and vulnerability into account, as well as the environmental impact issues relating to their work, and ensure beneficiaries share in their decision-making, can do good M&E and have strong financial systems.

There is a clear timetable, from December when the guidelines are issued to October when decisions are made. There is a two stage process plus an interview with the UK NGO and their African partner for shortlisted candidates.

Applicants are welcome to have discussions with the Director about issues arising from the guidelines.

Two issues attracted plentiful feedback from grantees, the application guidelines and the interview process. A few felt that the time taken from application to decision-making was too long, but others said they plan for this and can work with the existing timetable.

i. Application guidelines

The majority of UK NGOs found the application form straightforward: the format is short and easy, they appreciate the lack of jargon and the focus on first principles around the proposed work. It encourages clear thinking and an open way of presenting the work in its own terms. People appreciate the two-stage proposal, starting with a short concept note, a practice widely used by donors now.

Two NGOs said that there is a lack of clarity about exactly what BF would like to know and felt more specificity could make it easier to do the application. NGOs spend a huge amount of time on applications and meeting donor requirements and clearly some would prefer a little more structure. Some include and follow a log frame format even though this is not requested. Given the time NGOs spend on developing these it may save their time to use them rather than trying to explain their proposal in brief, narrative form. However, it is not a format that helps Trustees understand exactly what is being proposed and it does not fit the BF approach well. It tends to contain much development jargon, rather than a clear statement of the work in plain English.

The African NGOs who talked about the application stressed how much time proposal development takes and noted there is no funding for this work. It takes much of their attention. They find the BF guidelines *'easy'* and *'user friendly'*; their challenge is always to fit the aspirations of the people they work with into donor priorities. One partner said the

word length was too short; *'the application is simple but space is too limited in the full proposal for explaining everything. We have to abbreviate to meet the length requirements.'*

Many partners are working in situations where there are few services and resources available and they take a holistic approach to working with communities, something that is seen in the UK to be overly-ambitious. Cutting back can be problematic for those who see the complex and inter-related needs on a daily basis, and it is something communities do not really understand, seeing they have needs for e.g. education, health, skills, markets, access to decision-making and their rights.

ii. The interview at second stage

The face-to-face interview is a significant feature of the BF process and one highly appreciated by all the grantees and Trustees interviewed. It is seen as a way to start to build a relationship with the grantees; NGO staff meet the Trustees and can put their case in person; Trustees can put faces to names and see the quality and nature of the relationship between the UK and African partners. It is a time for open questions and debate that is much appreciated.

It is also appreciated that unsuccessful NGOs that attend receive £2000 towards the costs if an African partner attends and £1000 otherwise, making people feel they can afford to prepare for the interview and attend without incurring major costs. A few quotes (of many) illustrate the value this process overall has:

'I had the opportunity to express myself, very different to writing. It gives a human side to donor support' (African partner)

'It was a luxury to talk about our programme' (UK NGO)

'A phenomenal experience' (African partner)

'It was great, surprising, unique' (African partner)

'It was very friendly, not a tug of war...helped to build our capacity by explaining more about the proposal and answering detailed questions' (African partner).

'It allowed the staff in Africa to take responsibility for the discussion and make their contribution. This makes them proud and they feel ownership and more responsibility'. (Diaspora organisation)

It is a pivotal moment in the selection process bringing many benefits, not least partners feel listened to and respected.

However, a few critical issues were raised:

- As some African applicants noted, there are still many other costs associated with coming for an interview, especially in relation to time lost at work.
- The time for the interview is very short, less than an hour, and asking people from Africa to speak for such a short time is difficult and culturally challenging.
- Given the distances people have travelled some would like more contact (beyond the interview) with the Advisers to discuss their work in more detail and get more feedback.

- There is a danger of those who are good at presentations and are most charismatic succeeding over those doing good work but less familiar with a formal interview environment in UK.
- Visas are a real problem for some staff, especially from some countries.
- Many African staff said they were very nervous and did not know what to expect. While the interview was in fact very friendly more information about the format and expectations beforehand would have helped them.
- Many were unsure who was making the final decisions and would like to have understood the role of Trustees and Advisers better.

3. Funding

Funding is usually given for the full amount requested; partial funding is only awarded under specific circumstances because experience shows how hard it is for many NGOs to successfully adapt projects to the funding given or raise co-funding. It is long term, usually from 3-5 years, and paid annually in advance. The annual report follows the funding and triggers the following year's allocation.

There is flexibility to change budget lines and reallocate funds as the project evolves and delays or changes occur but these need to be communicated to the Foundation and agreed. The approach is one of openness to change and flexibility, because *'I have never known a project work to plan'* (Director).

Accountability for funding is included in the annual report along with the narrative report. The procedures are 'light touch' given the role of the UK NGO in keeping good accounts and the auditors in UK and Africa in monitoring the financial systems and accounts. The concept of proportionality is used here, balancing the time spent on grant administration and getting financial assurance with the commitment to spend as much as possible on the grants and not administration.

The characteristics of this approach to funding most appreciated were:

- Multi-year funding, a practice found among several larger funders.
- The flexibility about changing the use of funds when the context or circumstances change (especially for example when there are delays in setting up the project in year 1). This allows room for learning.
- For UK NGOs getting the funds in advance makes their life easier, especially for the smaller organisations.
- The ability to discuss and negotiate around funding is seen as 'an enlightened approach'.
- There is a relationship around funding; it is not simply about rules and compliance. This matters because development 'is not cut and dried'.
- Many said that getting funding from the Foundations 'is difficult' but once you get it, it opens doors and enables them to raise funds from other donors. The Foundations' funding often leverages more funding.

