

DFID's partnerships with civil society organisations

A performance review
Approach paper

July 2018

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1. Purpose, scope and rationale

The term ‘civil society’ refers to the way in which citizens are linked by common interests and collective activity. DFID believes that civil society plays an important and wide-ranging role in development, in holding the state to account, in service delivery (particularly in fragile states), in raising awareness and influencing public opinion and attitudes, and in global advocacy.¹

Part of civil society takes the shape of civil society organisations (CSOs). DFID divides CSOs into non-governmental organisations, think tanks, foundations, movements and networks, business associations, trade associations and cooperatives. Through central and country-based contracts and grants from a number of DFID funds, DFID’s bilateral spending on CSOs amounted to £1.3 billion in 2016-17. Of this, 88% went to non-governmental organisations.

The purpose of this performance review is to assess the extent to which DFID’s funding, and the influencing work of DFID and other departments, are achieving DFID’s objectives for its work with CSOs. In its Civil Society Partnership Review of November 2016, DFID set eight objectives:

1. to work with civil society, to achieve a world free from poverty
2. to fund CSOs to deliver goods, services and improvements in people’s lives across DFID’s work – from fragile and conflict-affected states and emergency and humanitarian situations to long-term development activities
3. to meet the UK’s commitment to leave no one behind: to build programmes and knowledge on improving the lives of the poorest and most excluded people, including girls, women and young people
4. to help people in developing countries influence decisions that affect their lives and hold decision-makers to account
5. to build a diverse, resilient and effective civil society sector and a supportive operating environment
6. to develop and share evidence on what works to achieve the UK aid strategy: to achieve peace, security and governance, to strengthen resilience and response to crisis, to achieve global prosperity and to end extreme poverty
7. to maximise the impact of our funding on the lives of poor people, by supporting the most cost-effective interventions that will make the biggest difference to the largest number of people
8. to build and maintain public support for development.²

Our review will assess the relevance, effectiveness and learning processes surrounding DFID’s relationship with and funding of civil society since the commissioning of its Civil Society Partnership Review in May 2015. We will consider work done before May 2015 where this is needed to assess work with particularly long timelines. The scope of our review includes central and in-country funding (including both grants and contracts), as well as DFID’s work to help build the capacity of CSOs to deliver. The review will also assess the efforts of DFID and other UK government departments in DFID’s priority countries to maintain and expand these countries’ ‘civic space’, which is the set of rules and practices that jointly shape the extent to which people are able to organise, participate and communicate with each other and, in doing so, to influence the political and social structures around them. The review scope will cover both development and humanitarian funding as well as funding to both international and national/ local CSOs.

This review will not assess DFID’s funding for research institutes, DFID’s volunteering grants, the UK’s global efforts to protect civic space in countries other than DFID priority countries, or engagement between DFID and CSOs about UK aid policies.

Our review will build on the OECD’s mid-term review of DFID, which considered changes in DFID’s engagement with CSOs, its evolving funding approach and choice of CSO partners.³ It will also build on the ICAI 2013 review

1. Paraphrased from *UK Aid Connect: Terms of reference: Building Civil Society Effectiveness*, DFID, 2018, p. 3.

2. *Civil Society Partnership Review*, DFID, November 2016, p. 10, [link](#).

3. *United Kingdom Mid-Term Review*, 14 December, London, Da Silva, J. M., OECD, 19 January 2018, [link](#).

