



Evaluation of the Icelandic CSO Strategy

Final Report

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Executive Summary

1. Introduction

This evaluation report assesses MFA's implementation and results of the Icelandic *CSO Strategy*. Its purpose is to feed into the process of drafting a new *CSO Strategy*. Undertaken between September and January 2021, the evaluation's scope encompasses the support granted to Icelandic CSOs since 2015, with special focus dedicated to the framework agreement for humanitarian interventions between MFA and the Icelandic Red Cross (RC). The overall evaluation approach aimed to promote learning and utility. Thus, the evaluation process was designed, conducted, and reported to meet the needs of the intended user—MFA Iceland.

2. CSO project results

With an annual average disbursement of ISK 343 million over six years, the *CSO Strategy* has funded nearly 100 development, humanitarian, and communications projects, plus an additional 19 projects under the FWA agreement with IRC. It has involved 18 Icelandic CSOs and projects in 32 countries. The projects have had a strong poverty focus and have targeted marginalised and vulnerable groups to a great degree. Education, integrated community projects, and youth/income generation projects jointly make up over 60 percent of the projects. Twenty percent of the projects focus specifically on women and/or girls. Many of the humanitarian interventions and all of the development projects have relatively small-sized target groups and/or covered limited geographic areas. All but six projects were 12 months or less. The narrow scope in terms of time, target group, and geography naturally limits the scale of outcomes that can be expected. Nevertheless, if assessed as an effort contributing to poverty reduction using CSOs as a channel for development cooperation resources, the CSO portfolio represents a respectable one.

3. Capacity development of civil society

The *CSO Strategy* is ultimately concerned with CSO capacity building—in developing countries and in Iceland. In the process of implementing the *CSO Strategy*, the overall goal and immediate objective have faded from view: the *Procedures for CSO Grant Applications*, the application assessment criteria, and the reporting requirements for grants do not capture results in capacity development amongst civil society organisations in developing countries or in Iceland. As such, MFA and the CSOs appear to have lost sight of the vision of both the *CSO Strategy* and *Iceland's Policy for International Development Cooperation for 2019-2023*.

Some modest capacity development has nonetheless been achieved among the Icelandic CSOs. While biannual training workshops have not been held as expected, workshops to help newcomer CSOs to apply for funds and a few ad hoc activities have been undertaken during the *Strategy* period. By bringing predictability and saving significant time and administrative resources, the FWA with IRC has been one of the more important means of enhancing CSO capacity, even though the objective of strengthening organisational capacities was not specifically mentioned in the agreement or part of the monitoring framework.

4. Public communications

The *CSO Strategy* resources have also contributed to public communications efforts by CSOs, although some of the more comprehensive initiatives have been funded by MFA's

communications unit. All parties, nevertheless, see opportunities for CSOs to generate greater awareness of development cooperation in Icelandic societies.

5. Professional dialogue

The *Strategy* period has not seen an “enhanced professional dialogue” in the field of development cooperation as foreseen by the *CSO Strategy*. Minimal efforts were made in this area. On the other hand, stakeholders saw considerable scope for establishing a joint forum for exchange and discussion among CSO and MFA development professionals, including on more strategic issues related to Iceland’s development cooperation.

6. Building capacity of Icelandic CSOs

The *CSO Strategy*’s intermediate objective is to build the capacity of *Icelandic* CSOs. Its theory of change of exactly how the strengthening of *Icelandic* organisations will lead to a “strong and empowered” civil society in developing countries is, however, not clarified or made explicit. The *CSO Strategy* indicates that Icelandic CSOs can add value to Iceland’s development cooperation, for instance, by contributing Icelandic expertise. This is certainly a possibility, but with extremely limited human resources within the CSOs, this is not always easily achieved. There are other areas in which CSOs have more unique added value by virtue of them being organisations *by* and *for* civil society. This includes their potential to connect peoples across borders, act in solidarity with developing country CSOs, engage in global level civil society solidarity, and foster public engagement at home.

Given the small size of the Icelandic CSO sector that focuses on international collaboration, the intention to strengthen it makes good sense. However, setting such an objective without engaging with CSOs to determine needs, wishes, and aspirations makes fulfilling this objective especially difficult.

7. The future CSO strategy

Going forward, MFA can either revise the *Strategy* to align with how it has largely been implemented in practice to date, i.e., using Icelandic CSOs as a practical funnel for development cooperation resources; or it can enhance the strategy, its tools, and implementation approach to actually contribute to a vibrant and pluralistic civil society in developing countries. The latter would be in line with the *Iceland’s Policy for International Development Cooperation for 2019-2023*, which specifically states that CSO support, “aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations.”

8. Human rights based approach

Since Iceland is committed to applying a human rights-based approach, the new strategy should recognise the particular importance and special potential CSOs have in such work. International CSOs such as Save the Children have a long history of developing and implementing (child) rights-based approaches that are founded on the principles of participation, accountability, transparency, and non-discrimination. The Icelandic CSOs that form part of larger CSO networks have the opportunity to leverage the knowledge resources of their sister organisations which can support Iceland in its human rights-based approach to development.

9. CSOs in humanitarian settings

CSOs serve as effective actors to address humanitarian needs and save lives. In humanitarian contexts, however, CSO support rarely contributes to the objective of a vibrant, pluralistic and empowered civil society in developing countries and the opportunities for building beneficial (north-south) people-to-people ties and connections are limited. The difference in roles and objectives of CSOs in development versus humanitarian contexts would need to be recognised in the new *Strategy* so that expectations are clear. In humanitarian operations, it is especially important that CSOs are experienced in working in emergency situations and in coordination with international humanitarian system.

10. Shortcomings of a project approach

MFA has prioritised establishing a system that awards grants accountably and impartially. A project approach has been applied, and mostly one-year projects were awarded grants. As such, management of the grants has taken precedence over the achievement of the Strategy's main objective—namely, the strengthening of CSO capacities in Iceland. Project support as a modality undermines long-term planning and the development of new areas of work. It stifles innovation and disincentivises organisational investment. Opportunities for learning and dialogue are missed. A continued project approach will not lead to enhanced capacities among Icelandic CSOs.

11. Advancing towards a CSO partnership approach

Given the generally positive relationship between MFA and most CSOs, and the common interest for more engagement and dialogue, there appears to be considerable scope for taking the relationship to the next level. This could consist of a partnership approach based on a framework agreement. Such an approach centres on shared objectives, mutual trust, honesty, and dialogue. It relies on the accountability of both parties. However, complete alignment of all goals is not necessary. The independence of the CSOs is recognised and respected and the duties of the government ministry are accepted. A partnership approach involves a continuous, open and transparent dialogue, not least on ethical and other value-based issues.

While the FWA with IRC has yet to involve a strategic dialogue process among the parties, the generally positive experience of the framework agreement with IRC shows that a partnership approach with Icelandic CSOs is doable and promising. It leads to significant administrative efficiencies and improves prospects for results. IRC's fundraising results since the FWA are remarkable. Its gender equality effort is resulting in unprecedented attention from IFRC and ICRC. Going forward, the new FWA will need to ensure that the annual consultations become a more strategic instrument. IRC should also be expected to track and report on its public engagement/communications results and organisational development progress.

Not all CSOs are able to manage a framework agreement and others may only want to receive project grants. This would include newcomer CSOs, CSOs with no full-time staff, CSOs that are satisfied with their current capacity, and CSOs that prefer to keep a measure of distance from government. For such CSOs, project grants should continue to be available.

A FWA is of interest to most of the relatively larger CSOs, all which were assessed by PWC in 2017. The assessment needs to be revisited and followed up to determine the extent that these CSOs are ready. Areas which need improvement, but which the CSOs have only passable

capacity in, can be dealt with in the FWA as an item the CSO commits to improving and report on within a defined time span.

While there have been ups and downs in the communication between MFA and the CSOs over the years, there is currently a solid level of collaborative spirit and energy among the stakeholders. The goodwill shown by MFA in the last year (particularly during Covid) and this evaluation process appear to have bolstered optimism and a desire for greater engagement. Establishing a regular dialogue platform for MFA and CSOs that would allow exchange and discussion of strategic and technical issues would be an asset for all parties and the overall Icelandic development cooperation effort.

12. Grant management

MFA made important efforts to establish a comprehensive administrative system for CSO support during the *Strategy* period. Tools were prepared and updated. Evaluations were undertaken for the first time. A framework agreement was drawn up, signed, and implemented. The grant administration process, however, has been long, time-consuming, and fairly cumbersome, leading to inefficiencies within MFA and CSOs.

In comparison with other OECD countries, it is unusual that the grant administration system gives the Minister for Foreign Affairs the final say in every allocation. It undermines the professionalism of Iceland's development assistance.

The introduction of FWAs should lead to a more efficient system with lighter administration for the Ministry. There is also an opportunity for greater efficiency in the administration of project grants by introducing a two-step process consisting of the submission of a concept note before a project proposal is prepared. It is particularly useful when applicants have less experience with the donor or with submitting proposals since it provides the opportunity for guidance and dialogue along the way. As such, it strengthens capacity of the applicants.

MFA's CSO grant management has suffered from high turnover of staff. This has caused delays, insufficient monitoring and evaluations/assessments have not been followed up. Some institutional memory and opportunities for learning have been lost. Vesting the CSO grant management in one position has worsened the effect of the high staff turnover.

13. Coherence

Synergies and linkages with other parts of the Ministry, the government, and with partners have been weak. There is considerable scope and energy among staff for greater coherence, especially with the establishment of the Department of Strategic Partnership. The annual consultations of future framework agreements can serve as a way to identify and potentially pursue synergies and linkages. Likewise, the establishment of a regular forum for dialogue with the CSO actors would also promote coherence.

Recommendation 1: When drafting the future *CSO Strategy*, MFA should build on its previous one, developing it further to better meet the overall objective. MFA should initiate a consultative process with the development CSO community to ensure their input to the *Strategy*. MFA should elaborate a sound theory of change that clarifies the preconditions for change and the underlying assumptions. MFA should use the theory of change as the basis for a robust

monitoring framework and plan. It should also make a distinction in the Strategy between the different roles that international CSOs have in humanitarian versus development contexts.

Recommendation 2: In future development grant proposals, CSOs should be expected to explain, monitor, and report on how they will build capacity of and act in solidarity with developing country CSOs; connect peoples across borders; foster public engagement in Iceland; and engage in global-level civil society solidarity. Even though the support may be channelled through an intermediary, proposals should identify the local CSO partner and their organisational status (community-based, national, membership-based, network, etc.).

Recommendation 3: The new strategy should consider the role that Icelandic CSOs can have in developing and applying human rights-based approaches. Icelandic CSOs that are part of larger international networks should be encouraged to draw upon the knowledge and experience of their peers and subsequently share this with Iceland's development community.

Recommendation 4: MFA and the interested larger CSOs should move towards establishing FWAs for humanitarian and/or longer-term development grants.

Recommendation 5: MFA and the CSOs should make the most of the current positive momentum and establish a regular dialogue forum. In the upcoming period, the forum could support the consultation process for the new strategy.

Recommendation 6: MFA and IRC should both ensure that the annual consultations of their FWA become a more strategic instrument. The discussion could include mutual priorities ahead; coherence with other MFA humanitarian efforts; and information-sharing on ongoing humanitarian emergencies and multilateral developments. IRC's priorities, progress, and plans regarding organisational development should also be covered. IRC should also be expected to track and report on its public communications efforts, and organisational.

Recommendation 7: MFA should revisit and follow up on the recommendations of the evaluations from 2017 and the PWC assessment.

Recommendation 8: MFA should explore streamlining its proposal assessment process. This includes considering a two-step application for project grants that includes the submission of a concept note, followed by a full project proposal if the concept note meets the preliminary criteria. To promote coherence, when concept notes/proposals involve bilateral partner countries (Malawi and Uganda), MFA should consider involving relevant embassy staff in the assessment process.

Recommendation 9: To ensure professionalism and good development cooperation practice, decisions on individual agreements with CSOs should be void from processes that are open to political influence.

Recommendation 10: MFA should consider how it can reduce staff turnover and share the tasks of the CSO desk to promote institutional learning, dynamism and coherence.

Recommendation 11: To promote coherence, MFA should ensure a coordinated approach in its relations with CSOs, including with regard to initiatives funded through the *CSO Strategy* and those funded via the Ministry's communications budget.

1 Introduction

1.1 Background

Icelandic civil society organisations (CSOs) constitute a channel for Icelandic development cooperation and humanitarian assistance. Overall, support to CSOs has been guided by *Policy for International Development Cooperation 2019-2023* (hereinafter referred to as the *Development Cooperation Policy*),¹ and the *Strategy for Cooperation with Civil Society 2015-2019* (hereinafter referred to as the *CSO Strategy*).