People felt there was a starting point of trust and encouragement rather than distrust and suspicion. There is openness and an understanding of the realities of working in some of the most disadvantaged communities and often remote areas of Africa, where things rarely go according to plan.

Again a minority had concerns about the lack of guidance and structure for the financial reporting and some of the less experienced agencies would find more support around

financial reporting useful. They want to learn how best to present their financial data and what is most important for the Foundations. Few re-grant to their African partners a year in advance, but some UK NGOs re-grant flexibly depending on the context and the degree of experience in each organisation they fund. Others re-grant the funds using their normal procedures, which may be monthly or quarterly disbursements. They can all pay in advance, however, something much appreciated by partners.

The quality of financial reporting does vary and this is an area that is challenging for some NGOs, especially when they receive co-funding or where organisations are relatively new and inexperienced.

4. Supporting

During the period of implementation the Foundation provides a range of support to grantees. This includes encouraging them to discuss issues arising from their work, both positive and negative, and sharing successes and failures. Openness to discussing challenges as they arise and to working with the NGO concerned to solve the problems that have arisen is encouraged by BF.

There is a commitment to making decisions about changes that need to be made to the work very quickly, usually within a few days.

In addition, there are a number of meetings that bring grantees together with the Foundation staff and/or Trustees each year, including an inception meeting following the awarding of a grant; visits to projects in Africa by the Directors, Trustees and sometimes an Adviser; an annual meeting of UK grantees in London; and the meeting for partners in Africa in 2010.

It is perhaps especially in the area of direct support that Foundations are in a position to work closely with their grantees; to build relationships, get to know them and understand their challenges, and develop a partnership with them that can, at times, enable joint problem solving. There is real scope for investing in these relationships, but this has to be tempered with the costs involved. The lack of a large bureaucracy allows for closeness to grantees, quick decision-making and immediate responses to questions and requests.

This support is highly appreciated and was seen as critical to positive grant making by every interviewee.

i. Direct support for partnership and relationship building

Views from Africa

Several respondents said there is a recognition within the Baring Foundation that partners do the work with the communities and need to work at their own pace; they need a long-term presence and support. Long-term funds are important for building partnerships and BF's understanding that tangibles can, in certain projects, take eight to ten years to be realized is really valued:

'Change is long-term. You can't get fast meaningful change in complex contexts'.

'It is hard for donors or even UK NGOs to know the ground. The importance of interacting to understand what is happening [cannot be underestimated]'.

Those interviewed in Africa felt that the Foundation did value the local partners and wanted a relationship with them. BF also wanted to meet and listen to the community on their visits; one respondent summed up the feeling expressed by several people, *'this was one of the partnerships I enjoyed. It was different, flexible, personal and with quick responses'*.

There are several opportunities in the grant making process for Trustees and staff to interact directly with local partners and sometimes with the communities they work with and this is seen by those in Africa as a significant and positive component of grant making.

UK NGOs

NGOs in the UK also identified the importance of engagement with the donor to ensure clarity on the roles and responsibilities of all three sets of players, donors, UK NGOs and local NGOs. The direct relationship with the Foundation does promote some close relationships, which are being eroded in other donor contexts by the outsourcing and contracting out of grant making. Outsourcing usually requires tight compliance to contract rules and allows little room for the kind of interaction and flexibility that many NGOs in the UK find helpful.

Several of the UK NGOs do have strong relationships with their local partners and feel that the Foundation understands that and supports them, especially in a crisis. Several of the grantees have experienced major challenges including illness, car accidents, violence, and delays caused by very adverse local conditions. They feel able to share these experiences with the Foundation, because they feel they can trust them. This is, according to those interviewed, not the case with all grant makers where they can feel pressured to say the work is going according to plan to 'please the donors' and to 'say that what has been promised has been delivered'. Varying budgets, timelines and expectations is difficult in tight results based frameworks, yet the unpredictable often turns plans upside-down. Being able to share these challenges and discuss ways forward with a donor is refreshing.

Diaspora organisations have a different dynamic, being driven from the South, and the role of their NGOs in the UK is to service and support the organisation based in Africa. Different sized organisations and different organisational structures require different needs and support and no one size fits all. The more grant making can work with the needs and realities of each organization, the more appropriate it feels to those involved; this kind of approach works well when there is direct contact between the grant maker and the recipient. Face to face discussions allow for flexibility in a way paper-based procedures do not:

'What I like about the Baring Foundation is you can tell them the truth and they don't mind'.

'We do not have to be economical with the truth, staff are accessible and not fearful of change. The focus is on support and seeing how to ensure the work gets done'.

Within this broad 'agenda of support' respondents (UK and Southern NGOs) highlighted the following areas:

- Inception meetings
- Gender work
- Annual meeting in UK
- Visits
- African partners' meeting

ii. Inception meetings

These are held between Advisers and the UK NGO soon after the grant is awarded, recognising that writing a proposal for securing funding is not the same as working out how to implement, monitor and evaluate the work once the money has been given.

Funding proposals are often overambitious, budgets may not tightly link to the plans, and some of the assumptions underlying the project may need further examination. It is critical to revisit the proposal in a relaxed, supportive atmosphere, to question further, to challenge and to explore what is realistic and how the work will actually be delivered.

