

AIDE MEMOIRE

Ghana Research and Advocacy Programme (G-RAP) Mid-Term Review 18 October 2006

INTRODUCTION

1. In keeping with the requirements of the G-RAP Joint Programme Document (JPM), and in line with the ToRs proposed by the Funding Committee, a team comprising Dr. David Brown of the ODI, London, and Dr. Nicholas Atampugre of CaRoRa Consult, Accra, undertook fieldwork for the first phase MTR of the Programme, from 29 September – 18 October, 2006.
2. The methodology involved intensive interviews with single or multiple informants, complemented by a half-day feedback meeting with partners prior to the debriefing with the development partners. This methodology was felt to be the most realistic way of accommodating the limited time available for the study, and the difficulty of quantifying what are inevitably divergent and complex views.
3. G-RAP is a pooled funding mechanism for supporting the institutional development of research and advocacy organisations (RAOs) in Ghana. The intention is to offer multi-annual core funding to RAOs selected on a competitive basis, to improve their autonomy and flexibility, and thereby to increase capacity to contribute positively to policy processes, particularly those relating to the Ghana Poverty Reduction Strategy (GPRS II).
4. In its philosophy and principles of operation, G-RAP is not dissimilar to multi-donor budgetary support, albeit applied to non-state actors. However, unlike MDBS, the national funding partner is not self-selected. There are no guaranteed G-RAP beneficiaries, unlike the position of the host government under the MDBS. Beneficiaries of RAO core funding are likely to be privileged by comparison with their unfunded counterparts, and placed at a significant competitive advantage. Great care needs to be taken in their selection, therefore, and there has to be a confident assessment of their positive contribution to national policy development.
5. When it was set up in 2004, G-RAP offered an innovative approach to RAO funding, and in consequence there was relatively little by way of 'case law' on which the incoming Project Management Team (PMT) could draw. The PMT also had to cope with the consequences of a preparatory phase, prior to its arrival, which had raised expectations of some RAOs in ways that G-RAP was not necessarily in a position to satisfy.
6. Development of the programme has not been helped by the fact that the Joint Programme Memorandum (JPM), the main reference volume for G-RAP development, is in many ways an unsatisfactory document – with some important ambiguities and contradictions. Some of these may be the result of poor drafting, while others may reflect deeper uncertainties in the Programme concept, and among the development partners, as to the essence and objectives of the G-RAP approach.

7. At the same time, the commitment of the development partners to harmonisation through pooled funding, in line with the 2005 Paris Declaration on aid effectiveness, has had to confront the fact that the donor systems are not yet harmonised and, to varying degrees, are not yet operating in a way that is fully compatible with the requirements of core funding to non-state actors. The fact that this is a relatively small programme by current bilateral standards may have compounded the difficulty. There has been a significant element of 'learning by doing' for the development partners in seeking operate G-RAP pooled funding.
8. The ambiguities and contradictions in the JPM posed a number of problems for the MTR. The approach adopted by the consultants has been to focus on the underlying philosophy and its essential implications, and to assess the current programme against these standards.
9. The key requirements of the core funding approach and the essence of the G-RAP philosophy are:
 - a) Core funding offered on a positive basis, to help already high-performing organisations confront challenges which are inhibiting efficiency, autonomy and sustainability, and limiting their positive impact on policy.
 - b) A long-cycle trajectory that seeks to build on RAO ownership and dynamics, not to replace them; an emphasis on outcomes and objectives, rather than conformity with externally imposed methods or activities. These outcomes and objectives relate to policy, including information for decision making on policy, and policy influence.
 - c) Application of funding guidelines only at the broadest level, with no attempt to micromanage or to apply excessive conditionalities. The guidelines exist to channel efforts in agreed directions, to provide a basis for dialogue and monitoring and the maintenance of trust between the parties.
 - d) A framework which goes beyond the immediate funding situation, and seeks to support the new architecture of international development assistance (GPRS; achievement of the MDGs); thus, the guidelines privilege policy-relevant actions in these areas.
 - e) A managerial focus which recognises the unknown dimension of research, and the opportunistic aspect of advocacy.
 - f) Due allowance for the need to control fiduciary risk.

PROGRAMME REVIEW

10. The overall assessment is positive. Informants within the RAO community were unanimous that G-RAP had been useful to them, and should continue to be supported, even at higher funding levels. The approach is also supported by other stakeholders. The PMT is to be commended for the progress made to date, often in difficult circumstances.
11. G-RAP procedures are still under development. Though not without its problems, the Programme is to be commended for the manner in which it has sought to evolve in constructive directions, in a spirit of lesson learning. This commitment to an evolutionary approach, through flexibility and adaptation, is strongly endorsed by the Review Team.