Both the *CSO Strategy* and the *Development Cooperation Policy* state that the overall objective of support through Icelandic civil society organisations is to contribute to an independent, **empowered, and diverse civil society** in low-income countries that **fight poverty** in its various forms. Furthermore, Iceland aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations. The Icelandic *CSO Strategy* highlights income generation, provision of basic services, capacity building, and advocacy as means to reduce poverty and realise human rights. In addition, the *CSO Strategy* emphasises the importance of promoting **gender equality** and **environmental sustainability**—key priorities areas in the Icelandic development cooperation strategy; draws attention to the **human rights principles**—non-discrimination, participation, accountability and transparency; and raises the importance of **local ownership**.

According to the *CSO Strategy*, the first and foremost intent of channeling support via Icelandic CSOs is, “to utilize the expert knowledge of the organisations, their willingness, ability, and social networks to successfully reach Iceland’s developmental objectives.” The *CSO Strategy* also highlights that CSO support can promote linkages between the grassroots of both Iceland and developing countries: “The operations of civil society organisations are suitable to strengthen the grassroots and support democracy in the receiving states, as well as being the grassroots at home and gathering support for their cause and increasing interest among the public in Iceland.”

1.2 The Evaluation

This evaluation report assesses MFA’s implementation and results of the Icelandic *CSO Strategy*. Its purpose is to feed into the process of drafting a new *CSO Strategy*. Undertaken between September and December 2020, the evaluation’s scope encompasses the support granted to 18 Icelandic CSOs since 2015, with special focus dedicated to the framework agreement for humanitarian interventions between MFA and the Icelandic Red Cross (RC). Its objective is to assess:

- The results of the *CSO Strategy 2015-2019*;
- The operational efficiency of MFA’s administration/management system for collaboration with Icelandic CSOs;
- The results and operational efficiency of the framework agreement with the Icelandic Red Cross for humanitarian assistance;
- The coherence of the *CSO Strategy*’s results with Iceland’s other of strategic partnerships for development cooperation.

¹ As well as the preceding Development Cooperation Policy, which was valid from 2013 to 2018.

The evaluation does not cover the results in developing countries achieved directly or indirectly by Icelandic CSOs.

1.3 Methodology

The overall evaluation approach aimed to promote learning and utility. Thus, the evaluation process was designed, conducted, and reported to meet the needs of the intended user—MFA Iceland. The inception phase (see Annex 7 for report) involved gauging needs and expectations among the key stakeholders and identifying available data. To enhance utility, the evaluation process included a high level of participation by both MFA and CSO stakeholders and informal learning opportunities consisting of critically reflective discussions amongst the stakeholders, feedback loops, and interim debriefings.

The evaluator applied mixed methods and evaluated based on evidence collected through document review, quantitative data analysis, interviews, group discussions, and electronic survey(s):

- **Documents** collected by MFA were reviewed (see Annex 4).
- With the support of MFA, the evaluator compiled, analysed, and presented key **quantitative data** relating to the *CSO Strategy*. This included number, type, and size of CSO applications received for the different categories; number, type, and size of grants; and number of calls for proposals.
- To gather data on organisational effectiveness and explore future possibilities, two separate electronic **SWOT** (Strengths, Weaknesses, Opportunities, Threats) surveys were conducted (see Annex 6). This was followed by two participatory online SWOT workshops (one for MFA stakeholders and one for CSO representatives) at which the evaluator analysed the survey feedback and presented it to the stakeholders under suitable rubrics using the web-based presentation programme Prezi. A third online SWOT workshop was held with relevant MFA staff and the Icelandic RC that focused specifically on the humanitarian framework agreement. This was followed by a participatory verification session. The approach has the advantage of being participatory yet timesaving and allows views to be expressed anonymously through the survey but still discuss issues in a group.
- **Interviews** were conducted with key MFA staff, a selection of CSO partners, and resource persons (see Annex 3).
- An electronic **survey** (see Annex 5) was administered to all CSOs that received grants from MFA between 2015 and 2020. Two-thirds of the CSOs completed the survey. The respondents represented various size and types of CSOs. The survey questions focused on three main areas:
 - Familiarity and understanding of the *CSO Strategy*—its objectives, application processes, the application guidance, and the forms of support available to CSOs;
 - Communication and interaction with MFA;
 - Self-assessment of the CSOs' capacities—including management capacities, communications, advocacy, fund-raising, field engagement, and networks.

Before the report was drafted, the evaluator presented key findings and conclusions to MFA stakeholders for verification and validation at an **online workshop**.

The evaluation was conducted with integrity and impartiality in line with OECD/DAC evaluation standards. The rights of organisations and individuals to provide information in confidence was

respected. Data and analysis were treated with fairness and professional integrity. Clear, transparent, and regular communication was undertaken with MFA throughout the evaluation.

1.4 Limitations

Given the Covid-19 pandemic, no face-to-face meetings, workshops, or interviews were conducted. While screen-based communication can feel more formal, trust and rapport were generally established virtually to allow these interactions to result in open and frank discussions. Many of the key documents for this evaluation are in Icelandic. While the evaluator does not speak Icelandic, utilising Google Translate allowed for very rudimentary translations, but nuances and fine distinctions could not easily be gauged. The evaluator relied on support from MFA for translation and interpretation of some of the key documents. The document review may not be as in depth and rigorous as it would have been if undertaken by an Icelandic speaker. However, the ample amount of data from interviews and discussions, combined with the translated material, provides sufficient information for triangulation and analysis to ensure a solid assessment process.

2 Overview of the *CSO Strategy* support to Icelandic CSOs

The first part of this chapter introduces the policy documents that guide Icelandic CSO support. The second part provides a quantitative analysis of CSO support since 2015.

2.1 Guiding documents

As discussed in the previous chapter, Iceland's policy for development cooperation and its *CSO Strategy* provide the overall framework for the support channelled via Icelandic CSOs.

The *CSO Strategy* states that to be eligible for support, the Icelandic CSOs must, "be able to show that their participation will increase the value of the development cooperation," not least by contributing to raising awareness among the Icelandic public about developing countries and development cooperation through dissemination of information and educational activities. The Icelandic CSOs are also expected to support Iceland's development cooperation effort by providing expertise and insights into the country's development discourse.

Iceland's Policy for International Development Co-operation 2019-2023 states that:

"continued contributions shall be made to projects run by civil society organisations (CSOs) in the field of development cooperation and humanitarian assistance. Work will be carried out in accordance with the policy objectives and procedures for cooperation with Icelandic CSOs, as well as support considered for CSOs in partner countries and countries of emphasis. Support for CSOs shall be based on promoting an independent, powerful, and diverse civil society that fights against poverty in all its different forms in the developing countries. The support also aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations. CSO projects shall, as with other projects of Icelandic authorities, aim to respect for human rights, gender equality, and sustainability".

There are three types of grants that Icelandic CSOs can apply for: i) humanitarian assistance; ii) development cooperation; and iii) education and communication/internal capacity strengthening. While MFA had previously prepared guidelines to aid Icelandic CSOs in their applications for funding, these became more structured and formalised in 2019, when procedures for each grant window were updated (*Procedures for the Ministry for Foreign Affairs on Grants for Development Cooperation and Humanitarian Assistance Organisations*). These documents set out the eligibility criteria; the types of grants available; the call for proposals process; the application content and assessment process; and the requirements regarding financial management, monitoring and reporting. Furthermore, it clarifies that civil society organisations that apply for support need to be registered as such in Iceland; have by-laws and a governing board; have at least 30 members; support development and humanitarian principles; and have submitted annual accounts in compliance with the Icelandic National Audit Office.

The respective procedures clarify that grants are awarded to the following types of initiatives in each window:

Development Window	Humanitarian window	Communications window
<ul style="list-style-type: none"> •Newcomer grants (max MISK 4) •Short-term development projects •Multi-year development projects 	<ul style="list-style-type: none"> •Single grants •Framework grants through agreement with IRC 	<ul style="list-style-type: none"> •Public awareness raising/communications grants •Internal organisational capacity strengthening grants

In 2020, for efficiency reasons, MFA merged these rules with those for private sector entities applying for development funding. This had limited impact on the grant structures and administration.

For each grant, an agreement between the CSO and MFA is signed. However, the *CSO Strategy* also made provisions for entering into framework agreements with CSOs and set such agreements as a result indicator. In 2017, a framework agreement was established between MFA and the Icelandic Red Cross Society (IRC) to channel support for humanitarian assistance. The aim of the agreement is to enhance efficient administration of IRC's humanitarian assistance; provide more predictability for IRC humanitarian efforts; and facilitate IRC's long-term planning with the aim to increase the effects for vulnerable people. Under the agreement, IRC is awarded 59 percent of MFA's annual allocation to humanitarian assistance via Icelandic CSOs.

2.2 CSO Support 2015 to 2020²

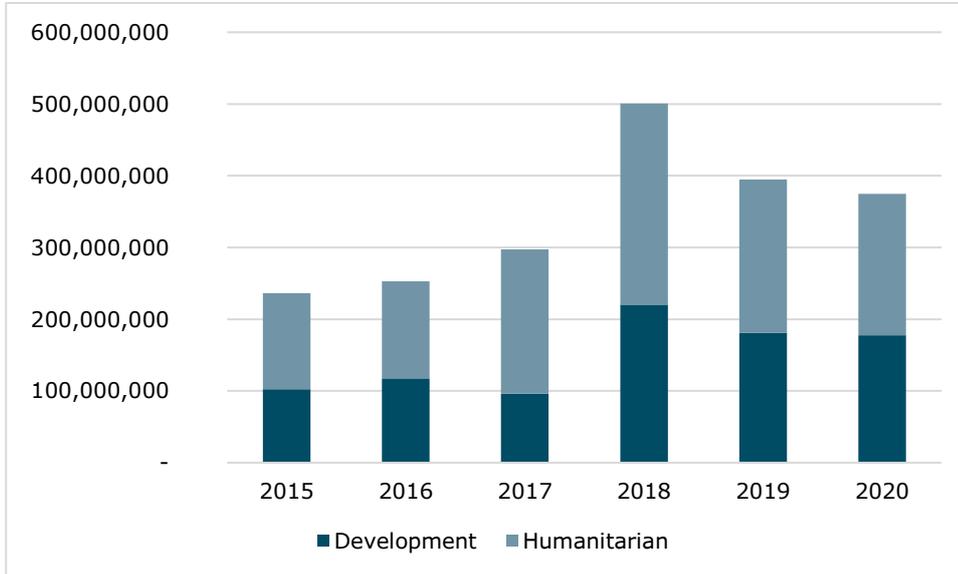
Between 2015 and 2020, MFA disbursed ISK 2 billion via Icelandic CSOs to just under 100 separate grants.³ This makes up an annual average of around five percent of the entire Icelandic aid budget.⁴ The average annual total of ISK 343 million is roughly comparable to the combined amounts dispersed to UNHCR and UNICEF. In comparison, funding of UNU/Gró programmes is about 9 percent. The average grant size has been 18 million and the mean size has been ISK 15 million. The diagram below shows the distribution by year.

² Numbers for 2020 are preliminary as ODA numbers for 2020 are still pending and at the time of the evaluation the figures and payments had not all been completed and confirmed.

³ This does not include the individual disbursements made by the Red Cross under the framework agreement.

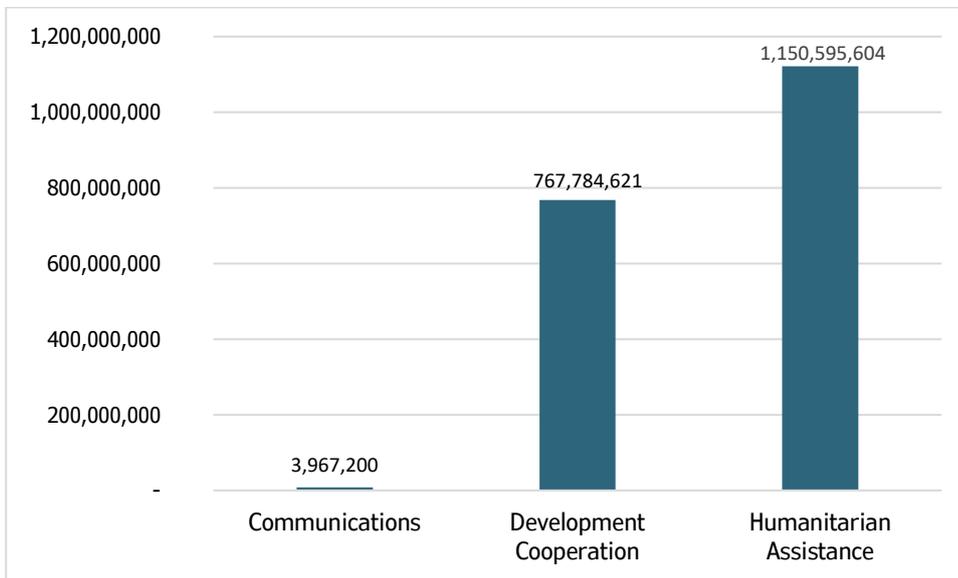
⁴ The annual percentage ranged from 4% to 6.6%. It is expected to be around 4.6% in 2021.