This is a time for further analysis, which several of the African partners said they would like to have been able to participate in when they came for the interview. The feedback from the UK NGOs was that the inputs are valued; sometimes they are challenging but they are also encouraging. Gaps are identified, operating problems discussed, skills development explored. People appreciate the fact that the Advisers understand the contexts in which they work and have development experience to draw on. They especially appreciate the time to stop, stand back and think through with someone else how the work will actually be delivered, what is feasible and what some of the challenges might be. Few donors provide a safe space for such discussions.

One or two found the experience quite difficult because there were real question marks around aspects of the way they planned to do the work. However, the dialogue continued throughout the programme and this meant that when difficulties were encountered the NGO knew there was an understanding of the work and they could openly share problems with BF.

iii. Gender

There are of course times when introducing new ideas and challenging existing ways of working is needed; one area where this has been needed with some grantees and partners is work on gender inequality. Many NGOs are grappling with how to address these issues within their own organisations and within the programmes.

While the Baring Foundation places emphasis on addressing marginalisation and inequality, especially but not only those relating to gender, many grantees say they find this area of work demanding. Several accepted they need to do more work and appreciated the fact that the Foundation challenges and encourages them but does not impose ideas. It is good for them to be pushed to debate the issues, they say, because gender analysis is still weak in many programmes and not fully understood as fundamental to achieving programme effectiveness. Even some agencies working directly with women and girls do not undertake a gender and power analysis so their work risks being undermined by those in the community hostile to concepts of women and girls' empowerment.

While several of those interviewed in Africa and UK know their gender work needs to improve they appreciate not being set '*ambitious targets and short timeframes*'. It is an area where some NGOs said they would appreciate more advice and support.

iv. The annual UK meeting for NGOs

This meeting hosted by BF provides a welcome opportunity for the UK NGOs to get together, to discuss and to learn from each other and to meet face-to-face with staff and Trustees. It builds the relationships and makes them 'feel valued in partnership'.

The meetings have an informality, which provides space to meet and share, listen and learn. However, several of the better established NGOs meet together in several forums and felt that these meetings could be used more systematically to help them learn from each other and from the Foundation in a deeper way. Some said they could be better prepared; it was a valuable space that the Foundation could use more effectively.

There was also concern expressed about how to share the learning that emerged with the partners in Africa. While some agencies do send their own report to their partners, ways of sharing this experience more widely could be explored, especially using good communication technology.

v. Visits

All the NGOs in the UK and in Africa who had experienced visits found them extremely useful. They appreciate the way in which the staff and Trustees approach the visits, openly wishing to learn. These visits are not about checking but about talking to front line staff, meeting beneficiaries, increasing understanding of the context, and building relationships. Many see these visits as *'so important to understanding'*, especially of the Trustees who have busy lives and only limited time to engage with the realities of these grants. NGO staff and beneficiaries found the Trustees *'down to earth and ready to listen'*.

Several felt that it was because of the visits that the Foundation was able to respond quickly and positively to problems as they arose within the projects.

Some African respondents warned about the dangers of assuming that partners are properly representing communities in the current funding climate. They said that as some donors push the concepts of business plans and NGOs start to work as businesses they fear that some local NGOs are responding strongly to donor driven agendas and undermining their local networks and relationships. Relying on written reports about what is happening is not enough and visits to see that NGOs are actively engaging with their communities, especially women and others whose voices are often not heard, are a critical component of grant oversight.

African respondents also said, *'that it made people feel supported'*; visits were of real value to people working in difficult contexts. One concern expressed, however, was that because of language problems and some security issues no visits have been made to Francophone Africa, yet they work in some of the most difficult contexts and would receive a real boost and benefits from a visit.

vi. The African partners' meeting

The first African partners' meeting to take place in Africa was held in November 2010 in Uganda and brought together three staff from each of the African NGOs currently receiving a grant. Some Trustees and staff from the Baring and John Ellerman Foundations attended; no UK NGOs staff did. This was a cause of concern to some before the meeting but after the meeting the feedback from the UK NGOs was that it was good that they were not there and that the focus was very much on the African partners, who were able to meet face-to-face with each other and their donors. While a broad outline programme was set by a steering group in the UK, the agenda for each day was handed to one African partner, who worked with others to design the content and methodology for each day; it was *'their space'* to discuss their priorities in ways they felt comfortable with.

Some of the key features of the four-day workshop were:

- A strong focus on the work but also on the social activities to ensure people could meet, make friends, discuss, and relax together.
- A broad framework for the workshop with the detailed content of each day delegated to participants who together decided how to run the day.
- There was no UK agenda for this meeting, the purpose was to provide a positive space for people to come together, share their experiences and learn from each other, 'it was our space'.
- It worked in both English and French and encouraged a wide range of methodologies and formats to be used. There were presentations, focus groups, debates, panels, singing, role-play and more.
- Some outside speakers from Uganda were invited in to build skills and knowledge around issues such as the use of drama in development, participatory methods for working with children, and new environmentally friendly technologies for poor people.

About 40 people gathered together in a hotel overlooking Lake Victoria and over 4 days had a shared experience that was important to all who attended. The feedback from the workshop is to be found on The Baring Foundation website.

This review was carried out over a year later. The feedback continues to be positive: for the UK NGOs they saw it built the confidence of African partners and inspired many of them. The staff got involved and it gave them a chance *'to stand in front'*. It was a wonderful opportunity for them to talk to the donors direct, to 'hear from the horses mouth', and to understand better the funding environment in the UK. They connected to other grantees, felt *'their eyes were opened'* and some UK NGOs report receiving better reports on the programmes following the workshop.