12. However, despite these developments, the programme is still not operated in line with the philosophy of core funding in some important ways. As presently managed, it functions as a mix of a grant making body and a project implementation unit. It is perceived by many of its intended beneficiaries as adopting a rather normative approach, having a flavour of social engineering and seeking to promote particular approaches to organisational change which may not always be appropriate to RAO priorities. Although many RAOs have benefited from some of the ICB methods used or recommended, these are diverting the programme from its core mandate. They are leading to an over-preoccupation with administrative details, to the detriment of the G-RAP aims. Though it is moving in positive directions, the programme is still vulnerable to the accusation that, through its rather heavy-handed and bureaucratic demands, it is constraining rather than empowering the participating RAOs. There is a lack of clarity as to G-RAP's objectives and perhaps also, a lack of confidence in the underlying concept.
13. The MTR team recommends a degree of repositioning of the programme, to enable it to fully test the underlying philosophy over the remaining months of its first phase development. This repositioning would, to a significant extent, accentuate trends which are already in evidence in the programme, and which are already under consideration by the PMT.
14. It is recommended that the programme be repositioned by:
 - a) Focusing efforts of the PMT more narrowly on funding support, avoiding the tendency to use G-RAP for other purposes;
 - b) Simplifying the funding instruments;
 - c) Refining the governance structure;
 - d) Widening the dialogue on problem definition and strategy development, bringing together RAOs, government, donors and others, and using competitive funding to channel demand and support the identified priorities.
15. *Funding arrangements and priorities:* emphasis should be firmly on core funding as a form of budgetary support. This means:
 - a) Providing funds to organisations on the basis of their positive achievements and capacities, the opportunities which they see for themselves in the applied policy field, and the constraints [mainly external ones] that are inhibiting the achievements of their goals.
 - b) Limiting the roles of the PMT primarily to administering grants and allied activities (such as assessing fiduciary risk); avoiding other activities of a more interventionist type (such as promotion of particular capacity building packages) that might undermine the funding role.
 - c) Implementing more structured core funding arrangements, perhaps applying a limited number of funding bands. Organisations would then receive core funding according to their overall scale of operations. This would also allow for support of effective but smaller RAOs outside the confines of TA and ICB.¹

1. One possibility would be to fix RAO core funding allocations on the basis of the ratio of total expenditure in the last FY: staff salaries bill. This would avoid a situation in which funding is highest to RAOs with inflated staffing costs. It would also reduce the disparities in core funding between organisations of similar size, the arbitrariness of which is undermining G-RAP authority.

- d) Creation of a new category of 'small projects fund' to channel innovation in a strategic fashion; this would provide a vehicle to respond more effectively to demands expressed by important stakeholder constituency groups, including donors and the RAO community (both existing RAOs and supplicant RAOs); selection should be transparent and competitive; the fund would privilege joint actions to deliver on objectives that cannot be supported with the core funds provided to individual RAOs.
 - e) Abandonment of the TA and ICB grant categories, which have tended to figure at least in part as a compensation mechanism to reward organisations not selected for mainstream core funding.
 - f) Significantly down-sizing the more supply side elements of the programme and ensuring that all its services are employed in response to demand. *Inter alia*, this implies disconnecting the PMT completely from ICB and OD delivery, and funding these only indirectly, when expressly demanded by RAOs (which should be in a position to evaluate the delivery of these services against their other expenditure priorities, and to make their choices accordingly).
 - g) Further drastic pruning of the assessment requirements for core funding (accelerating the existing trend), allowing partner RAOs greater room to breathe.
 - h) Reviewing potential conditionalities and the ways in which conditionalities are applied. 'Conditionalities' as presently conceived should be subordinated to a more positive concept of broad funding criteria which guide the overall channelling of funding but do not, as far as is reasonably possible, constrain the autonomy and trajectory of the RAOs involved. Where conditions do need to be applied, then this should be made clear at the start of the funding cycle. By and large, however, a focus on a preferred perspective or activity should be seen as advantageous rather than as a conditionality; gender is an important case in point.
 - i) The MTR team strongly supports the decision taken in recent months to de-link research from advocacy. It is not necessarily the case that research organisations should be involved directly in advocacy (this could inhibit their future independence and authority), nor that advocacy organisations must also conduct research (the organisational requirements of the two often differ). Attention should rather be focused on building synergies between the two (again, this is to endorse an existing trend).
 - j) While the RAO/government interface is clearly an important one, other interfaces may take priority. One of these is the research/advocacy interface. Others include the NGO/broader civil society interface and the class interface between middle class NGO interpreters of local interests and the underlying working class and rural interests themselves.
 - k) As regards networking, there is little merit in promoting RAO networking for its own sake. What might be promoted by this funding mechanism is dialogue across the interfaces indicated above. Again, the role of G-RAP is to offer funding to support such dialogue, in response to perceived need of the wider stakeholder community (particularly the RAOs), and on the basis of a process of prioritisation. Primary responsibility for the institutional development of the sector should lie within the RAO community, and the PMT's role is to provide
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support. The small projects fund should aid with this process, along with the associated 'Strategy issues meetings' (below, Para 17).