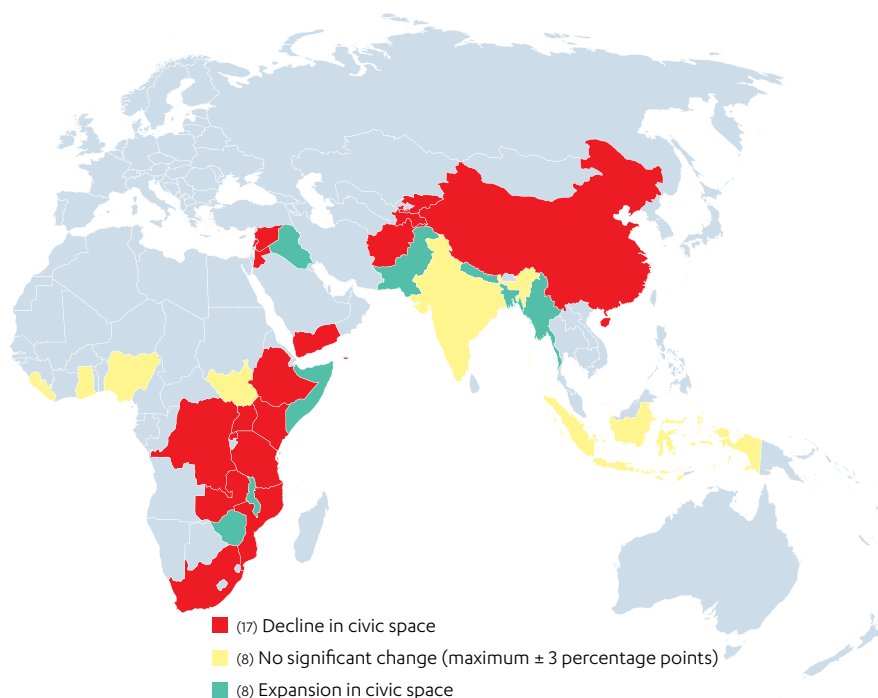
of DFID's support for CSOs through Programme Partnership Arrangements,⁴ by exploring how DFID's civil society partnerships have evolved since then and how issues and shortcomings identified in that review have been addressed through new funds. Where appropriate, the review will consider the Cabinet Office's grant standards.⁵

2. Background

Political rights and civil liberties are under threat around the world and over the past decade have declined in half of DFID's 34 priority countries (see Figure 1a). In 2018, Freedom House classified only three of DFID's 34 priority countries as 'free' (see Figure 1b). In 2017, CIVICUS reported that there were serious systemic problems with civic space in 109 countries.⁶

Similarly, the global CSO operating space has shrunk in a variety of ways. Between 2012 and early 2016, countries on every continent have imposed legal restrictions on CSOs, and every year the number of new restrictions exceeded the number of restrictions imposed the year before.⁷ From 2012 to 2014, over a third of these restrictions were specific to international funding.⁸ With and without legal justification, CSOs have faced an increase in administrative hurdles, arrests, confiscation of equipment, forced closure and violence. The response of CSOs and their donors has ranged from withdrawal, relocation, self-censorship and a refocus on service delivery, to protest, diplomacy and the use of more secure forms of communication.

Figure 1a: Expansion and decline of civic space in DFID priority countries and 'development partnership' countries from 2007 to 2017