Given the initial anxieties about the UK NGOs being omitted from the meeting, it is clear that they now support the idea of providing partners with their own space to think, share, discuss, and learn.



PHOTO OF AFRICAN PARTNERS MEETING, COURTESY OF THE JOHN ELLERMAN FOUNDATION

For those interviewed in Africa the workshop was *'very bold and rich'*. Another said it was very encouraging; they learnt a lot and were able to benchmark their work against the work of others. The networks that were created have continued and many remain in touch. They built relationships and *'travelled on a journey together'*. It helped some of them to think more deeply about *'what change are we looking for'*. *'It was a fantastic and wonderful experience'* and a rare one, a real opportunity.

The main concerns raised were about time; many participants felt they needed more time to present their work, do joint analysis on what people thought they were approaching well and where they had questions, and for getting feedback and comments from the other participants. They often felt rushed and culturally some speakers found it hard to be forced into short time slots. Many of the participants come from the marginalised, displaced communities, many are activists as well as NGO staff and what they were talking about encompassed their whole lives; several found it difficult to be so constrained in the time they had to discuss their ideas and their work. A few were upset because they felt their stories had been cut off mid-stream, because of a tight focus on 'keeping to time' by the organizers.

5. Monitoring and evaluation, reporting and learning

The approach of the Baring Foundation is that an external evaluation is compulsory and they request that 5% of the overall budget is allocated to this. Narrative and financial reporting is done annually through an annual report, which has to be read and assessed before the following year's funding can be released. NGOs get feedback on their annual reports and they can have feedback on the evaluation process and content as well.

This is perhaps the most challenging area of work for NGOs and has been for decades. Many books and papers have been written, tools trialed, many approaches tried and it is a constantly evolving field. Fashions change and in recent years there has been a swing away from participatory methodologies to quantitative approaches and a demand for scientific rigour. NGO bookshelves are full of M&E, reporting and learning manuals, yet this is an area of continued concern for donors and NGOs in both the UK and Africa.

i. Reporting

UK NGO feedback

There were many positive comments about the short reporting guidelines and the narrative approach to reporting taken by the Foundation:

- The reporting is flexible, the demands are clear and *'we receive fast feedback'*.
- The dates for all reports are clear, known in advance and reminders sent, which is much appreciated.
- The guidelines are light, and *'about right'*. They require narrative reporting and not boxes or tight reporting against targets.
- People feel this spirit of reporting is one of learning and support, not compliance and confrontation. This is important because development is *'messy and needs flexibility'*.
- There is a sense that the Foundation genuinely wants to learn from reports, *'the good, the bad and the ugly'*.
- The advisers and Director engage closely with reports.
- Feedback from partners about changes is accepted; this is important because changes in

attitudes, knowledge and skills – within organisations or the communities – are often ‘hard to prove’ or quantify.

Several concerns were raised though. This reporting is different to that required by other donors, it requires different skills and it takes time. NGOs already spend so much time on reporting this can be a real burden. The space allowed for reports is limited and that makes it hard to cover some of the richness and complexity of the work. For less experienced NGOs a little more guidance would help them to understand exactly what the Foundation wants to know, especially around financial reporting and some NGOs felt that the guidelines could be a little more demanding and push the NGOs to be more analytical.

African feedback

The respondents in Africa shared many of the same ideas and experiences. They were positive overall about the guidelines and style of reporting. Some, however, have to do quarterly or even monthly reporting to the UK NGO and so do not directly reap the benefits of only reporting once a year. Many felt this regular reporting helps them to keep track of their work.

Several concerns were raised though:

- There is a lack of funding to support reporting. Several felt they needed ‘help to fulfill the reporting requirements of the donors’, and this was a very neglected area.
- People would like more training on analysis as well as reporting.
- For some the financial reporting is difficult because they work with a mixture of work in kind as well as finance. It is hard to separate out activities against a specific grant and only account for that money
- There are challenges in reporting when there is co-funding.
- It is important to recognise that when you work with more than one community some may speed ahead while in others ‘leaders are limping’ and progress is slow. This diversity can be hard to report on effectively in a short report.
- ‘There is limited space in the guidelines for stories of success.’
- Some new NGOs find it hard to be sure what it is that the donors want to know about. It is not always clear to them that this reporting should be of use to them for learning and improving their programmes.
- More than one said that the reporting looks very straightforward but they lack confidence about what is really wanted, and ‘look for the trap’. It takes them time to realise that the BF reporting is quite straightforward.

ii. Learning around implementation

BF takes a problem-solving approach to dealing with unexpected problems, something NGO staff appreciate once they really understand it. BF knows from experience how different implementation can be from the original plans, for a wide range of reasons.

One very common problem is how long it takes a programme to start once the money is released; most programmes are delayed in year one. Different projects come up against different challenges including loss of key staff who have been difficult to quickly replace; realising the project is too ambitious, finding ways to scale back and agreeing a different approach with everyone involved; the mapping and baselines promised are often slow and more expensive than expected; and issues like land slides, rain, fuel shortages can delay the work for months sometimes.