- l) The decision to abandon the \$400,000 funding threshold is also endorsed. While the PMT does need to have some notion of a funding threshold (both to control its external relations and workload, and to maintain a distance from RAVI and the sister agencies), the complexity of the funding milieu does not encourage this level of precision. The experience with gender equality and women's rights underlines the importance of careful appraisal of grant giving arrangements to ensure that priority categories are not inadvertently marginalised. This experience points to the value of constant monitoring by the PMT of the funding profile, and of any unintended or perverse effects in areas such as GE/WR.
- m) It needs to be recognised that the G-RAP philosophy is not appropriate in all circumstances. To be used successfully, it demands a minimum level of organisation and a proven track record of partners. Organisations which are not in a position to merit core funding at any level should not be funded by G-RAP. They may be more suited to conventional project funding of a type not offered by G-RAP. In some cases, they may be candidates for the sister funds, such as RAVI.

16. Regarding *RAO selection*, the MTR recommends:

- a) Greater clarity and precision in the requirements for participating RAOs and the benefits they might derive. Eligibility criteria for beneficiaries need to be defined precisely, so that RAOs know when they are or are not eligible. Eligibility should be on an all or nothing basis.
- b) Equally, the size of awards should be clarified and the rules streamlined. The MTR would advise against what appears to be the current or recent practices of awarding grants to RAOs which they have not necessarily requested (this applies particularly to TA/ICB), and/or offering them more funds than they applied for.
- c) Greater transparency in the written information provided on grant awards, including reasons for refusal or for making awards other than those requested. (Greater transparency will be facilitated by the withdrawal of the TA and ICB funding categories, the provisions of which have not been clear to many RAOs.)

17. *Programme Governance*: Though based on the MDBS principles, the fact that G-RAP does not confront a single national partner makes it imperative that its funding decisions enjoy wide public legitimacy. This is challenging, as the benefits and disbenefits of receiving/failing to receive core funding are likely to be significant.

- a) The present arrangement has achieved a certain *modus vivendi* which, while not necessarily ideal, is at least working reasonably well. The RAO representation on the Advisory Board is widely respected. There is thus a case for leaving things as they are. However, the MTR would advise further refinement of the governance arrangements to better support G-RAP's funding vocation. The present division between Donors' Group, Funding Committee and Advisory Board should be re-examined with a view to:
 - i. Reinforcing the authority of the grant-making process, and allowing the PMT to function more as a secretariat;

- ii. Focusing governance authority on a single decision making body, which manages appraisals of core grants and promotes strategic thinking;
 - iii. Broadening participation in funding decisions, so that they are less closely associated in the public eye with the judgements of the PMT and/or the donor group.
 - iv. Developing systems which allow greater consideration to be given by the governance body to issues of quality and impact of outputs, through some sort of peer review system;
 - v. Drawing more RAOs (both beneficiaries and non-beneficiaries) into strategy development, and provide a more formal interface with other stakeholders that have an interest in strategy, particularly donors.
- b) There would be value in moving fairly rapidly to a single governance authority (perhaps a 'Steering Committee'), with grant-awarding being handed by its Grants Sub-Committee. The Steering Committee would function to:
- i. Give authority to funding decisions;
 - ii. Act as the guardian of the programme's integrity – ensuring a balanced approach in its overall pattern of support;
 - iii. Manage and encourage strategic innovation;
 - iv. Provide a link to democratic governance through the continued involvement of parliamentarians;
- c) It is evident that the involvement of parliamentarians in the Advisory Board is not satisfactory as it stands; while *ex officio* involvement worked well in the early stages, it is no longer so effective. This problem may have no easy solution. However, two steps might perhaps be taken to improve parliamentary involvement, and these are put forward for consideration:
- i. Widening the number of parliamentarians from two to four, by inviting the parliamentary leadership of the majority and minority parties to each nominate an additional member to the Board (this is in addition to the two *ex officio* committee chairs); this could compensate for the frequent changes in the leadership of parliamentary committees.
 - ii. Seeking to integrate G-RAP Board membership into the annual Parliamentary calendar of work, so that Parliament takes over responsibility for any incentives to parliamentary Board members, relieving pressure on G-RAP.
- d) The primary role of the PMT in the governance structure should be as a secretariat, collating information for decision making and reporting, playing down its role in grant making decisions, and also avoiding any tendency to appear to promote particular interests of its own.
- e) It is recommended that an annual *G-RAP Strategic Issues Meeting* be funded, to function specifically as a forum for strategic thinking beyond the confines of individual RAO interest – allowing RAOs, government, donors and others to debate the future funding priorities, and to identify themes to which RAOs and consortia might wish to bid for funding. Ideas would then be fed to, and filtered by, the governing body. There would also be value in additional G-RAP RAO Conferences (along the lines of the existing 'RAO conventions') which would have a much broader and less focused role, as networking events and development studies conferences, and some of which might be funded by G-RAP at the request of RAOs.