4. DFID's Support for Civil Society Organisations through Programme Partnership Arrangements, ICAI, May 2013, [link](#).

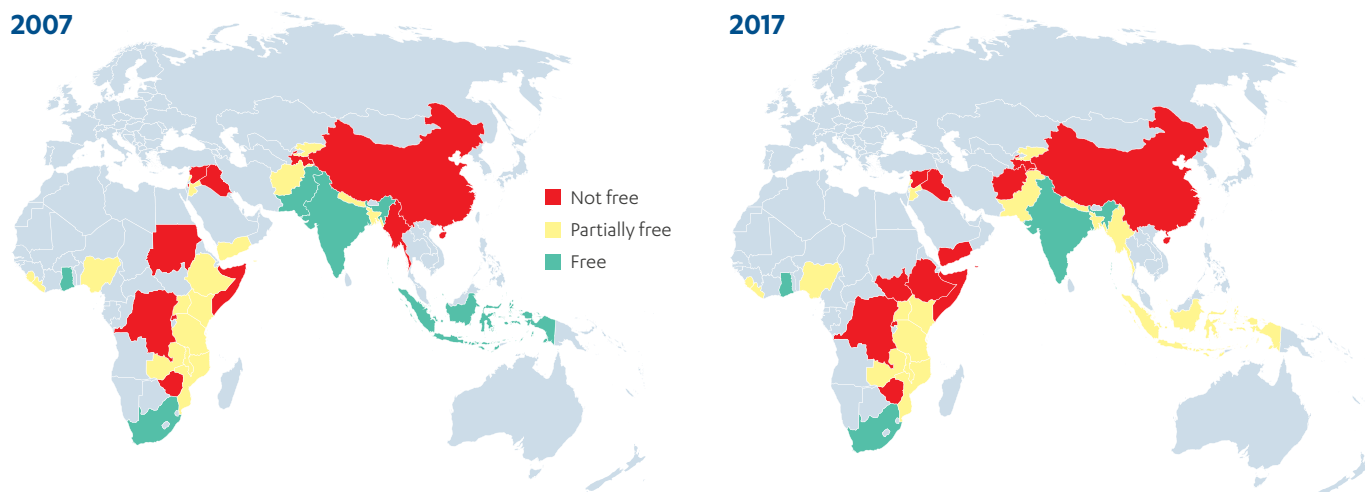
5. Guidance: grant standards, Cabinet Office, December 2016, updated July 2018, [link](#).

6. State Of Civil Society Report 2018: Year In Review: Top Ten Trends, CIVICUS, 2018, p. 4, [link](#).

7. For figures on 2012-14, see "Aid barriers and the rise of philanthropic protectionism", Rutzen, D., *International Journal of Not-for-Profit Law*, March 2015, vol. 17, no. 1, p. 4, [link](#); and for figures on 2015-16, see "Survey of trends affecting civic space", ICNL, *Global Trends in NGO Law*, September 2016, vol. 7, no. 4, p. 2, [link](#).

8. "Civil society under assault", Rutzen, D., *Journal of Democracy*, October 2015, vol. 26, no. 4, p. 30, [link](#).

Figure 1b: DFID priority countries and ‘development partnership’ countries that are free, partially free and not free



Source: Both 1a and 1b are based on data from Freedom House (2018): *Freedom in the World 2018: Table of Country Scores*, [link](#); *Aggregate Category and Subcategory Scores, 2003-2018 (Excel)*, [link](#).

In response to what it calls “worrying global trends of greater restrictions, intimidation and violence against civic actors”, DFID has committed to “scale up support for a healthy, free... civil society that can champion anti-corruption and transparency and promote debate... This will enable them to operate in a free environment without unduly restrictive legislative and regulatory burdens; and, importantly, without fear.”⁹ DFID is also one of 23 donor countries that committed to expanding CSO manoeuvrability by cutting grant-related bureaucracy, providing more un-earmarked money and increasing multi-year funding to ensure greater predictability and continuity in humanitarian response.¹⁰

In parallel, DFID itself has introduced or announced a number of new conditions for its CSO partners. DFID’s Civil Society Partnership Review says that CSOs will need to be more transparent, gather more systematic beneficiary feedback, and go through more thorough due diligence processes.¹¹ The department is also in the process of developing more demanding safeguarding requirements, in response to the recent sexual abuse scandal.¹²

Moreover, the Civil Society Partnership Review announced that DFID would move towards a more open, competitive and outcome-focused funding model. This marked the end of DFID’s relatively unrestricted central funding in previous years: the Partnership Programme Arrangements that provided £120 million per year to 41 organisations.¹³ DFID’s new rules of funding provide more tightly earmarked grants and contracts that are conditional on close alignment with DFID’s strategic objectives. The central funds within the scope of this review are:

- **UK Aid Direct**, which supports small and medium-sized CSOs to deliver development results in the areas of service delivery, livelihoods, empowerment and accountability, and peace, security and justice (£286 million through competitive funding rounds between 2014 and 2025).¹⁴
- **UK Aid Match**, which matches funds raised from the public by participating UK CSOs (£335 million between 2012 and 2025).¹⁵ The objective is to support implementation of the Sustainable Development Goals while giving the UK public a say in how the UK aid budget is spent.