For some NGOs bigger problems present themselves during project implementation including financial mismanagement, organisational crises (in Africa or UK), car accidents, delays in decisions around test cases, and for one NGO the tragedy of a massacre of seven staff. For many the situations in which they work can be demoralising and extremely difficult, something difficult to capture in reports.

iii. Evaluations

Over time the Director has seen that the greatest benefit from the external evaluation is for those who are actually doing the work. Evaluations especially provide an opportunity for staff to interact with an external adviser, to revisit their work with a critical eye, to get feedback from their participants and beneficiaries, and to have some time to reflect on what has worked well and what has not. It needs to be a real learning experience in which staff and communities are involved so that they can improve future work.

The evaluation is not seen as an audit or a tool for compliance but one for reflection and learning. It is expected to document:

- What happened
- How the project has changed in the light of experience and changing context
- What was done and what was valued by the staff and the communities involved
- What worked well and why, and what did not work so well
- What is happening or changing as a result of the work to date – within the organisations, the partnership and the communities

This approach is similar to that recently promoted by New Philanthropy Capital (Hedley, S. et al 2010). The evaluations, once finalised, are published on the Baring Foundation website and many show strong evidence of multiple achievements, the reality of the challenges faced, learning from experience and flexibility in managing the unexpected.

The UK NGO and their partners are encouraged to develop the initial terms of reference and an Adviser gives feedback; it is a collaborative process. The external evaluators are chosen by the NGOs but the Baring Foundation sees the CVs. This joint approach is advocated in a recent study funded by several Foundations called '*Assessing the impact of multi-purpose community organisations*' (IVAR with NPC, 2011), which laid out several principles:

1. Impact assessment needs a clear rationale and purpose.
2. It needs to be jointly understood and designed by organisations and their funders to ensure it meets the needs of all parties.
3. Dialogue matters to develop a shared understanding of the work.
4. Context matters and evaluations need to use a variety of methods.
5. Collaboration is at the heart of impact assessment, which needs to be rooted in the way each organisation works.
6. Organisations should be free to tell a story of contribution not attribution.³

³ <http://www.ivar.org.uk/publications/reports-and-publications/assessing-impact-multi-purpose-community-organisations> June 2011, p2.



This approach differs from much current monitoring and evaluation work, which is based on measuring indicators against the plan laid out in a logic model accompanied by a results based framework. Feedback from both UK and African NGOs supported this approach. The positive feedback on external evaluations was:

- 'It is good that money is provided for external evaluations'
- The focus on learning is appreciated
- The joint development of Terms of Reference is a good innovation
- Publishing them on the website is good for transparency but does it feel daunting for some NGOs; does this affect the ability to be really open?
- They are a good learning tool as well as a tool for promoting the work and future fundraising

The concerns raised were:

- The costs of good local evaluators are much higher than many expect and the evaluation budget is often too small to secure good people
- Are there benefits to using a pool of known evaluators? Or is it best to use local people and support the development of local evaluators?
- Many evaluators know how to do evaluations against a log frame but find the more open ended, qualitative approach a challenge
- Some evaluations do not do justice to the work achieved

Part 4. Organisational issues for BF/JEF and some other Foundations

The role of Trustees

The role of Trustees in the Foundations is to take the final decisions on who will receive grants. The Trustees are responsible for the way money is spent and are clear that while they rely on advice from the Advisers and the Director the ultimate decisions about grantees are made by the Trustees. Those Trustees interviewed see this as essential for good governance.

This is an issue not well understood by some grantees, who did not have a clear understanding of roles and responsibilities of the Directors of the two foundations, the Advisers and the Trustees. This is an area where better information would help grantees, especially from Africa, to understand how decisions are made, which is important at the interview stage.

The role of Advisers

The Advisers are expected to provide information to the Director and Trustees on the quality of applications, on the learning from annual reports ensuring they meet minimum standards of grant accountability and learning, and supporting the external evaluation process. They also provide direct contact to grantees that want to talk through challenges or problems or seek advice, although they can always go straight to the Director who has an open door policy with grantees.

There was a range of views about the role of Advisers. Some NGOs felt it was high risk to outsource the appraisal and learning processes to people who were not staff. They felt there was a risk that the Foundation would lose knowledge using external Advisers, even though the Advisers work long-term with the organisation.

Those interviewed in the UK felt that the Advisers are accessible, challenging and give good feedback. Their approach is not trying 'to see whether you have gone wrong' but rather to analyse how the work is conceptualised, how to think through the realities of implementation and of the budget, to discuss problems and the need for change as they arise, and to support learning. It is good to have somebody asking questions from a supportive point of view. A few felt the Adviser put pressure on them but that good relationships were built up during the three to four years of the project, and there was mutual learning. Overall they do provide support, much appreciated from a donor.



MOTIVATION TRAINING IN UGANDA, PHOTO COURTESY OF THE JOHN ELLERMAN FOUNDATION

Some grantees from Africa said they would like more interaction with the advisers, especially when they come to the UK for the interview. They feel they would benefit from the same kind of conversations and it is hard for them to get access to this kind of independent advice and support.

This feedback chimes with the findings in the recent 'Beyond money' report (IVAR, 2011), which stressed to donors that:

- Everybody likes to be valued and taken seriously
- Personal skills and personal relationships are key to success for interventions
- Everybody finds it hard to have their work interfered with or critiqued
- Different organisations require different kinds of support

Coalition with BF and JEF

The feedback from Trustees and the few NGOs who commented on the relationships between BF and JEF was positive. The benefits are increasing the size of the fund without increasing the paperwork; one application serves both Foundations. While different Foundations have differences in philosophy the grantees did not experience any tensions in their dealings with the two Foundations at the interviews, and the Trustees feel these are easily manageable with good will and good chairing. The selection process and criteria broadly satisfied the Trustees interviewed; after that the BF manages the day-to-day running of the grants.