f) One consequence of the changes proposed is that there would no longer be a place for RAO representatives on the management authority. This is not a criticism of the participation of the RAO representatives to date (which by all accounts has been exemplary), but is, rather, a consequence of a restructuring process that emphasises the fund-management role. RAO involvement in direct grants management would not be appropriate. This change is clearly of concern to RAOs (as evidenced, for example, by participants at the RAO feedback on 17 October, 2006, who felt it would 'surrender' the direction of the programme to an external board). However, the consultants hold to this proposal nevertheless, and would seek for RAO participation in other areas. For example, the RAO representatives would be expected to play their part in the selection of the Steering Committee members, and might also coordinate the annual G-RAP Strategic Issues Meeting. Should there be continuing calls for RAO involvement in programme direction, then consideration might be given to a formal consultation process between the Steering Committee and the RAO community or representatives, rather than direct participation of RAO representatives on the Steering Committee.

18. *M & E*: Interesting work has been done by the M & E consultant, though this has suffered by association with the supply side orientation. There is a need to rethink the role of M & E, and to move away from delivery of externally-generated M & E packages and methodologies. The emphasis on core funding presents a significant challenge for M & E; there may be profit in drawing on the experience with M & E of the MDBS to the Government of Ghana.

19. *Pooled funding arrangements*: early experiences with this innovative programme are allowing some ground rules to emerge for pooled funding:

- a) An important managerial principle is *equivalence of donor systems*. This appears as something close to an essential condition for the operation of a pooled fund.
- b) Donors need to consider very carefully before committing themselves to a pooled funding approach, particularly in relation to what is, in the present aid climate, a fairly small programme without the weight to impose its own demands on the donor bureaucracies. The development partners need to ascertain that their systems are flexible enough. Where they are not, pooled funding may not be appropriate to them. Pooled funding cannot, by its nature, be supported only in part.
- c) Donors may also wish to consider whether pooled funding is the most appropriate financing instrument where programme design is especially innovative and has to confront a significant number of unknowns.
- d) Where donors have policies which impose specific conditionalities, then the suitability of a core funding approach needs to be carefully evaluated; core funding is unsuited to heavy conditionalities.

20. *Mitigation of fiduciary risk* implies:

- a) Strict requirements as to minimum financial standards; as at present, these should include annually audited accounts, and assurances as to the autonomy and effectiveness of the financial authority in the RAO.

- b) Use of business and work plans and organisational strategies to channel dialogue between the RAOs and the Programme management (as at present, though avoiding any tendency to micro-management or projectization).
- c) Strong emphasis on self-reporting by beneficiary RAOs;
- d) Effective coordination between funders, based on a willingness of participating RAOs to declare their other funding sources, and to accept the need for close harmonisation between their donors; a move towards a donor round table system may be indicated.

21. *Participation of new donors?* The MTR was also asked to address the issue of broadening the funding base to include new donors. At one level, the MTR conclusion is the obvious one: given the continuing problems of coordination between the four existing donors, the continuing funding delays and the urgent need for the programme to improve its delivery (particularly the delivery of finance), then any additional donor participation would be out of the question at the present time. However, at another level, it could be argued that resolving the underlying problems of applying pooled funding to a budgetary support mechanism of this type will, in the fullness of time, create a framework which is more amenable to multi-donor involvement, provided that the systems aspects of donor harmonisation are met. Given the possibility of widening participation of development partners, firming up of an exit strategy may appear premature. However, creating dependence is an ever-present danger in a programme of this type, and thus there is a need to ensure that the exit strategy is under constant review. It is also recommended that consideration of the proposal for a possible Trust Fund arrangement should be deferred until the management system and objectives are stabilised.

David Brown/Nicholas Atampugre
ACCRA - 18 October, 2006.