Figure 2.1: Value (ISK) of total CSO grants per year 2015-2020



Overall, 60 percent of the funds have been allocated for humanitarian projects, although this has ranged from 53 percent (2016) to 68 percent (2017). The distribution per grant window is illustrated in Figure 2.2.

Figure 2.2: Distribution of MFA funds by type of CSO grant between 2015-2020 (ISK)



2.2.1 Regions and countries⁵

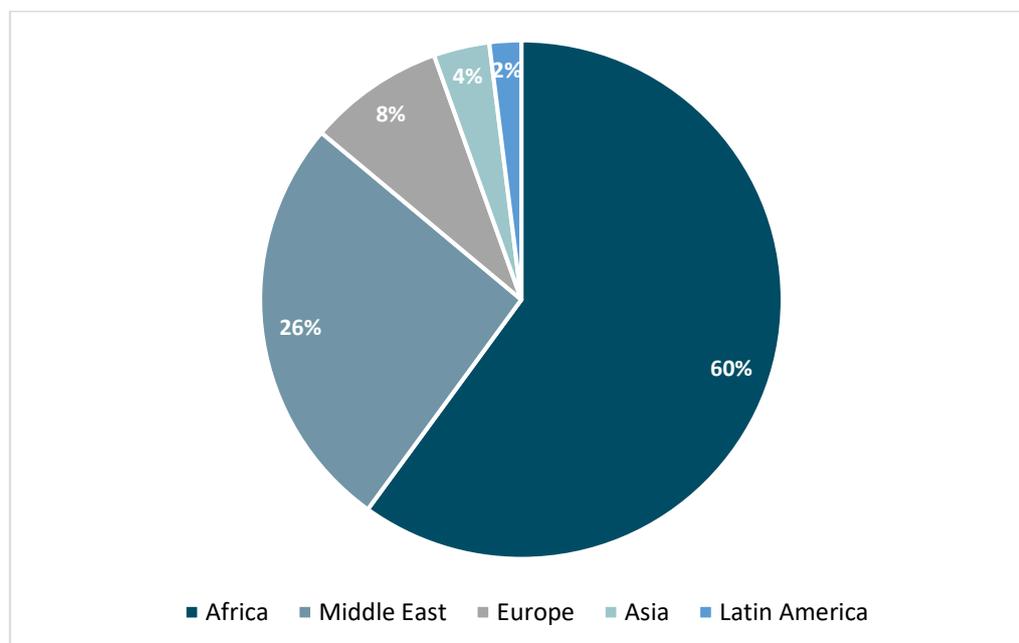
The grants have supported projects in 32 countries —16 countries in Africa, 5 in the Middle East, 5 in Europe, 4 in Asia, 2 in Latin America.⁶ The financial distribution by region is illustrated in

⁵ This does not include the countries funded under the IRC Framework Agreement.

⁶ In the past, Iceland collaborated with CSOs from the global south through its embassies in developing countries. Such support has to a large extent ceased but is being reconsidered as an appropriate channel to support efforts for cross-cutting issues in Iceland’s development policy which are human rights, gender equality and the environment.

Figure 2.3 and shows that 86 percent of the funds have been allocated to programmes in Africa (60%) and Middle East (26%).

Figure 2.3: Financial distribution of CSO grants by region



As illustrated in Table 2.4, projects in Syria have received most funding (ISK 296 million) during the period—all for humanitarian projects. Ethiopia (ISK 243 million) received most funds for CSO development projects. This has been channelled through the Icelandic Church Aid and SOS Children’s Villages.

Table 2.4: Top recipients of Icelandic CSO grants⁷

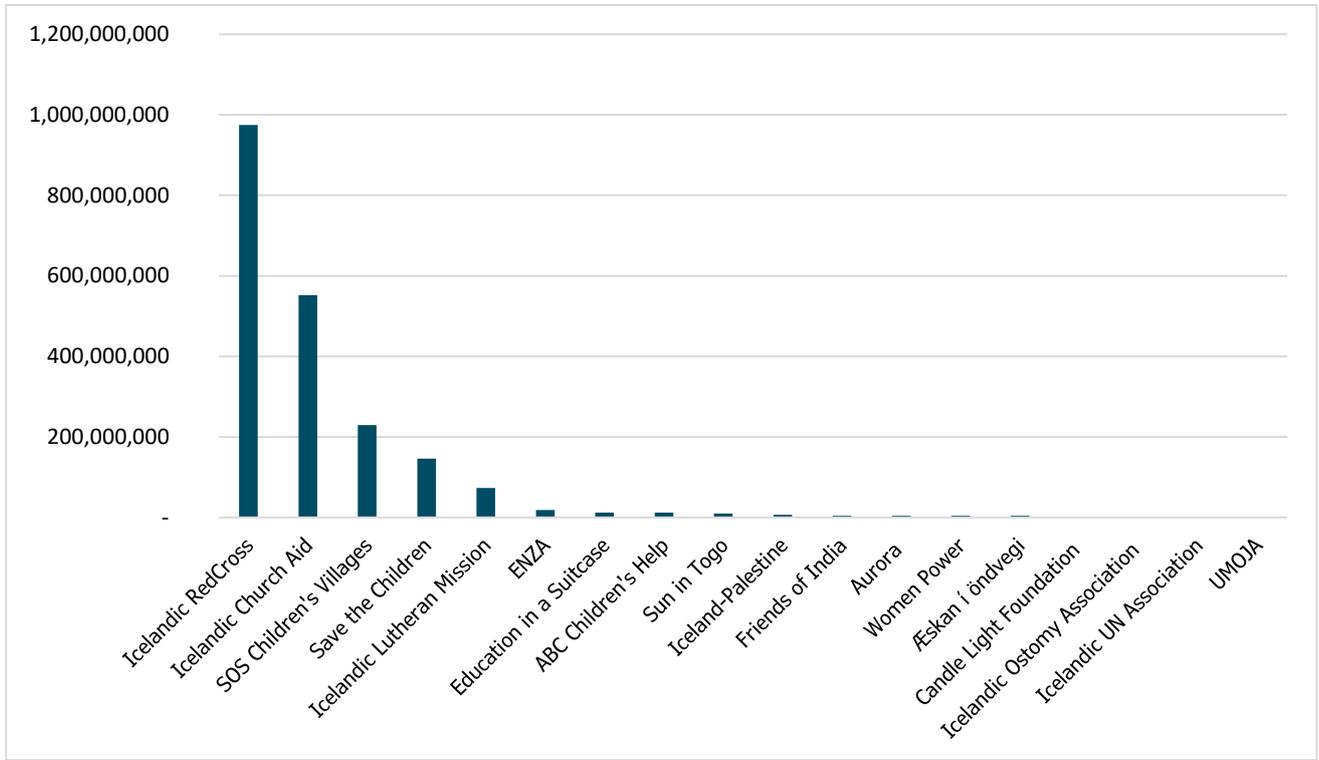
Top recipients of humanitarian grants		Top recipients of development grants	
Syria	295,955,223	Ethiopia	243,171,662
Uganda	103,598,088	Malawi	168,253,970
Yemen	89,570,000	Uganda	104,795,217
DRC	82,768,620	Kenya	90,389,248
Lebanon	60,533,032	Sierra Leone	79,662,109

2.2.2 Partner CSOs

Eighteen Icelandic CSOs have received funding between 2015 and 2020. Ninety-four percent of the funds were channelled through five organisations—the Icelandic Red Cross, Icelandic Church Aid, SOS Villages, Save the Children, and Icelandic Lutheran Mission. All these organisations represent CSOs that are part of larger global civil society networks/organisations, and all but one (Icelandic Lutheran Mission) applied for both development and humanitarian grants.

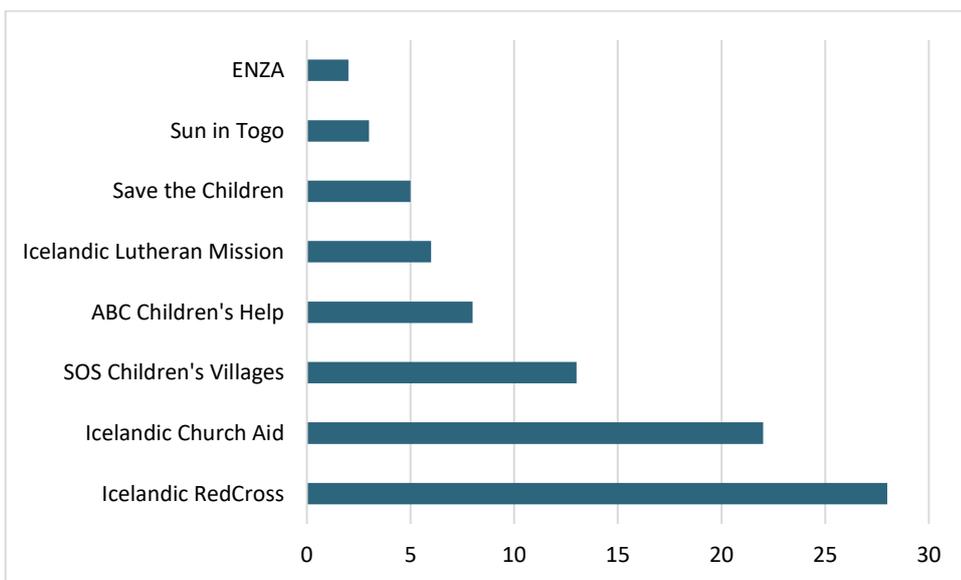
⁷ This table does not include the country allocations of the IRC Framework Agreement. This will be added in the final report.

Figure 2.5: MFA funds (ISK) granted to Icelandic CSO between 2015 and 2020



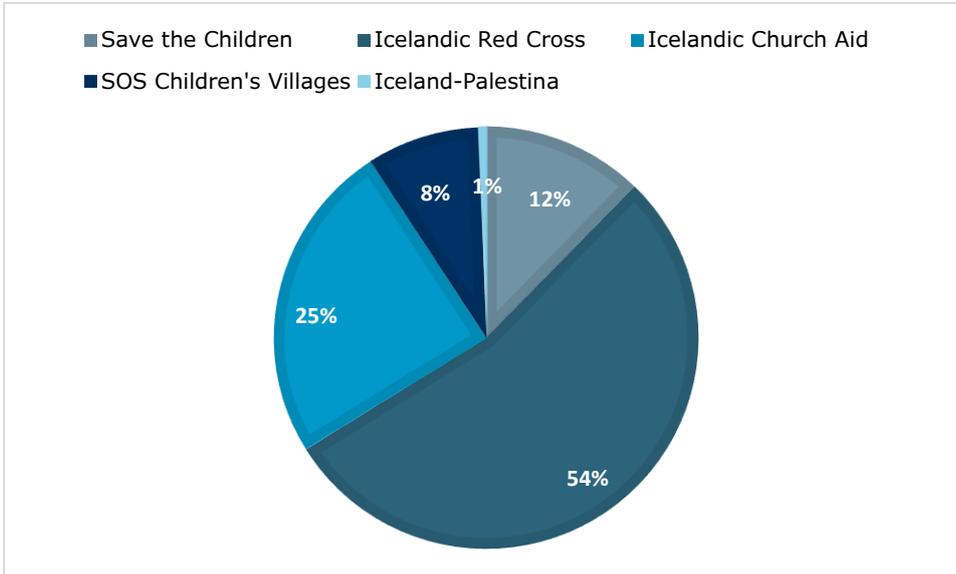
These CSOs also received a greater *number* of grants for development projects—ranging from 5 to 28. While ABC Children’s Help did not apply for large sums, it ranks high in the number of projects it has been awarded.

Figure 2.6: Number (≥ 2) of development projects funded by MFA per Icelandic CSO between 2015 and 2020



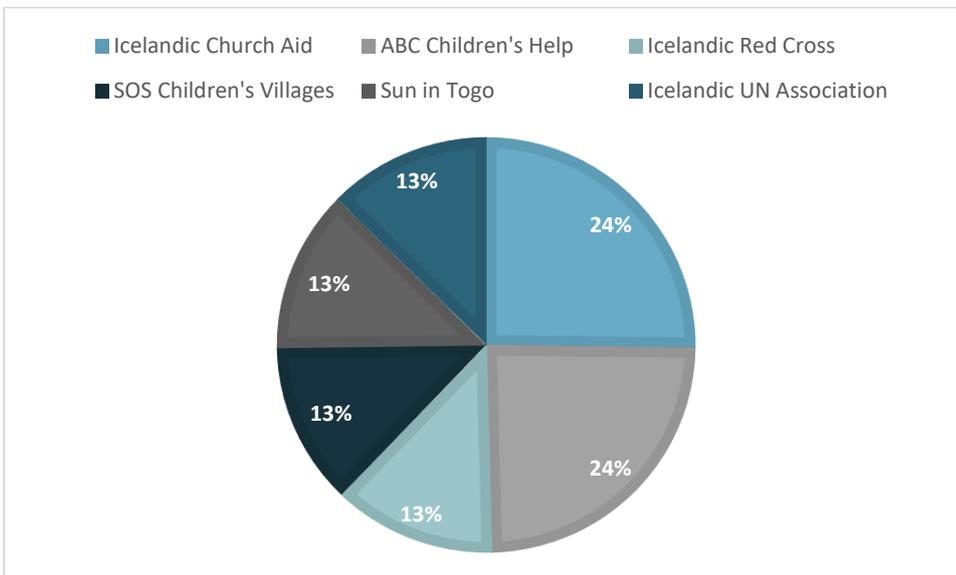
The humanitarian grants have been channelled through four of the five top receiving organisations, plus a small CSO that works specifically with humanitarian support to Palestine.