9. *Open aid, open societies: a vision for a transparent world*, DFID, February 2018, p. 11, [link](#).

10. These are three of the Grand Bargain commitments ([link](#) for the Grand Bargain commitments and [link](#) to an overview of the Grand Bargain’s current membership).

11. *Civil Society Partnership Review*, DFID, November 2016, pp. 13-14, [link](#).

12. Update on Safeguarding in the Aid Sector: Written Statement HCWS568, Penny Mordaunt (Secretary of State for International Development), March 2018, [link](#).

13. *DFID’s Support for Civil Society Organisations through Programme Partnership Arrangements*, ICAI, May 2013, [link](#).

14. See Devtracker: [link](#).

15. See Devtracker: [link](#).

- **UK Aid Connect**, which will provide support to coalitions of CSOs that come together to develop solutions for complex development challenges (£126 million between 2017 and 2022).¹⁶

We do not yet have firm figures of DFID's spending on CSOs in the review period. The most recent figures available are for 2016-17, when DFID planned to channel £1.3 billion of bilateral funding to CSOs.¹⁷ But DFID's total contribution to CSOs was larger, as these figures do not include CSO funding that is channelled through multilateral agencies and multi-donor funds. 88% of DFID's direct funding to CSOs was allocated to non-governmental organisations, and the remainder went to research institutes, charitable foundations, people's movements and business and trade associations.

Of the £1.3 billion of bilateral funding allocated to CSOs, £485 million (38%) was spent through central channels (including but not limited to UK Aid Match and UK Aid Direct, as mentioned above) and £782 million (62%) was allocated by DFID country offices.¹⁸ 15% of this funding was directly granted to CSOs from developing countries.¹⁹

3. Review questions

This performance review is built around the three evaluation criteria of **relevance**, **effectiveness** and **learning**. It will address the following questions and sub-questions:

Table 1: Our review questions

Review criteria and questions	Sub-questions
1. Relevance: How well does DFID's approach to partnership with CSOs reflect DFID's CSO objectives and priorities?	<ul style="list-style-type: none"> • Does DFID demonstrate a clear and consistent position on the role and potential value of CSOs in the UK aid programme? • Does DFID's approach to funding CSOs reflect a credible strategy for maximising development results and improving standards across the sector?
2. Effectiveness: How well does DFID's funding for CSOs and related influencing work contribute to better development results and a more effective civil society sector?	<ul style="list-style-type: none"> • How effective is DFID's support for CSOs at delivering development results? • How effectively does DFID's support contribute to the development of its partner CSOs' capacity to deliver results and value for money? • How effective is DFID's funding, and the influencing work of DFID and other UK departments, in promoting DFID's objectives for the civil society sector?
3. Learning: How well does DFID promote learning in its partnerships with CSOs?	<ul style="list-style-type: none"> • How well does DFID's support for CSOs encourage innovation and learning in pursuit of the Sustainable Development Goals? • How well does DFID promote exchange of learning among CSOs and between CSOs, fund managers and DFID?

4. Methodology

The review methodology will include four main components (see also Figure 2):

Component 1 – Strategic review: We will test the clarity and consistency of DFID's position on the role and potential value of CSOs in general and DFID's overall portfolio in particular, and the way this position has evolved since our review of DFID's Programme Partnership Arrangements in 2013. We will also test how well DFID's CSO objectives have been reflected in its funds, DFID's clarity on the nature of the 'standards' it aims to

16. See Devtracker: [link](#). By June 2018, UK Aid Connect had not yet disbursed funding.

17. Internal Quality Assured ARIES channel code and funding mechanism data, June 2016, quoted in DFID Inclusive Societies Department, Civil Society Funding, slide 4 (unpublished).