The relationship will continue until 2013, after which all aspects of the grant will be reviewed, something the Nuffield Foundation did quite recently. In that case they decided to form different kinds of coalitions with like-minded agencies that have a shared vision in order to fund sizeable grants on clearly defined areas of work. This can have a powerful impact, building a community of donors focused on the same partners, sharing approaches,

learning and advocacy work. They each work with different partners around the strategic issues, ensuring the unified purpose is clear.

This area of donor collaboration, while often discussed in the literature, remains one that is relatively under-explored, yet has many potential benefits.

'Funding plus'

The approach taken by the Foundation to the work is sometimes termed 'Funding Plus', which means working in several complementary ways to address the problems of forced migration. In the 'Beyond money' report 'funding plus' includes training workshops, special initiatives, external evaluations and research, dissemination, technical assistance, convening and influencing. While they see some dangers in this approach – such as taking time away from grant making and the need for good diverse skills – many benefits are identified. These include the recognition that money alone will not achieve the desired results and the importance of ensuring that those who are funded have the capacity and means to perform well. 'Funding plus' also helps with developing trust and more honest relationships.

'Funding plus' succeeds when there are:

- Strong personal relationships
- Good knowledge of grantees and the sector in which they operate
- Grantees that are ready and willing for an engaged relationship with the funder
- Bespoke rather than standardised or prescriptive approaches
- A careful and responsible management of power relations between funder and grantee

This is the overall approach the Baring Foundation takes to support the international programme and the work includes:

- Support to grantees (discussed in detail above)
- Special initiatives: for example, funding for three roundtables on issues around international development at Wilton Park, convening several Diaspora round tables
- Funding the Diaspora advocacy work under the Common Ground programme funded by DFID at Comic Relief
- Funding a Charity Commission pilot project in South Africa working on developing an enabling and clear regulatory framework for the NGO sector there
- Adding value to the grant making through publications based on internal learning: e.g. *Sitting on Chairs* and *Filling Gaps and Making Spaces*
- Collaborating with other grant makers to support research and publications on the sector: e.g. *Going Global* and *Global Grant-making*
- Networking: e.g. through the Association of Charitable Foundations

Some of this work is tied to the grant making and some is quite separate. Most grantees were unaware of many aspects of BF support to the problems of displacement and some grantees asked what role the Baring Foundation could be playing in influencing the international development sector in the UK. This wider influencing role is not currently known to most of them. This is an area where more communication and joint work could deepen the grantee-donor partnerships to build some of the joint policy/influencing more firmly on the programme work. Some UK NGOs felt this would be important given the high profile of the Foundation and their relatively small size and 'small voice'. Better co-ordination of activities and communication about them could lead to new ways of working together beyond the grants.

Part 5. Learning about grant making from the review and key principles identified

Key concerns around grant making raised during this review

The following recurring themes emerging from the review process highlighted real concerns about trends in aid funding and how much grant making is done. These concerns echo those to be found in the literature referred to earlier in this report, especially around autonomy and the balance between listening to and complying with donors and allowing needs of communities and local organisations to drive agendas.

1. There is a lot of fear/anxiety evident in the sector in relation to high donor demands around grant making.
2. There are high levels of anxiety around grant seeking because of the intense competition for funds and the high expectations based on target setting.
3. The growing reliance on paperwork and complex documentation appears to be replacing the need for good relationships and spaces for negotiation and shared problem solving.
4. The high costs of completing applications involving extensive paperwork, and growing monitoring and evaluation demands are not covered by the grants given.
5. The very limited availability of funds for skills building and covering core costs at all levels.
6. The rush for demonstrable results in the short term, using quantitative methods (not useful in some contexts) is often not realistic.
7. The 'diminishment of staff' as reliance on fixed paper-based plans and evidence replace confidence in their judgment; they are increasingly working within narrow bureaucratic constraints. One person in the Foundations referred to this as *'shrinking and not growing of people in the sector'*, meaning that essential skills for development such as initiative, understanding of context, ability to work well with people were being squeezed out by rigid systems approaches.
8. The multiple and contradictory formats, tools, focus, and the ever-changing ideas coming from different donor organisations making it difficult for partners in Africa to

understand or to work with these changes. Local staff feel they get little support to develop their skills, and they need many as development work is complex and demanding, while demands from the donors increasingly take time and attention away from the work at the local level.

Positive issues that support NGOs in their development work; some key principles

The Trustees, grantees and partners and external observers provided many ideas and experiences that highlighted positive ways to fund work with NGOs in displacement in Africa. The following principles are drawn directly from this review and are supported by evidence from several recent UK studies cited earlier. This strengthens the findings, which appear widely applicable to funding from those Trusts and Foundations working to maintain and build an independent civil society capable of supporting marginalised and disadvantaged people.