Figure 2.7: Distribution of humanitarian grants 2015-2020 by CSO (ISK)



Six CSOs have been awarded communications grants. Icelandic Church Aid and ABC Children’s Help have received about one-quarter of these funds (around ISK 1 million each). The other four organisations have been granted ISK 500,000 each.

Figure 2.8 Distribution of communications/capacity development grants 2015-2020 by CSO (ISK)



3 Effectiveness

- To what extent has the CSO collaboration strategy reached its intended results?
- To what extent has the overall capacity of Icelandic CSOs to reduce poverty and protect democracy and human rights improved from 2015 to 2020?

The overall goal of the *CSO Strategy* is, “to contribute to an independent, strong and diverse civil society in low-income countries that fights against poverty in its various forms.” The medium-term objective of the *CSO Strategy* is to strengthen the capacity of Icelandic CSOs to work globally to reduce poverty and realise human rights in developing countries.

The *CSO Strategy* and the accompanying results framework identify a number of result areas and indicators.⁸ These can be summarised as follows:

1. Improved capacity among Icelandic CSOs to work globally, to reduce poverty, and to realise human rights in developing countries through:
 - a. Increased knowledge, professionalism, and organisational capacity among CSOs
 - b. Improved capacity among the Icelandic CSOs to manage grants
 - c. Improved capacity among the Icelandic CSOs to produce quality grant applications
2. Intended effects of Icelandic CSO projects achieved
3. Improved public awareness in the area of development and humanitarian aid in Iceland
4. Improved professional dialogue in the area of development and humanitarian aid in Iceland
5. Value added by Icelandic CSOs as a result their engagement in development and humanitarian efforts

The following sections analyse results in these areas.

3.1 CSO Organisational Capacity

Organisational capacity refers the capacity of organisations to fulfil their role, implement projects, solve problems, and to set and reach goals. It also includes the organisation’s structures for human resources; the structure of its internal organisation; the physical and financial capacity; knowledge management systems; as well as the work environment—organisational culture, shared values, and power relations. This section discusses the extent that CSOs have increased their knowledge, professionalism, and organisational capacity. In line with the *CSO Strategy’s* results framework, it also examines the targets set for CSOs’ “improved capacity to manage grants” and “improved capacity to produce quality grant applications.”

⁸ This evaluation has taken a comprehensive approach to the *CSO Strategy’s* different levels of objectives since: i) some of the indicators in the results framework are actually results; ii) the results framework misses certain results described in the *CSO Strategy*; and iii) the framework has not been updated since 2015 (see section 4.2).

3.1.1 Professionalism, knowledge, and organisational capacity

The *CSO Strategy* underlines that for Icelandic CSOs to attain satisfactory results they, “must especially consider developing their skills.” It also clarifies that, “training courses and other support for capacity building are part of the support given to organisations to strengthen them and/or help them make a name for themselves and thus support diversity.”

The Icelandic CSOs involved in development cooperation and humanitarian assistance are small. Some (IRC, ICA, SOS, and Save the Children Iceland) have sizable domestic operations which they can, to some extent, piggy-back on. These organisations can also draw on larger international umbrella organisations and sister organisations (the Red Cross Movement, Lutheran World Federation, SOS International, Save the Children International)—particularly in the Nordic countries. Nevertheless, only three organisations employ five full-time equivalent staff, all others employ two staff or less. Most of the 11 newcomer CSOs do not have any full-time staff at all.

In 2017, PWC conducted an MFA-commissioned organisational due diligence assessment of five CSOs (ABC Children’s Help, ICA, IRC, Save the Children, and SOS Children’s Villages). It remarked that, except IRC, the capacity of the CSOs is critically constrained by their small sizes. It concluded that:

- There was scope for all CSOs to improve their capacity;
- One CSO had decent capacity;
- Two had passable capacity; and
- Two lacked sufficient organisational and financial capacity.

Key weaknesses identified were:

- The format for filing and archiving project documents;
- Formal and holistic risk management and internal oversight;
- Monitoring and overall project management; and
- The accountability of the CSO boards and other committees — their role and working rules needed to be formalized and documented, yearly plans needed to be set, and internal assessments for board members and CEOs were recommended.

PWC recommended a training workshop on internal controls and risk management to be held for CSOs, and that all CSOs be given one year to adapt and fix their risk management systems. The CSO stakeholders interviewed found the process and resulting report very helpful. PWC also called for a follow-up assessment to be undertaken in 2018 to gauge improvements. These recommendations were not followed up by MFA.

Although the data on the capacity development efforts by MFA during the strategy period is spotty, the evaluation confirms the following activities by MFA:

- Issuance of updated comprehensive guidelines and templates to support CSOs in applying for and reporting on grants (2015, 2020)
- Meetings with newcomer CSOs to explain the application process (more or less annually)

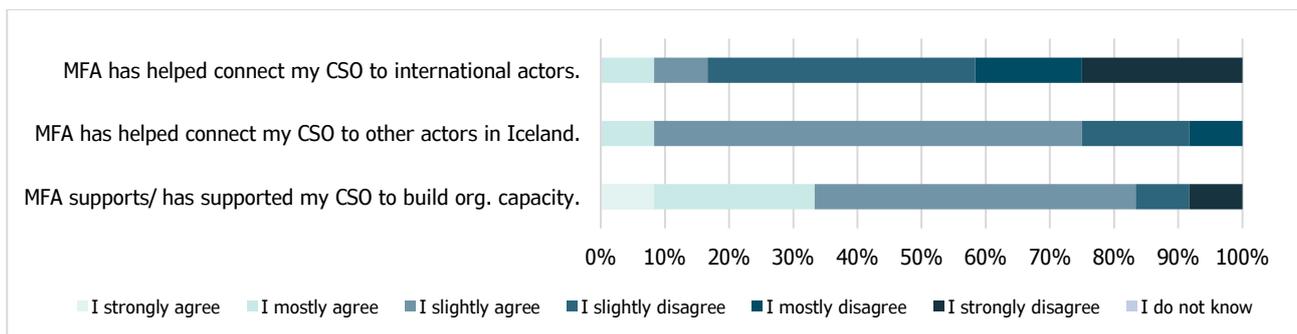
- Workshop on the logical framework with an external expert
- Workshop on gender equality as part of the gender equality evaluation with an external expert (October 2017)
- Event to help connect CSOs with private sector actors (2019)
- Invitation to two CSO representatives to actively participate in external country-level project evaluations.

CSOs appreciated these initiatives. It is not possible within the scope of this evaluation to assess the full effect of these activities, but CSOs report, for instance, that the PWC assessment helped them address their respective weaknesses and that the event with the private sector led to new partnerships and joint initiatives.⁹

Although the communications grant window includes grants for internal capacity development, only one grant was ever awarded for this purpose (ISK 229,960 to ABC, 2018). The grant supported a workshop with the aim of strengthening the organisation's human resources and professional expertise in the areas of humanitarian relief work. In 2017, noting that only one organisation had applied for a capacity development grant, the CSO Evaluation recommended that MFA encourage Icelandic CSOs to apply for the funds available for capacity building purposes. However, no other CSO applied, therefore no additional such grants were awarded. It also recommended that MFA should continue to explore more opportunities to support CSOs in building capacity, including initiatives in cooperation with other Nordic governments. It seems that this recommendation was not followed by MFA.

In the survey, CSOs were asked to assess the extent MFA has supported them to build organisational capacity. One-third of respondents “agreed” or “mostly agreed” that MFA had helped them build capacity. Eight percent “mostly agreed” that MFA had helped to connect them with international actors or other Icelandic actors.

Figure 3.1: CSO responses to survey questions on capacity development support

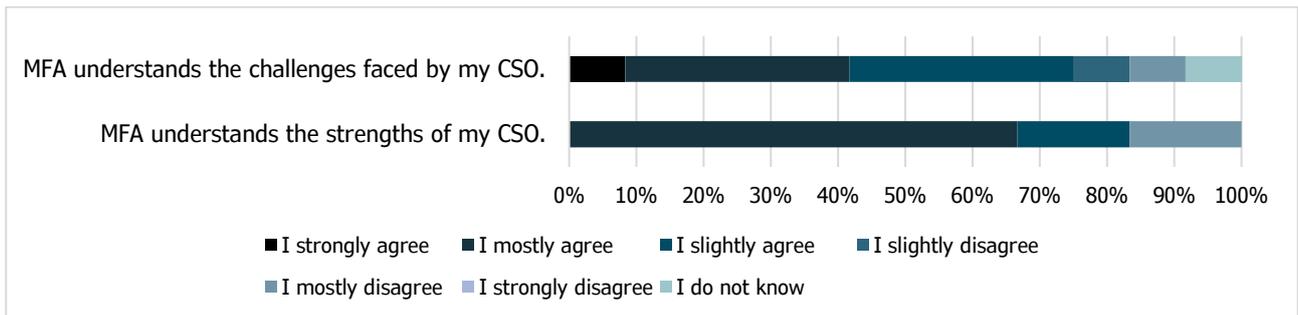


MFA has not held the biannual CSO training specified in its results framework. Moreover, according to the CSOs, MFA has rarely discussed with them their capacity development needs and wishes. During the interviews a few stakeholders even said that they were not sure they wanted to strengthen themselves and grow; and if they did want to do so, they were not sure if they wanted to do so with MFA support. Until this evaluation, most CSOs seemed unaware of

⁹ This event was not organised or funded from the *CSO Strategy* budget, but by MFA's Communications unit. It was part of a longer campaign called, "Development Cooperation Bears Fruit", that the CSOs organised with MFA financial support.

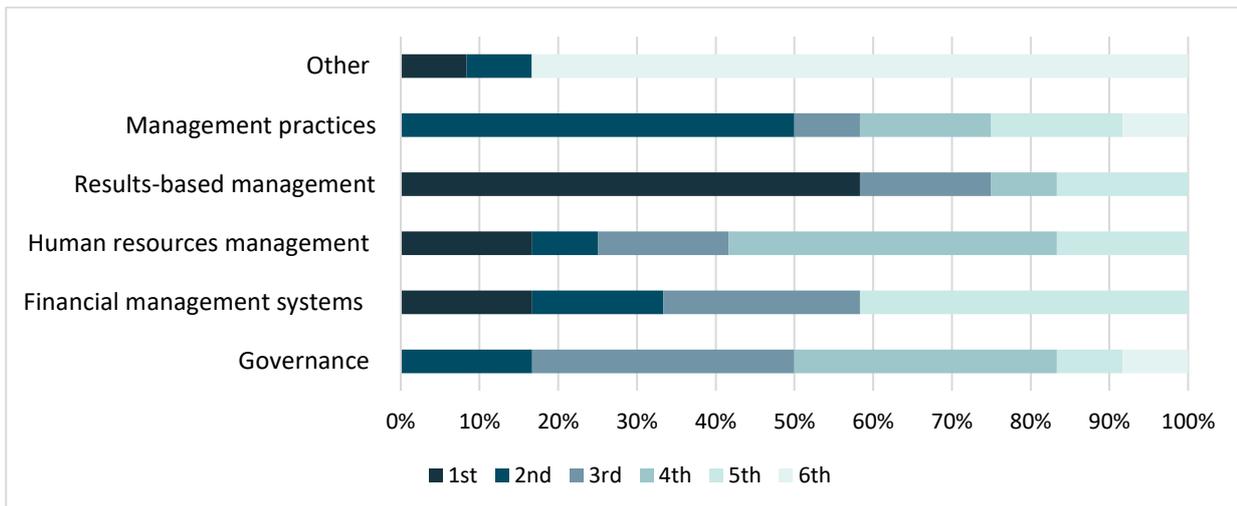
the central position of their own capacity development in the *CSO Strategy*. Only 39 percent of the CSOs agreed (8% “strongly agreed” and 33% “mostly agreed”) that MFA understood the challenges its faced, and 67 percent believed MFA mostly understood its strengths as an organisation. For MFA to effectively contribute to strengthening organisational capacity among the CSOs, a thorough and mutual understanding of needs, gaps, and aspirations along with a sound dialogue would be critical.¹⁰

Figure 3.2: CSO survey responses regarding their perception of MFA



The survey of CSOs asked them to rank different sets of capacities. The responses are illustrated in the following graphs. They show that as internal capacities, results-based management capacity was strongly prioritised, followed by financial management capacity. Fundraising scored top among external capacities; and environmental sustainability, gender equality

Figure 3.3: If you were given support to enhance your internal organisational capacity, please indicate what capacities you would prioritise.