18. *Statistics on International Development 2017*, DFID, November 2017, p. 28 and Table A6, [link](#).

19. *Civil Society Partnership Review, Delivering more for the world's poorest*, CSPP team, November 2015 (not available online).

improve, as well as the ways in which it aims to improve these standards.²⁰ The strategic review will inform our answer to the relevance question. The units of analysis are DFID in its entirety, and its funds, both individually and as a collective.

Component 2 – Assessments of individual grants and funds: We will test the effectiveness of DFID’s range of grants and funds against their own and DFID’s wider CSO objectives, and the compliance of funding operations with the good donorship principles that DFID has committed to,²¹ within the parameters of the Cabinet Office’s guidance on grant standards.²² We will explore how issues and shortcomings we identified in our 2013 review of DFID’s Programme Partnership Arrangements have been addressed through its new or adapted funds. We will review examples of innovation and of ways in which CSOs learn from DFID-funded projects. These assessments will inform our answers to the effectiveness and learning questions.

Component 3 – Learning review: We will examine DFID’s learning priorities for CSOs (such as learning to better achieve a CSO’s strategic objectives, to meet DFID-specific systems, requirements and standards, to adapt and adopt good practice, to create and manage innovation). We will then assess the relevance and effects of DFID’s approaches to CSO learning. This will include a review of funding terms and conditions, pressure that DFID may exert to stimulate learning, and of the encouragement and support that DFID may provide. This component will also review the exchange of learning between CSOs, fund managers and DFID. The learning review will inform our answers to the relevance and learning questions.

Component 4 – Country case studies: Two country visits will triangulate the findings of the other components. They will also trace DFID’s and other departments’ funding and influencing efforts and assess the contribution these efforts are likely to have made to the country’s civic space and the capacity of national CSOs to deliver results and to engage with national development issues and processes. These country visits will inform our answers to the relevance, effectiveness and learning questions, and we will review the entire DFID CSO effort in these two countries, including centrally managed and in-country grants as well as the influencing work that DFID is doing together with other UK departments.

These four components will enable us to judge the value for money of DFID’s CSO work. As DFID’s ‘leave no one behind’ promise features strongly in DFID’s CSO objectives,²³ we will consider equity to be a core part of value for money. We will assess how DFID balances its desire to “make the biggest difference to the largest number of people” (DFID’s seventh CSO objective) and the operational reality that making a significant difference to the lives of marginalised people often requires a relatively high effort and cost per person.²⁴ We will also consider the likely sustainability of DFID’s work on the capacity of its CSO partners, and on the people and communities that DFID-funded CSO projects seek to support. In doing so, we will consider unintended consequences of DFID’s evolving approach to funding and supporting CSOs.

The four components of our review will use methods that we will adapt to suit the opportunities and limitations we encounter in the course of this review. These methods will include the following:

- **Literature review** – To aid our understanding of the evolving context in which DFID does its CSO work, we will prepare a literature review that covers trends in civic space and donor responses to declines in civic space, both in general and for the countries we visit in particular. The review will also cover literature about the evolving CSO roles and development contributions of CSOs in general and the roles and development contributions of UK CSOs and CSOs from developing countries in particular. We will review literature about global trends in CSO funding patterns, mechanisms, terms and conditions and standards (including safeguarding standards), and literature about the concepts and practice of CSO learning and capacity.
- **Documentation review** – We will examine DFID’s strategy and policy documents in relation to CSOs, and documentation and datasets related to specific funds and their results in terms of innovation, learning and contributions in fragile and development settings. For our assessments of specific

20. The “promotion of continuous improvement of standards” is “central” to the UK government’s work with CSOs. *Civil Society Partnership Review*, Section 2 on ‘Aim and purpose’, DFID, November 2016, [link](#).