These are:

1. The importance of face-to-face contact, respect, and building mutual relationships. People are key to enabling and promoting transformative change; working well together and promoting real partnerships at all levels are essential to doing the work needed to enable change.
2. The need to be flexible, responsive, and to expect the unexpected.
3. The importance of supporting local agendas.
4. The need to work with those who have a shared vision.
5. The importance of investing in building local and UK organisational capacities, including investing in core costs.
6. The importance of learning from experience.
7. The need to accept the long-term timescales needed for real change.
8. The understanding that money is essential, yet it is not the most important element in bringing about social change.
9. The need to see development as a joint venture. It is critical to take a real interest and work honestly with diverse realities and take a joint problem sharing approach.
10. The need to remember 'no one size fits all' and to tailor the approach and grant demands to the organisation involved.
11. The need to recognise that the donors hold power and the need 'to use it well' to challenge, support, expand, listen, and learn and to avoid imposing ideas and frameworks that take valuable time and may not help.
12. The importance of ensuring good governance at all levels.

Part 6. Concluding comments

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This report has thrown up a wide range of issues. This section summarizes the learning that has emerged, including challenges for the future.

1. **The BF and JEF deliver many areas of grant making in ways that grantees find enabling,** supportive and which allow for good dialogue and openness. The feedback enabled the review to highlight several principles of good grant making, which while at odds with dominant approaches to grant making currently used, mirror findings of recent studies done by independent researchers in UK. Together these provide strong evidence that other trusts and Foundations can draw on to see how far different approaches fit their own mission, values and mandate.
2. **The review highlights the critical importance of the way grants are given and administered** in shaping relationships with grantees and their partners. It emerged clearly that grant making that is experienced as supportive of local agendas, that pays attention to capacity building and core costs, that sees the relationship as a three way

relationship between donor, UK NGO and African partners (rather than one where the donor sets and drives the agenda) promotes, for many, relationships of trust. In turn, relationships based on knowledge of each other and trust, enable more honesty and openness about what happens in programmes; what works well and where the challenges lie. They also allow a flexible approach when the unexpected occurs, as it nearly always does.

3. **By sharing the different stages of grant making and highlighting feedback from the BF grantees** it is hoped to contribute to discussions within other Trusts and Foundations about which approaches work well. It is also hoped to stimulate NGOs thinking and working in more transparent and collaborative ways with both their donors and partners, taking into consideration the experiences shared in the report.
4. **Several issues that need to be considered by grant makers have been highlighted**, especially
 - The need for proportionality around costs and the balance to be sought between grant compliance on the one hand and building relationships based on trust on the other
 - The issue of how tightly to focus – given the need for donors to work with coherent portfolios – while ‘hearing’ how agendas set in UK can cut across ways of working and community needs far away
 - The critical importance of enabling NGOs to do the work expected of them, which requires support for some core costs and money for building skills and staff and community capabilities
5. **Some challenges have been highlighted**, especially around monitoring, reporting and evaluation. These are issues where fashions constantly change, demands escalate and many NGOs, lacking specialist staff or financial resources, feel unable to keep up or find time to learn from those they work with about what is working well and what is not. The external ‘noise’ and demands from multiple donors can feel overwhelming; even when demands are modest some NGOs find it hard to understand what donors need. Many do not see how important M&E is for their own purposes. This is an area where work is needed to clear space for NGOs to work out what they need to monitor and report on for their communities, partners and donors.

Another weak area highlighted was gender. NGOs need encouragement, not the imposition of ideas, and to find the time to work out with their participants what gender inequality means to them, how it is affecting the programmes and how best to start to address the deep seated attitudes and beliefs that keep up to half of the population excluded from key resources, active participation and decision-making.

6. **The importance of independent funding from Trusts and Foundations for many NGOs** came through most of the interviews, along with the need to think through new ways of funding and supporting NGOs in their role as independent actors in UK and Africa. Issues of donor collaboration, support beyond grants, and joint advocacy are critical. There is also a need for NGOs and Foundations to explore alternative ways of funding the work, to ensure continuity, long-term programmes and locally set priorities. Some grantees are starting down this road of raising new funds. Examples from this review included fund raising from Corporate Social Responsibility programmes; work with target groups (such as schools, women’s groups, housing associations) to support specific work; providing services to other NGOs for a fee; private sector investment, e.g. in low cost housing; funding as investment or endowment; building and running for example a training centre for NGOs; developing fair trade products and markets.

7. **The evidence about the work the grantees are doing is often impressive.** The meetings in Africa and UK show how much thoughtful work people highly committed and rooted in the context are undertaking in Africa, often in difficult circumstances. This learning is on the BF website as well as in documents held by each UK NGO. The feedback from the Trustees was testament to the quality of the organisations they have chosen to fund, the value of working closely with them and the mutual learning that takes place around forced displacement, a topic that is currently 'hard to fund' yet of critical importance. Some exceptional individuals and organisations have been funded, some exciting and important approaches and ideas developed, and real change achieved. There are examples of building stronger organisations, able to leverage further funding to continue their work with communities. There are many NGOs delivering services and support to communities, some especially to women and girls. Some give voice to the voiceless and engage in legal, advocacy and lobbying work at the community to international level, seeing changes in legislation and policy. New skills have been built in some communities, equipping some of the most vulnerable people with the ability to protect themselves, access better services and participate in decision-making. There are many human stories showing the complexity of displacement while also showing innovation on the part of those most affected and the NGOs that support them.⁴

⁴ This is much needed in a context where aid is under threat and confidence is waning, <http://www.guardian.co.uk/global-development/poverty-matters/2012/jun/25/aid-campaigns-alienate-public-development?intcmp=122>

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Annex 1. Methodology

This review had a limited budget and the methodology reflected the need for a relatively simple approach that would extract the greatest possible learning.