¹⁰ Key donors, such as Ford Foundation and Sida in the civil society sector, have found that grantees themselves are in the best position to know how to invest funds to achieve organisational strength and mission impact. Since there are no quick fixes, they need adequate time, resources, and flexibility to do this work. However, investments in organisational capacity render organisations more effective, accountable, and sustainable. See for instance, NIRAS, Ford Foundation Building Institutions and Networks (BUIILD) Programme, *Developmental Evaluation* September 2020. https://www.fordfoundation.org/media/5787/niras_interim_report_final.pdf

Figure 3.4: If you were given support to enhance your external organisational capacity, please indicate what capacities you would prioritise.

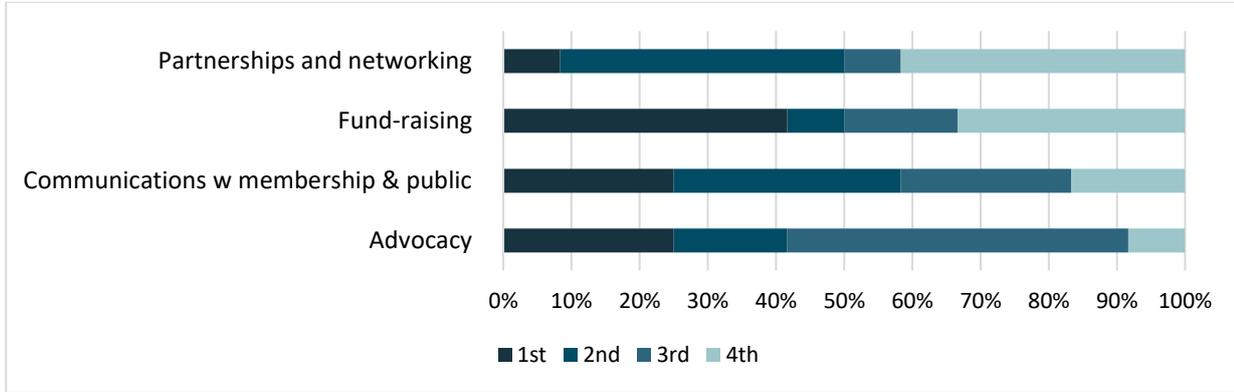
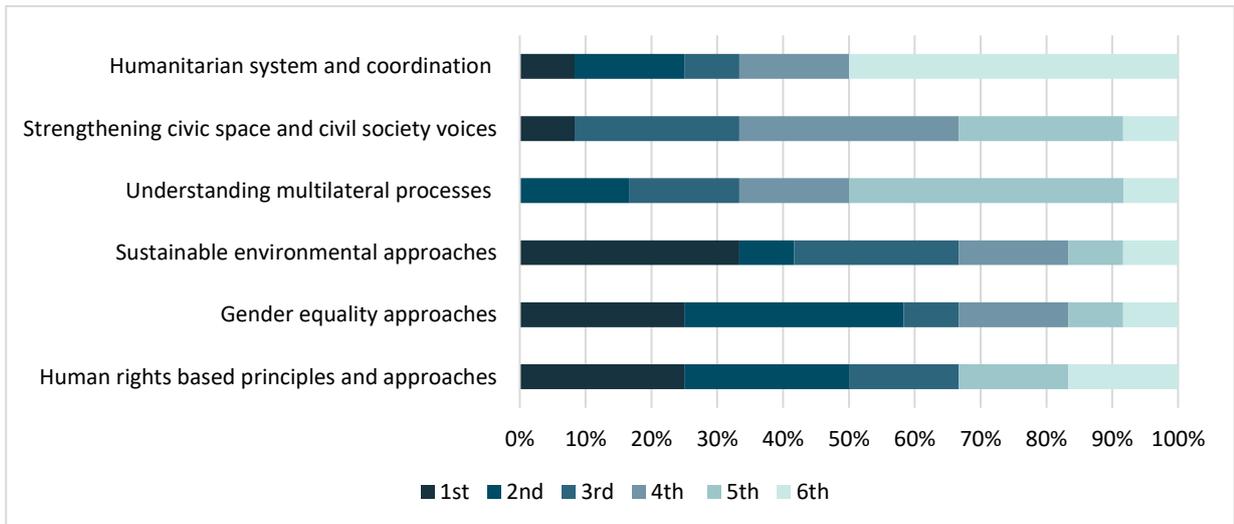


Figure 3.5: If you were given support to enhance your technical capacity as a development/humanitarian actor, please indicate what capacities you would prioritise.



and human rights-based approaches top the prioritised technical capacities.¹¹

3.1.2 Capacity to manage grants

The *CSO Strategy*'s framework includes several indicators for improved CSO capacity to manage grants. The table below provides an overview of the extent to which indicators have been achieved.

¹¹ Since the survey required CSOs to answer, the preference of not developing capacities is not well captured.

Table 3.1: Result framework target indicators with results achieved

Indicator	Results
Framework agreements for humanitarian assistance signed with 2 CSOs	1 agreement signed with IRC. The capacity of 4 CSOs independently assessed to determine their organisational capacity for framework agreements.
4 multi-year project agreements are signed	6 multi-year project agreements were signed—3 with ICA, 2 with IRC, and 1 with SOS Children's Villages
4 agreements signed with newcomer CSOs (at least one per year)	12 newcomer grants - 6 of these were granted in 2018.
2 agreements focused on fragile states or marginalised groups. For example: <ul style="list-style-type: none"> Fragile states Refugees and/or other marginalised groups Resolution 1325 on women peace and security 	<ul style="list-style-type: none"> A majority of the humanitarian grants have involved refugees (IRC, DCA, Save the Children, SOS Children Villages). A majority of the development grants have focused on marginalised groups and/or refugees. Fragile states (e.g., Yemen, South Sudan, Somalia, Syria, Iraq, Palestine, Guinea Bissau, Central African Republic, Congo, Lebanon, Mozambique)¹² have received humanitarian grants. Some of the development grants have also benefitted fragile states (Somalia, Burkina Faso, Gambia, Zimbabwe). No grants were awarded to efforts related to resolution 1325.

With the exception of securing a second framework agreement, MFA has met its targets in relation to CSOs' "capacity to manage grants."

3.1.3 Quality of grant applications

The *CSO Strategy's* framework specifies that the indicator for improved quality of application is the increased percentage of applications that result in grants. The table below shows development and humanitarian project application rounds since 2016. The average success rate has fluctuated between 38 percent and 100 percent but has on average been 60 percent for development applications and 69 percent for humanitarian.

Table 3.2: CSO grant application processes since 2016

Year	Total applications	Successful applications	Success rate
Applications for development grants			
2016-1	11	8	73%
2016-2	5	2	40%
2017	8	6	75%
2018-1	11	9	82%
2018-2	14	8	57%
2019	15	7	47%
2020	16	8	50%
Average:			60%
Applications for humanitarian grants			
2016-1	13	5	38%
2016-2	6	4	67%
2017	13	6	46%
2018	9	9	100%

¹²According to the World's Bank 2021 classification.

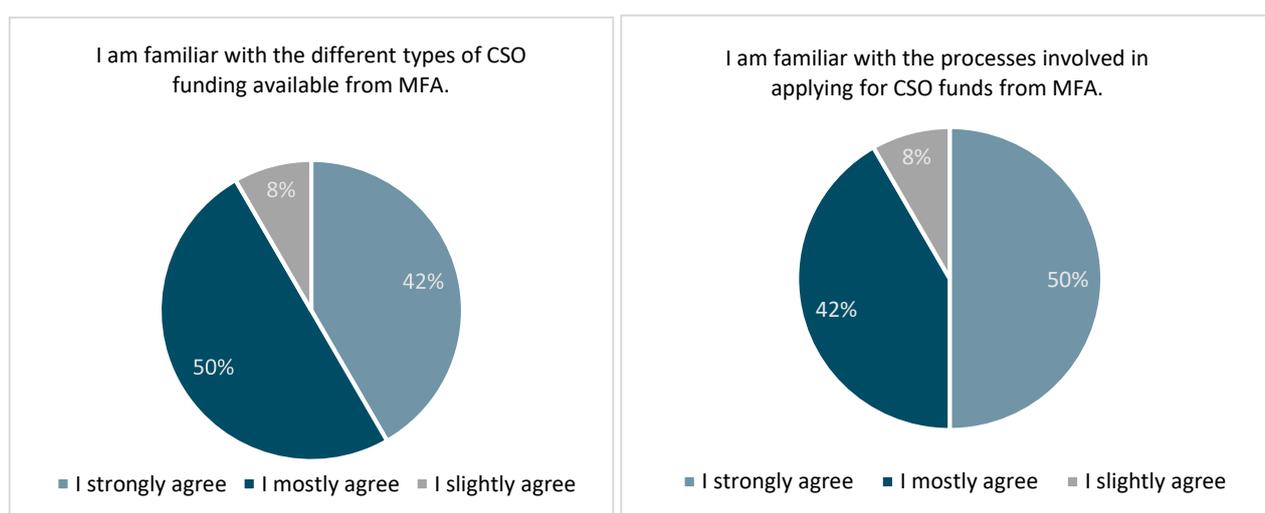
2019	3	3	100%
2020	8	5	63%
Average:			69%

Using the percentage of successful applications as an indicator is, however, inappropriate for measuring quality since the percentage of successful applications depends on the number of good competing applications and the relative amount of funds available.¹³ Furthermore, success rates for humanitarian applications would have improved after IRC entered into its own framework agreement with MFA.

Discussions with CSOs during the evaluation process reveal that they found the application guidelines prepared by MFA useful. Some maintain that this helped them produce better grant applications. More experienced CSOs find the applications relatively straightforward, but newcomer CSOs tended to find the application process challenging and complicated, even for those with ample experience applying for academic grants. Newcomers who attended training workshops on how to apply for MFA grants generally found them helpful.

MFA has focused strongly on increasing the number CSOs applying for funds and have encouraged organisations to apply. The newcomer grant window was a means to broaden the CSO base. So far only three grantees (25%) have reapplied for funding during this period. Additional capacity support might be needed for these types of organisations to transition to the next level.

Figure 3.6: CSO Survey responses regarding their familiarity with grant types and application processes



¹³ The call for applications for development projects in April 2016 saw 8 successful applications out of 11 (73%). The call for proposal in January 2020 saw 8 of 16 (50%) successful applications. Using this indicator, this would suggest a dip in quality over time. The same holds true for the humanitarian grants – the first call in 2016 received 13 applications of which 5 (38%) were successful. In 2020, 63 percent of the humanitarian applications were successful, but in 2018 and 2019, all applications were successful.

The CSO survey data below shows that most CSOs, are familiar or very familiar with MFA's application process. There is slightly less familiarity with the different kinds of grants available to CSOs. Interviews revealed that it had not been well known that there were funds available for internal capacity development. Furthermore, the fact that MFA's communications unit also has funds available for communications activities has been confusing for some. One-quarter of the survey respondents were not very familiar with MFA's Icelandic *CSO Strategy* and its objectives.

There is no baseline for the quality of applications. Since there has been little continuity in the selection committees, no single person has more than a three-year overview of whether the quality of applications has improved. Former and current members of the selection committees have found that the applications too often lacked sufficient quality, including sometimes among the more established Icelandic CSOs. Committee members highlighted that CSOs are often weak in explaining their added value. There was, furthermore, variations in quality of applications from the same CSOs. Some stakeholders believed this was a way that CSOs "gamed" the system, to ensure their better applications were approved. The CSOs maintain that unevenness in their proposals often were result of insufficient time to negotiate with their different partners and elaborate on the project details. One CSO was singled out as having markedly improved their proposals. This seems to be the result of an internal hiring decision.

3.2 Achieving intended effects

It has been beyond the scope of this evaluation to gather primary data on the extent to which projects have achieved their intended effects. This evaluation has drawn on existing secondary data, which has been rather limited. Monitoring visits by the CSOs are comparatively few and their monitoring reports mostly draw heavily on the reporting of their sister organisations.¹⁴ The extent to which sister organisations have conducted independent evaluations is unclear. MFA does not generally summarise analyses of the reports received. Monitoring missions by MFA are also uncommon, even by embassies. There is one travel report from 2020 covering a monitoring mission of a SOS Villages project in Somalia. However, there are comprehensive country-level evaluations of four projects (2 IRC and 2 ICA) and a review of ENZA, all commissioned by MFA in 2017. This evaluation has drawn on these.

Box 1: Civil society roles

- **Service provider** (e.g., building primary schools and providing basic community health care services)
- **Advocate/campaigner** (e.g., lobbying governments or business on issues, defending human rights)
- **Watchdog** (e.g., monitoring government compliance with human rights treaties)
- **Building active citizenship** (e.g., motivating civic engagement at the local level and engagement with local, regional and national governance)
- **Participating in global governance processes** (e.g., civil society organisations serve on the advisory board of the World Bank's Climate Investment Funds).

¹⁴ The PWC report from 2017 strongly emphasised the need to strengthen monitoring practices and reporting.