21. The Grand Bargain commitments, [link](#).

22. *Guidance: grant standards*, Cabinet Office, December 2016, updated July 2018, [link](#).

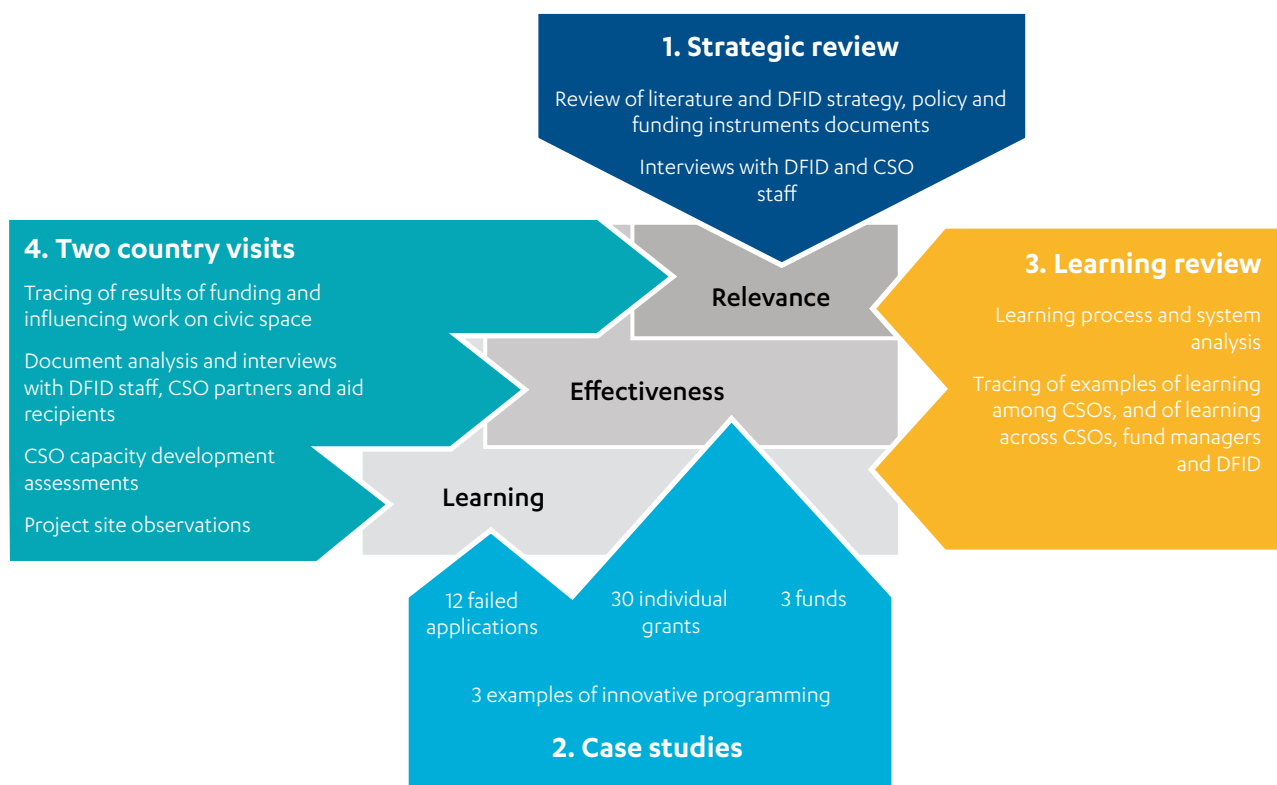
23. *Leaving no one behind: Our promise*, DFID, 10 January 2017, [link](#).

24. *DFID’s approach to value for money in programme and portfolio management: a performance review*, ICAI, February 2018, paragraphs 4.10 and 4.11, [link](#).

grants and contracts, we will review documentation from the tender announcements until the grants' final reports. We will also look at 12 failed applications, to understand the relevance, efficiency and effectiveness of the proposal development and selection process.