There were four elements to the approach

1. Reading the existing recent literature on grant making and the role of Trusts and Foundations put out by Foundations themselves over the past 5 years.
2. Reading the core documentation at the Baring Foundation, including grant making procedures, annual reports , reviews done and changes made to their grant making in the past 10 years.⁵
3. Interviews with key players. These were face-to-face interviews of an hour or two with people based in UK and on skype and mobile phones with those in Africa. The interviews with those in Africa were fewer and shorter because of the problems of distance and technology.
4. To balance that bias, data from a partner-meeting run by BF and JEF in Uganda in November 2010 has been included bringing in more of the views of the partners in Africa.⁶

The main focus is on the experience of the BF/JEF and the NGO grantees in UK and their partners in Africa. However, literature reviews and interviews with those working in other Foundations and across this sector were undertaken to add comparative perspectives.

The sample

A total of 43 people were interviewed, from 31 different organisations.

Number of organisations interviewed	31
Number of individuals interviewed	44
Number of UK grantee organisations	16
Number of grantee partners in Africa	9
Staff/Trustees from BF/JEF	6
External people	4

A full list of those interviewed is in Annex 2.

⁵ All the core documents are on the BF website: www.baringfoundation.org.uk

⁶ The full report is on the website, under reports for 2010

Semi-structured conversations

The interviews took the form of relatively unstructured conversations, encouraging those being interviewed to raise the issues of greatest concern to them, both positive and negative, around grant making. Most of those interviewed were also asked about the steps of the grant making process to ensure their views on all aspects were covered.

The most popular topics

The areas that most people had a view on and which were of greatest interest were:

- The role of grant making in organisational development and capacity building of civil society, especially in Africa
- Partnership and how to build strong partnerships at all levels in the process
- The face to face interview that forms part of the BF application process
- Issues around reporting, which are a cause of great concern to all those involved in grant making and being a grantee
- The role of the partners meeting in Africa run by BF and JEF
- The pros and cons of having a clear, tight focus for grants.

The report

This report was based on an analysis of the documentation, literature and the extensive interviews, following what was said as closely as possible. It also draws on my own experience as an international adviser to the BF over many years. There are advantages to being an involved participant in the process insofar as I knew most of those interviewed and had built a relationship with many of them over time. This enabled some open and honest conversations.

The risks were that I would only be told what people thought BF wanted to hear, but the level of critique and analysis provided through the interviews suggests that this was not a serious risk in most interviews, where people felt free to speak their minds. The findings chime closely with those found through including an independent external review in 2007, anonymous grantee feedback forms, discussions at annual meetings with UK grantees, and feedback from the partners in Africa in 2010.

The report uses qualitative data to illustrate key points and issues, making clear whether points represent a minority or majority view. There is no attempt to use statistics because the sample is small and the conversations were wide-ranging. The voices of direct experience combined with documentary and comparative data provide valid evidence about current grant making in BF/JEF and more widely in the sector.

Annex 2. People interviewed

UK

BF and JEF Foundations

Tim Glass, ex-Director, JEF

David Cutler, Director, BF

Amanda Jordan, Chair of Trustees, BF

Myles Wickstead, Chair of International Committee, BF

Andrew Hind, Trustee, BF and ex-CEO of Charity Commission, UK

Diana Whitworth, Trustee, JEF

NGOs

Sally Eastcott and Ama Atteen, Afrikids

Inger Wong, Article 19

Rod Leith and Sarah Mathewson, Anti-Slavery International

Apollo Kakaire, Busoga Association UK

Lucy Lake, Camfed

Sarah Rowse and Amy Parker, Children in Crisis

Rémi Kaupp and Adeyemi Oyewumi, Homeless International

Deborah Ball, Homeless World Cup Foundation

Claire Thomas, Sadiya Shaikh, Guilia di Mattia, Minority Rights Group

Francesca Garton, Motivation UK

Tom Gillhespy, Peace Direct

Sarah Hayward, Trustee, Skills for S Sudan

Peter Jones, St Matthew's Children's Fund Ethiopia

Joy Mugisha, Trust for Africa's Orphans

Wendy Ngoma, Womankind Worldwide

Dipak Natali and Alphonsine Kabagabo, World Association of Girl Guides and Girl Scouts

External observers

Saranel Benjamin-Lebert, South Development Consultancy, consultant to Atlantic Philanthropies in South Africa

Emma Crewe, SOAS

Sarah Lock, Nuffield Foundation

Angela Russ, TRAIID

Africa partner NGOs

Nich Kumah, Afrikids, Ghana

Solome Nakaweesi-Kimbugwe, Akina Mama wa Afrika

Henry Maina, Article 19 Kenya

Wilson Kipkazi, Endorois Welfare Committee

Tim Ndezi, CCI, (Homeless International partner in Tanzania)

Mulugeta Gebru, JeCCDO, Ethiopia (St Matthew's Children's Fund partner)

Derek Nkata and Mackay Ongona, Link Community Development, Uganda

Eunice Kamau, Skills for S Sudan, Sudan

Teddy Angida, WEI, Uganda (partner to Busoga Association UK)

16 NGOs were interviewed in UK and 9 in Africa. The reasons for conducting fewer interviews in Africa were: language barriers, staff changes, and in places poor communications through skype and mobiles. Some UK staff discussed the feedback with their partners and presented their views that way. Feedback from the Africa partner workshop was also used to deepen the feedback from partners in Africa.