Almost all of the CSO projects consisted of service delivery. Many of the humanitarian interventions and all of the development projects had relatively small-sized target groups and/or had a limited geographic scope. For instance, the Red Cross project in Belarus directly supported only 91 people in five years and ICA's RACOBABO's project assisted around 5 families over seven years. The expected effects of the service delivery projects are mostly likely to be modest proportionate to the limited scope. Nonetheless, the evaluations in 2017 found evidence of positive changes at the individual/household levels. Some evidence of transformational change at the community level was also uncovered by the evaluations. These were most marked in the multi-year integrated community project in Ethiopia. The project contributed to increased incomes, which led to changed and improved diets, saved time, and more children attending school. It also significantly changed community dynamics, including transforming gender roles, and helping to create new community organisations that were active, democratically run, well-attended, and respected. Meanwhile, in Belarus, there was evidence that the IRC project led to greater openness towards discussing mental health in the media.

Just under 40 percent of the development projects related to education, often in the form of educational infrastructure (buildings, water, and sanitation). Integrated community and family-level projects (with a child focus)—mostly undertaken by ICA and SOS Villages—made up about 23 percent. Youth and income generation projects accounted for just under 20 percent. Health, water & sanitation, and ICT constituted smaller thematic areas. Almost half the projects targeted children and just under 20 percent targeted women and/or girls specifically. Overall, the projects have had a strong poverty or humanitarian orientation targeting refugees, vulnerable and marginalised groups.

The aim to contribute to “independent, strong and diverse civil society in low-income countries” was barely addressed by the interventions except as a secondary aim in a handful of interventions, mostly by the Red Cross. Strengthening the capacity, voice, and role of civil society/CSOs was not a primary goal of any of the nearly 100 interventions. The synthesis report of the 2017 CSO evaluations came to the same conclusion:

[Strengthening civil society in developing countries] has generally not been a feature of the projects. Only the Icelandic Red Cross project in Malawi has contributed to this aim, by including a component concerning the organisational development of the Malawian Red Cross (district branch) as one of its five pillars.... In the case of [ICA's support to] RACOBABO, a concrete opportunity existed with a proposal regarding the building of its office building that was submitted to MFA, but MFA passed on it.

Advocacy efforts barely feature in the project descriptions.¹⁵ No watchdog project or project focussing on building active citizenship were funded. Only five of the 100 projects (four focused on children, one focused on health) mentioned human rights. An expressed human rights approach (or mention of the right to education, the right to a decent standard of living, etc.) is not evident in any of the project descriptions.¹⁶

¹⁵ Successful advocacy initiatives – focusing on, for instance, policy change – and watchdog efforts can potentially have wide-reaching effects on large populations.

¹⁶ Figure 3.4 and Figure 3.5 show that strengthening advocacy capacity and capacities associated with a human rights approach were relatively highly prioritised by the CSOs that responded to the survey.

3.3 Public awareness

The *CSO Strategy* expects the CSO support to contribute to, “the public being well-informed and able to give Iceland's development cooperation both support and supervision,” and, “increase the Icelandic public's understanding and awareness of those issues that are most urgent in the modern era in a global context.” Regular Gallup surveys reveal that Icelanders strongly support development cooperation, which has grown during the last 35 years. However, compared to other European countries, there is generally less understanding of development cooperation issues and processes in Iceland.

Nine communications projects received grants during the *Strategy* period. They mostly consist of modest targeted efforts. They include, for instance, three travel grants to bring a couple of project beneficiaries to Iceland to help raise awareness, awareness-raising among children in schools and kindergartens, a public symposium on International Humanitarian Law, and the production of a promotional video. Some years, weeklong joint public awareness campaigns have been undertaken by the CSO partners, but these have been funded by MFA's communications office or by the organisations themselves. The 2019 campaign, *Development Cooperation Bears Fruit* was mentioned by stakeholders as a particularly successful campaign.

MFA has had an agreement with the online Icelandic media outlet, *Visir*, regarding public communications on Icelandic CSOs' efforts to help build support for development with the Icelandic public. MFA participants in the SWOT workshop indicated that *Visir* serves an effective avenue for communications with the public, but also saw opportunities for improvement. This included generating greater awareness of the role of the CSOs in development cooperation, better defining the target audiences, and undertaking more innovative information campaigns with a focus on development results.

3.4 Professional dialogue

The *CSO Strategy* states that, “the role of the authorities in this is to create a stimulating and transparent environment to support the civil society organisations in reaching their goals.” It aims for increased professional discussions concerning international development cooperation that is “informative and inclusive.” The results framework assumes that this will be achieved through grants provided to CSOs. Aside from the grant discussed above that was awarded to the Red Cross (section 3.3), there has been no effort to enhance professional dialogue. Nevertheless, the CSO and MFA stakeholders interviewed saw opportunities for this. But rather than individual grant funded events to increase professional dialogue, stakeholders saw scope for exchanges and discussions among development professionals. This is discussed further in section 4.3.

Box 2: Public communications findings from the 2017 Evaluation

ICA and IRC are actively involved in awareness-raising and public education. Both organisations:

- Publish material about their development cooperation work
- Produce annual reports that are available both online and in paper form
- Are active on different social media platforms and have informative webpages from which the public can learn about its initiatives in developing countries
- Regularly discuss development issues in the media (articles in publications and television and radio interviews)
- Give presentations on their projects to different groups in Iceland—including at clubs, organisations and students (primary, secondary and university)
- Undertake regular door-to-door fundraising campaigns for development and humanitarian assistance

3.5 Adding value

Stakeholders during the evaluation reiterated the importance of CSOs proving their added value. Indeed, Iceland's *CSO Strategy* states that CSOs should add value to Iceland's development cooperation and suggests a few ways in how this can be achieved. This includes connecting the grassroots in Iceland with those in developing countries, contributing towards an Icelandic public awareness, and contributing to the development debate in Iceland. The most common interpretation of added value among stakeholders refers to the contribution of professional Icelandic expertise. It is this interpretation that is the criterion for assessing added value of the CSO project proposals.¹⁷

The 2017 CSO Evaluation Synthesis Report noted that while there were a couple of examples of Icelandic expertise being drawn upon, there was more scope to make use of the CSOs' "domestic competencies". Examples of Icelandic expertise being drawn on since then include Save the Children (SC) bringing in Icelandic sexual health expertise in its humanitarian project in Congo; IRC significantly increasing the number of its Icelandic delegates (see section 5.2.1); and Education in a Suitcase drawing on Icelandic educational and IT expertise. Members of the assessment committees, however, have usually found this aspect of proposals to be inadequate. CSOs, on the other hand, have often found it difficult to include significant components of Icelandic expertise due to limited time to develop proposals and the higher investment risk it would entail (this is discussed further in section 4.1).

There are several other means for CSOs to add value to Iceland's development cooperation. In relation the findings of this evaluation, three ways Icelandic CSOs can bring *unique* value that is intrinsic to CSOs as actors of civil society are:

1. **Connecting people and fostering public engagement in Iceland:** Of the CSOs that responded to the survey, 42 percent had more than 500 members, and 25 percent had 50 volunteers or more. Both ICA and IRC, for instance, have significant grassroots networks in Iceland through their congregations and branch organisations. Section 3.3, above, discusses the extent the CSOs have used communications grants from MFA to raise awareness and engage Icelanders.
2. **Engaging in global-level civil society solidarity:** As members of formidable global CSO networks, movements, and umbrella organisations, Save the Children, SOS Children's Villages, IRC, and ICA add value by broadening the horizons of Iceland's development effort. These organisations gain knowledge, insight, and experience by being engaged in international solidarity. The global networks also offer potential networks at community level in developing countries which provides a good basis for sustainability and local ownership of programmes.
3. **Acting in solidarity with developing country CSOs:** Most the project support has focussed on specific target groups in the community. Supporting and empowering country-level CSOs has not featured strongly. The Icelandic CSOs have, mostly, not supported the management, administration, and monitoring capacities of their national partners or advocated on their behalf.

¹⁷ The criterion is the extent to which the partner contributes expertise to the project and is involved in developing the proposal. It counts for five percent.

Other ways CSOs potentially add value to Iceland's development cooperation (but which, in theory, could also be provided by Icelandic academics, development consultants, and private sector actors) include the following:

1. **Providing additional funding:** Icelandic CSOs add value to Iceland's development cooperation efforts by increasing the total amount of Icelandic resources for development and humanitarian assistance. MFA and the Icelandic CSOs mutually leverage each other's funds to have greater effect. During the *Strategy* period, the CSOs have contributed between 20 percent to 55 percent of the project budgets.
2. **Monitoring and administrating funds:** Channelling funds through Icelandic CSOs obliges them to take on the tasks to plan, manage, and monitor the projects and report back to the MFA on a regular basis according to MFA's requirements. The CSO desk at the MFA is small and does not have the capacity to undertake monitoring and administration of the support in the way that CSOs do. Furthermore, it is easier for MFA to engage with intermediary organisations based in Iceland than with CSOs based in other countries. Nevertheless, the PWC report states that there was room to improve the monitoring effort of the Icelandic CSOs.
3. **Assuming financial risk:** With the addition of the CSOs' own funds *and* the monitoring support they supply, MFA reduces the financial risk involved in supporting civil society organisations in developing countries. The PWC report states that the CSOs needed to improve internal controls and risk management systems.
4. **Contributing to professional development/humanitarian/human rights discourse:** Some of the CSOs are active in Iceland Association of Icelandic CSOs (SÍMAH) for development cooperation and humanitarian assistance. A few also participate in MFA's Development Cooperation Committee.
5. **Providing synergies with other Icelandic development efforts:** Synergies have not been promoted by MFA even though opportunities have presented themselves (As discussed further in Chapters 6).

4 Efficiency

- How efficient is the current MFA management/administrative system for Icelandic CSO collaboration?
- To what extent is there an operational and effective results-based system in place at MFA?

Since 2015, the management of support to Icelandic CSOs has been concentrated in a single position which, currently, is not dedicated full-time to CSO support. On 20 May 2020, the position was transferred from the Department of Bilateral Development Cooperation to the Department of Strategic Partnership—one of three core departments within the Directorate of International Affairs and Development Cooperation. This chapter examines the extent that MFA has managed the CSO efficiently in relation to grant administration, results-based management, and MFA's relations and communication with the CSOs.

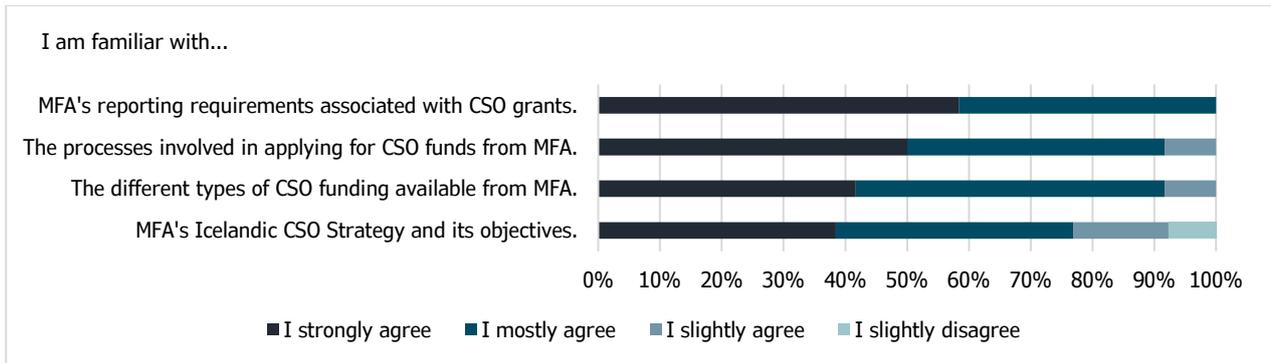
4.1 Grant administration system

During the *Strategy* period, MFA made considerable efforts to establish a comprehensive administrative system for CSO support. Focus has been on establishing a process that is (and is perceived as) clear, transparent, fair, and relevant to Icelandic development policy objectives; as well as based on development cooperation expertise and due process.

The resulting set-up has met many of these aims. First, detailed procedures for the three grant windows have been prepared, ranging from 14 to 26 pages long. MFA has aimed at ensuring clear and detailed guidelines to, both, promote transparency and attract new CSOs to apply. CSOs have generally found the procedures for applying for and reporting on grants to be clear, as seen in the survey results illustrated in figure 4.1, below. In interviews and discussions during the SWOT workshop CSOs expressed that the guidelines in the procedures document were generally very helpful.¹⁸ The electronic submission system was also deemed efficient and user-friendly.

Figure 4.1: CSOs' familiarity with CSO Strategy objectives, grant windows, application process and reporting

¹⁸ The figure shows that there is slightly less clarity on the different funding windows, which may be due to the fact that few CSOs knew about the opportunity to apply for internal capacity development grants until recently.