- **Key informant interviews and focus group discussions** – Interviews and focus group discussions will deepen the insights gained through our review of documentation. We will talk with DFID policy and programme staff in the UK and elsewhere, as well as with staff from other UK departments that are involved in influencing work related to civic space in DFID priority countries. We will talk with the staff of a wide range of CSOs (see the section on our sampling approach for our selection criteria) about individual grants and funds, and about DFID's evolving approach in relation to fund management, communication with CSOs, capacity building and learning, and terms and conditions. After an initial set of grant-specific assessments, we will present some of our initial findings to CSO representatives in a series of focus group discussions. These will inform our sampling for a second stage of grant-specific assessments (see the section on sampling). We will also interview external CSO specialists about the evolving operational context of CSOs and about the role of DFID and other donors in this evolving context. In the countries we visit, we will talk with people from communities targeted by DFID-funded CSO projects. To ensure inclusivity, we will invest in engaging with groups and individuals that are hard to reach and often remain unheard. These conversations, and our on-site observations, will deepen our understanding of local contexts and help triangulate our findings on the results of these projects.
- **Process and system analysis** – We will examine the processes and systems DFID uses to fund CSOs, and its broader work to enhance CSO capacity, innovation and learning, to assess the efficiency and effectiveness of these processes.
- **Capacity development assessments** – For a selection of CSOs, we will assess their efforts to build their capacity to deliver results. We will focus as much as possible on DFID's contribution to any such capacity development. To frame these assessments, we will use both DFID's and these CSOs' concepts of 'capacity', and draw out their synergies and differences to establish CSO ownership of the effort. If neither DFID nor the CSO has a clear concept of 'capacity', we will use a standard CSO capacity framework.

Figure 2: Components of our methodology



5. Sampling approach

There are three sampling elements to our methodology:

- choice of grants and contracts
- choice of funds
- choice of countries.

Choice of grants and contracts

We will sample from small, medium and large UK-based CSOs and from small, medium and large CSOs from DFID priority countries. Across these categories, we will sample grants and contracts for development and humanitarian projects, and cover the spectrum from service delivery to campaigning for human rights and civic space. We will include proposals that failed to attract funding, and include grants to some of DFID's long-standing CSO partners as well as some of its most recent partners. We will include central and in-country funding for projects in the countries we visit, to deepen our assessments of this funding during our visit. We will include DFID-funded projects that have been completed or are at an advanced stage of implementation, to ensure that project results data is available. For funds that predate May 2015 and have not changed significantly, the review will consider work that started before our review period, if this helps to gain insight into the effectiveness of these funds.

After conducting the country visits and assessing an initial sample of 24 grants (12 UK-based CSOs and 12 CSOs from developing countries, with a specific focus on CSOs from the countries we visit), we will present our findings to groups of CSOs that were not included in the initial sample. We will do this in the course of UK and developing countries' CSO focus group discussions. These discussions will serve to triangulate our findings and identify issues that are common (that is, confirmed by several participants in these discussions) but that we had not yet identified. We will then assess the most important of these issues in the course of up to six additional grant assessments.

Choice of funds

We have selected the three centrally managed funds that fall under DFID's civil society team and that are within the scope of this review: UK Aid Direct, UK Aid Connect and UK Aid Match. We will also consider the evidence already gathered by ICAI about the centrally funded Girls' Education Challenge, in our review of UK aid's support to marginalised girls.

For each of our two country visits we will examine, at the very least, the largest in-country fund and a grant that DFID considers to have innovative potential.

Choice of countries

We will visit two countries that fulfil the following criteria:

- annual CSO portfolios of more than £20 million
- the presence of DFID-funded humanitarian and development CSO work
- centralised and decentralised funding for both international and national CSOs
- UK efforts to maintain or expand civic space
- accessibility of at least some of the project sites.

Of the countries that fulfil all the criteria, we selected Bangladesh and Ethiopia.