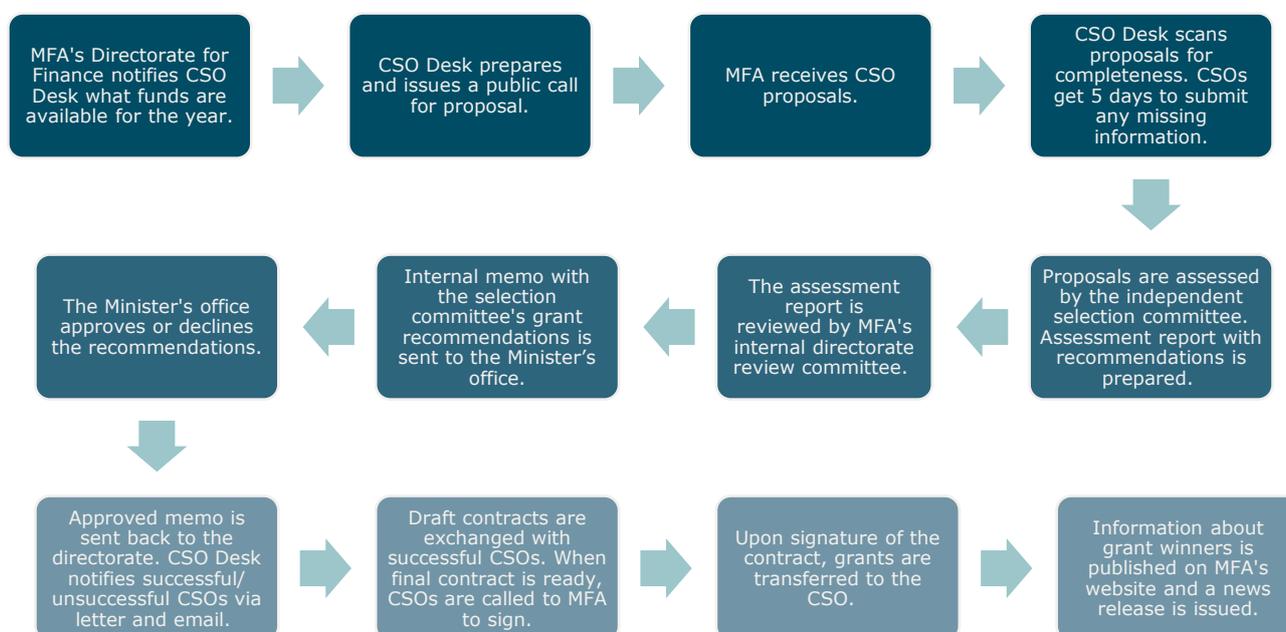
Second, for each grant window, MFA has established a selection committee consisting of two externally recruited independent development professionals and one MFA staff member in a supporting role. While the experts were previously recruited by MFA based solely on their expertise, since 2019, the external experts are officially appointed by the Minister for Foreign Affairs.

Third, MFA developed and updated assessment frameworks based on criteria specified in the application guidelines. These frameworks are public documents. They help the committees assess the proposals in relation to policy relevance—inclusion, gender equality, environmental sustainability and needs; project soundness and quality; added value; organisational capacity; monitoring capacity; and financial management capacity.

The independent professionals have mostly had relevant experience in development cooperation and civil society support. The committees have generally carried out thorough assessments, according to the framework provided.¹⁹ The assessment of the committees and its recommendations have served as the basis for the funds granted. Each applicant received a summarised report of the committee's assessment (positive or negative) and the successful grantees were published on the MFA website once contracts were signed. To ensure independence, the committee has not had direct relations with the CSOs.

When the committee undertakes its assessment, the grant process is halfway completed, as reflected in Figure 4.2 below. The applications are reviewed by the directorate review committee and then goes to the Minister's office for approval. Some MFA staff held that the different steps in the process constitutes a buffer against outside pressure.

¹⁹ The cost for the independent professionals, calculated, has varied greatly over the years from around ISK 12,000 per (development and humanitarian) proposal assessed in 2016 to around ISK 47,000 (humanitarian) in 2019 and 2020. In prior years the number of hours were capped but since 2019 the individuals have been able to invoice for the number of hours worked.

Figure 4.2: Grant administration process

The set-up, however, has a few shortcomings. First, the process is long and time-consuming. The decision-making process is fairly cumbersome. The multiple steps contribute to unpredictability since it is difficult for MFA to inform CSOs where in the process their application is and how much longer it might take. On average, it has taken 60 days to process the grant applications (90 days for development project applications). When there was high turnover of staff and vacancies in 2019, two of the rounds took 168 days each. According to MFA, other reasons for delays were that the recent procedures required time to adjust to, the application process sometimes stretched into the summer months when many staff were on holiday, and/or the Minister was travelling and unable to review and approve the grants. The delays have caused considerable frustration and uncertainty among the CSO partners. A 12-step process for what are fairly small grant amounts seems unnecessarily cumbersome. The PWC Assessment came to the same conclusion in 2017.

Second, despite the independent assessment by experts, the system gives the Minister the final say, potentially undermining the professionalism and independence of the assessment that has been sought. Since 2019, moreover, the Minister also officially appoints two of the three members of the selection committee.

Third, and most importantly, the current system is not conducive to the overall objectives of the *CSO Strategy*, namely, to enhance CSO capacities in Iceland and in developing countries. Experience from around the world has shown that project support as a funding modality does not strengthen capacities of organisations. It undermines an organisation's ability to plan, particularly if the amounts and timing of the grants are unknown. This in turn stifles innovation, long term planning, and development of new areas of work. Organisations are less likely to

invest and grow themselves. Indeed, interviews with the CSOs revealed that some CSOs do not risk elaborating on proposals, for instance, they do not expand on the “added value,” because they deem it is too risky to invest the time and resources if the project is rejected. While having an external committee independently assess project proposals may strengthen impartiality, it eliminates a critical opportunity for dialogue and learning that could help CSOs strengthen their proposals.

4.2 Results-based management at MFA

There is evidence that when MFA developed the *CSO Strategy* there was an intention to put in place a results-based management (RBM) system. Although the theory of change is somewhat unclear, a results framework was prepared with three levels of results and indicators for each level. It foresaw undertaking monitoring missions, annual reporting on the progress of the support, and evaluations to gather information on results.

Some of the planned RBM efforts were undertaken:

- In 2017 MFA commissioned an evaluation that assessed the four largest projects in four countries—ICA’s projects in Ethiopia and Uganda, and IRC’s projects in Ukraine and Malawi. In the same year, a review was also conducted of Enza in South Africa.
- The 2017 evaluations included site visits by MFA staff. In addition, a monitoring mission to Somalia was undertaken.
- MFA-prepared comprehensive guidelines for grant applications can also be seen as part of the RBM effort.
- The annual reports by the Minister for Foreign Affairs to parliament have contained a few paragraphs on the support to Icelandic CSOs. Financial amounts, distribution by humanitarian vs. development cooperation support, distribution by country, and information about the sectors in which the CSOs have worked are discussed.

However, generally, MFA’s RBM approach has been somewhat disjointed. There are two underlying causes. First, there has been high turnover of staff in the CSO position. There has been four persons in the last six years in the CSO desk position, with a vacant period for much of 2019. There has also been no less than four staff members in the supervisory role since 2016. The turnover has disrupted follow-up, impaired institutional memory, and hampered organisational learning. For instance, although significant effort was made to evaluate and review some of the larger projects, follow-up within the Ministry and with its partners was minimal. Furthermore, planned monitoring visits (e.g., to projects in northern Kenya and Uganda) were never done. Likewise, the indicators in the results framework were not monitored, updated, or consistently reported on. Since the CSO desk works in a fairly solitary way, the position is extra vulnerable to staff changes and institutional memory loss.

Second, the RBM system has been challenged by a lack of coherence in relation to the different objectives and primary results sought through the support. The following summarises these inconsistencies:

1. Results in relation to civil society in low-income countries

Iceland’s Policy for Development Cooperation, its *CSO Strategy*, and the introductions in the grant Procedures state that the objective of the support to Icelandic CSOs is to

contribute to an *independent, strong and diverse civil society in low-income countries*. However, this is not reflected in the criteria for support in the Procedures, nor in the grant application assessment frameworks. Indeed, in the introduction to the quality criteria section in the Procedures it is stated that the objective of the support *is to encourage Icelandic CSOs to contribute to aid efforts*.²⁰ It is, furthermore, not stated that Icelandic CSOs are expected to demonstrate in their applications how they will strengthen civil society partners. Their applications are not assessed against this objective, nor do the CSOs report on results in this area. There are no requirements relating to the status of local civil society partner(s). Similarly, MFA's annual report to Parliament does not discuss efforts in relation to building civil society capacity in developing countries.

2. Results in relation to strengthening Icelandic CSOs

The Procedures does not mention that the immediate objective of the Icelandic CSO support is to *strengthen the capacity of Icelandic CSOs to engage in humanitarian and development activities* through participation in the international aid effort (according to the *CSO Strategy* and its results framework). Thus, the CSOs are not asked in the applications to reflect on how their capacity will be strengthened and are not assessed according to such criterion. Nor do the CSOs report on the extent to which their capacity has been strengthened.

MFA's annual report to Parliament in 2017-18 mentions that a training workshop for CSOs was held, and the 2019-2020 report mentions newcomer CSOs. Other than that, these reports have not addressed progress in relation to strengthening of Icelandic CSOs.

3. Results in relation to "added value"

Icelandic involvement and the added value that CSOs bring to development initiatives are recognised as important in Iceland's Policy for Development Cooperation, the *CSO Strategy*, and the criteria for support specified in the Procedures. This issue was also a common theme discussed by MFA stakeholders during this and the last CSO evaluations. However, in the assessment framework for grant applications, this criterion only counts for five per cent of the points.

4. Results in relation to public communications

The *CSO Strategy* emphasizes the importance of Icelandic CSOs raising awareness among the Icelandic public through dissemination of information and educational activities. While there is a specific grant window for such activities, it would have been opportune to request CSOs to include a public communications component in each grant application, regardless of funding window, and to report on this.

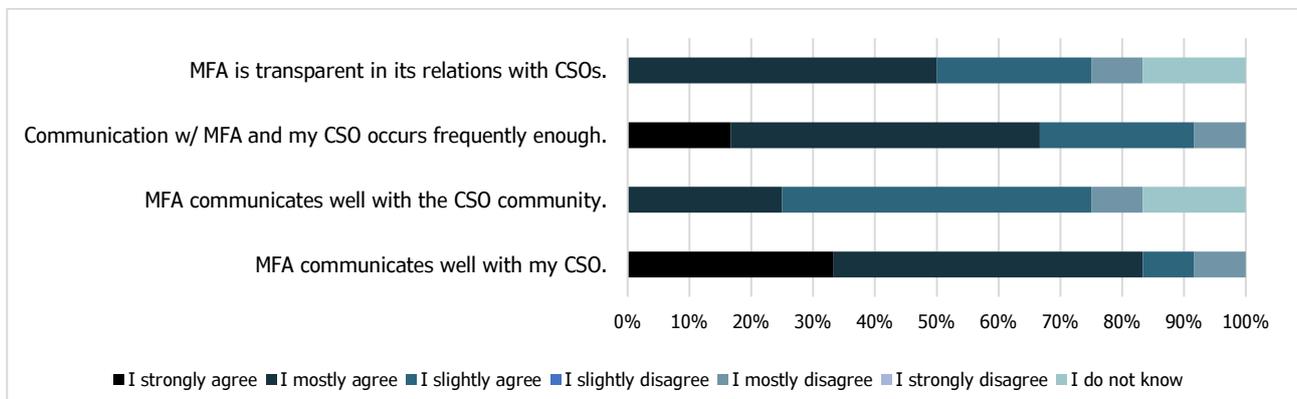
With an imperfect alignment of what the support to Icelandic CSOs aims to achieve with the application, reporting, and monitoring criteria, it is not surprising that the RBM effort has been sub-optimal.

²⁰ *Verklagsreglur Samstarf við íslensk félagasamtök um mannúðaraðstoð*, page 8, and *Verklagsreglur Samstarf við íslensk félagasamtök um þróunarsamvinnuverkefni*, page 9.

4.3 MFA-CSO relations and communication

MFA's communication with the Icelandic development CSO community has had its ups and downs, with communication being poor when the CSO position has been vacant. Currently, communication seems good, at least on a bilateral basis. Both MFA and the CSOs maintain that there is generally mutual respect and trust. Current MFA staff are highly regarded and are considered responsive, flexible, and dedicated. According to the CSOs, MFA has been reasonable and constructive despite the challenges posed by the Covid-19 pandemic. Similarly, many of the CSOs saw participation in this evaluation as a reflection of MFA's goodwill and genuine interest in engaging with them.