We will also consider the evidence gathered about the UK government response to the shrinking civic space in Uganda in the course of our governance review.²⁵

25. DFID's Governance Work in Nepal and Uganda, ICAI, June 2018, [link](#).

6. Limitations to the methodology

Data limitations: When assessing the extent to which DFID has achieved or is on track to achieve its CSO objectives, we will rely on data that has already been gathered. In cases of significant data deficits, we may be unable to assess DFID's achievements in relation to one or more of the eight CSO objectives that are listed in DFID's Civil Society Partnership Review.

Potential bias due to self-reporting data: In assessing the effectiveness of DFID-funded projects, we will rely primarily on monitoring and evaluation data generated by the projects themselves. We will manage the resulting risk of bias by seeking out DFID-funded projects that have been independently assessed, and grants for projects that were implemented in the countries we visit, so that we are able to check source data coherence on a sample basis. We will also triangulate documented findings with findings from interviews with project staff, with whom we will discuss how implementation challenges have been addressed. In the countries we visit, we will learn from members of these projects' target communities. This will enable us to reach some conclusions about the accuracy of DFID's results data. However, in the event that the data is inaccurate, we will have limited capacity to reach independent conclusions about programme effectiveness.

Potential bias in our selection of grants: CSOs are under no obligation to allow us access to their staff and documents, and the ones that agree to do so are likely to be confident that their DFID-funded projects are performing relatively well. We will verify if this risk is realised by comparing the average grant performance scores of our initial grant assessment requests that grantees accepted with the ones that grantees declined. In the case of a significant difference, we will issue a new round of grant assessment invitations that is biased in favour of lower-scoring grants.

Representativeness of findings: Our findings from the countries we visit may not be representative of the UK government's influencing work in other countries. To mitigate this risk, we will also consider the evidence gathered in our governance review on the UK government's work in Uganda, and we will limit our claims on generalisation if evidence on influencing work done in other countries suggests it is appropriate to do so.

Difficulties in isolating DFID's contribution to learning and capacity building: DFID does not operate in a vacuum, and it is often difficult to isolate a single donor's contribution to multifaceted learning and capacity-building processes. If we are unable to establish causal links between DFID's efforts and results, we will resort to outcome mapping, where we assess the extent to which DFID's efforts could plausibly be assumed to have contributed to results.

7. Risk management

Risk	Mitigation and management actions
We may not be able to travel to the countries and regions we intend to travel to.	We have selected Bangladesh and Ethiopia for our country visits, where we will seek to visit some of the project sites. If the security situation changes between our decision and our date of travel, we will visit another country that fulfils the criteria outlined above. If regions we would like to visit are inaccessible to us, we will either find comparable alternatives or work with consultants who are based in these regions.
CSOs may not agree to grant assessments, and they or DFID may object to sharing initial findings with peer CSOs after we have completed our first stage of sampling.	We will invite CSOs to enable us to assess more grants than we could cover, to allow for refusals. If a lot of CSOs do not want us to discuss our findings with their peers, we will limit our presentation to higher-level observations that are not specific to individual CSOs. We will share our presentation with DFID before the round tables to ensure we do not disclose classified information. Where necessary to preserve commercial confidentiality, we will offer anonymity and the opportunity to fact check relevant findings.

8. Quality assurance

The review will be carried out under the guidance of ICAI lead commissioner Tina Fahm, with support from the ICAI secretariat. The review will be subject to quality assurance by ICAI's service provider consortium.

The methodology and the final report will be peer-reviewed by David Lewis, professor of social policy and development at the Department of Social Policy of the London School of Economics and Political Science.

9. Timing and deliverables

The review will be conducted over a period of around ten months and will adhere to the following timelines.

Phase	Timing and deliverables
Inception	Approach paper: July 2018
Data collection	Country visits: August and September 2018 Evidence pack: November 2018 Emerging findings presentation: December 2018
Reporting	Final report: March 2019



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