Figure 4.3: CSO Survey results relating to MFA-CSO communication and relations



The figure above shows that CSOs generally find bilateral relations with MFA to be good. However, the SWOT survey, SWOT workshop, and interviews raised communication as an area for improvement. Some CSOs also felt that transparency by MFA could improve. MFA could be better at informing CSOs about changes; sharing information; and clarifying the roles and responsibility of relevant MFA staff. With the high turnover of staff at MFA, messages from MFA have been mixed and unclear. CSOs stated that they received minimal feedback, if any, on reports and there were no annual meetings with MFA. CSOs missed having discussions with MFA about their applications (e.g., strengths, areas for improvement, new approaches, and areas for support). CSOs also mentioned that sometimes MFA's attitude towards them was dismissive, as they failed to recognise the competence and knowledge of CSOs. There was a lack of discussion on strategic goals, the aim of the CSO-MFA partnership, and the capacity gaps faced by the CSOs. It was only through the evaluation process was it made clear to the CSOs that their internal capacity was the primary immediate objective of the *CSO Strategy*.

MFA also desires more communication and more regular meetings with CSOs outside of signing contracts. Interviews with MFA staff members and participants of the SWOT workshop revealed that they would welcome more contact with CSOs, including in thematic areas of common interest. Both MFA staff and CSOs recognised that a forum for dialogue was lacking and saw a need to improve the interaction between MFA and the CSO community. Some CSOs noted that a forum would help dispel issues of non-transparency since it would allow MFA to communicate to all CSOs at once and thus minimising piecemeal information flows. MFA staff saw opportunities to use such a platform to engage in dialogue with CSOs about more strategic issues and vision for Iceland's development cooperation. Staff also believed that more and better

interaction would allow MFA “to better harvest the energy and ideas of CSOs” and thus jointly achieve common goals.

Both MFA and the CSOs believed that they had more to offer each other. Most MFA staff saw opportunities to connect Icelandic CSOs to its global partners and networks to reduce poverty, promote democracy, and realise human rights; and engage Icelandic CSOs in policy dialogue and advocacy in international processes. Meanwhile, the CSOs believed their experience and strong global partners can enhance Iceland’s development cooperation effort. They also saw prospects for increasing cooperation with MFA’s bilateral efforts at country level.

While MFA staff recognised competence within the Icelandic CSOs, it saw limited CSO capacities – their small size and high dependence on a few individuals – as a threat.²¹ MFA, therefore, envisaged opportunities for it to support more capacity building initiatives for CSOs. This could include conducting workshops, allocating more resources for capacity building, supporting CSOs in interacting and learning more from their sister organisations, and linking CSOs with some of MFA’s international partners.

CSOs, on the other hand, saw the risk of continued high turnover at MFA and the potential leaching of knowledgeable development professionals as threats to their relationship.

²¹ MFA’s SWOT assessment included 9 cards related to “weak CSO capacities”; while CSOs did not mention this as a weakness.

5 Efficiency & Effectiveness of the IRC Framework Agreement

- How efficient has the system been for managing the framework agreement with the Icelandic Red Cross?
- To what extent has the framework agreement for humanitarian aid been effective in achieving results?

From 2018 to 2020, the Icelandic Red Cross and MFA signed a framework agreement (FWA) for humanitarian grants, which was an aim of the *CSO Strategy*. Before the FWA was developed, MFA undertook a due diligence assessment (2015), which was followed by the PWC Due Diligence Assessment in 2017.²² These were undertaken to verify that IRC had the internal capacity to accountably manage the FWA. The objectives of the FWA were to promote efficiency and effectiveness:

- Enhance the predictability of IRC humanitarian efforts and facilitate IRC's long-term planning (efficiency)
- Strengthen IRC's influence on humanitarian support and ultimately enhance the effectiveness of assistance to vulnerable people (effectiveness)

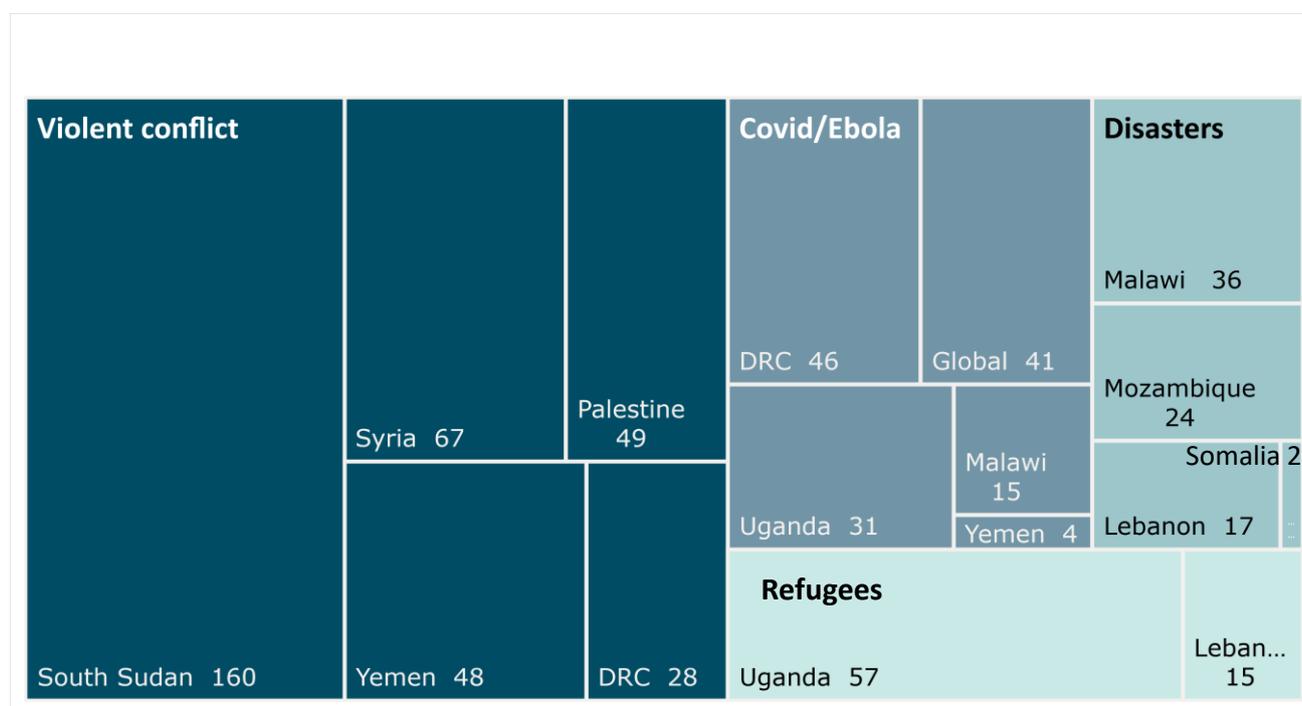
5.1 Overview

Between 2018 and 2020, an estimated ISK 644 million of resources from MFA (ISK 312 million) and IRC (ISK 342 million) were channelled to humanitarian interventions implemented by the Red Cross Movement.²³ Although the FWA stipulated that IRC must contribute to at least five percent of the funding, IRC has surpassed 50 percent. Around 55 percent of the total funds disbursed between 2018 to 2020 under the FWA supported *People Affected by Violent Conflict* initiatives. *Health emergencies* accounted for 22 percent of the FWA allocations. Projects supporting *refugees* and *people affected by disasters* received 12 percent and 11 percent, respectively. The support encompassed 11 countries—four in the Middle East and seven in Africa. In total, projects in South Sudan, Syria,²⁴ and Uganda received the largest amounts. While International Committee of the Red Cross (ICRC) implemented the support to violent conflicts, the rest of the disbursements were implemented by IFRC (International Federation of Red Cross and Red Crescent Societies) and/or a Red Cross consortia of IFRC, ICRC and national societies.

²² Drífa Kristjánsdóttir and Lydia Geirsdóttir "Skipulag og starfshættir Rauða krossins á Íslandi varðandi þróunarsamvinnu og neyðar- og mannúðarstarf. Due Diligence Assessment", 2015.

²³ These figures are tentative based on IRC estimates for 2020. They will be confirmed for the final report.

²⁴ When MFA launched a special humanitarian appeal for Syria in 2019, IRC applied and was awarded grants. While the formulation in the FWA states that IRC may not apply for funds from the regular humanitarian window, its lawyers argued that this did not preclude it from applying to special ad hoc humanitarian windows.

Figure 5.1: IRC RWA disbursements by thematic area and country (ISK million)

5.2 Effectiveness

In addition to specific efficiency targets (discussed in the following section), the results framework for the FWA contains expected results in relation to IRC delegates, integration of gender equality concerns, and private sector partnerships. These are covered below. In line with the *CSO Strategy's* objectives, results in relation to capacity development and public communications are also discussed in this section.

Box 1: Objectives in the Red Cross-MFA Humanitarian Framework Agreement

Outcome 1 IRC humanitarian assistance is provided more effectively.

Output 1.1 The IRC responds more quickly to international humanitarian appeals.

Outcome 2 Increase in IRC participation in international humanitarian assistance.

Output 2.1 The IRC seeks further involvement of the private sector and the industry in IRC humanitarian assistance projects.

Outcome 3 The IFRC takes equality and gender issues increasingly into account.

Output 3.1 The IRC places increased emphasis on equality issues and participates increasingly in the planning for IFRC international humanitarian assistance.

5.2.1 Icelandic delegates

Before the FWA, IRC delegates undertook around 10 missions each year. The FWA results framework set a target of 20. By March 2020, IRC delegates completed an average of 30 missions per year. Each year this involved 23-25 delegates, male and female, working in 17 to 20 countries on at least four continents. About half of the delegates worked in humanitarian operations, the others assisted development projects. Particularly strategic placements include a delegate with

expertise in mental health and psychosocial support, who was assigned to assist the IFRC Reference Centre for Psychosocial Support (PS Centre) in Copenhagen, which develops knowledge and best practice to inform future operations of the Movement. Other examples are a gender equality specialist working at ICRC (see section below), and an experienced nurse who has been contracted by IFRC in Geneva to work with COVID19 Staff Health. The annual reporting does not discuss the (potential) strategic importance of the delegates, in terms of their contributions to the Movement and to IRC upon return.

5.2.2 Gender equality

The FWA's results framework sets an outcome in relation to strengthening the integration of gender equality perspectives in IFRC initiatives. In line with its target, by March 2020 IRC assessed all IFRC humanitarian appeals supported through the framework agreement (four in total) against its gender criteria/marker. In addition, it also assessed an IFRC emergency appeal that IRC supported with its own funds. One appeal (Uganda) fully met the gender criteria, two met 80 percent, and one only met 25 percent. IRC also had a gender expert positioned as a delegate at ICRC in Geneva to work with preventing and addressing sexual violence in armed conflict. According to IRC, she is contributing to improving the integration of gender equality issues in the Movement's work. Feedback suggest that she is having influence on processes in way that IRC has not previously enjoyed.

5.2.3 Private sector

Private sector involvement in Icelandic development cooperation has been a priority for the current government. Although the FWA does not refer to the private sector, its results framework includes targets related to financial and in-kind (human and services) contributions from the private sector to IRC's humanitarian effort.

Before the FWA, IRC did not receive high levels of corporate contributions. By March 2020, IRC raised ISK 27 million for 2018 and 2019 combined, a little less than the target of ISK 15 million per year that was stated in the results framework. This included four companies providing delegates (in-kind), Eimskip's clothing drive contribution, and funds from companies such as Coca Cola and Ikea. However, during 2020 IRC received a grant from Marel amounting to around ISK 160 million.²⁵ This was an important contribution since income from private donations decreased substantially during the Covid-19 pandemic.

Furthermore, in June 2020 IRC received a grant from Íslandsbanki to develop a fundraising platform for sustainability financing to contribute to the SDGs and seeks donations mostly from private sector entities, but also citizens and public offices.

The results framework also sets a target for number of meetings held with private sector actors (5 meetings). Since 2018, IRC has held an average of meetings with 10 companies.²⁶ IRC's private sector effort included producing promotional material that provided information on how the private sector can support the SDGs in collaboration with CSOs. According to IRC, MFA played an important supportive role, including hosting the event in September 2019 that

²⁵ On top of this, in December 2019 IRC received an additional EUR 600,000 from Marel and 13.440.318 ISK from CCP that were specially earmarked for the bushfires in Australia.

²⁶ Data for 2019 and 2020 is not available.

brought civil society and private sector actors together (see section 3.1.1). These results suggest that the target of 5 meetings to mobilise ISK 15 million a year underestimated the interaction and dialogue needed to secure new sources of funding.²⁷

5.2.4 Capacity development of IRC

The FWA and its results framework do not include any capacity development-related objectives for IRC. Nor was IRC required to report on its progress regarding internal capacity strengthening. Interviews with IRC suggest that the freed-up time and resources significantly contributed to increased internal capacity to strategically plan its international operations. In addition, more predictable and stable funding has provided opportunities for staff development. For example, two staff members were able to attend IFRC's week long intensive training programme, which qualified them for IFRC's Protection, Gender and Inclusion Roster and the Community Engagement and Accountability (CEA) Roster. One staff member has since been on a long mission as CEA delegate.

5.2.5 Public communications

Although the FWA requires that IRC promotes the humanitarian efforts funded by the agreement through the media, public communications results are not included in the results framework, and IRC is not required to report on this. However, participants of the SWOT workshop noted that IRC's public communications effort has improved. IRC indicated that the predictability and saved resources achieved through the FWA has allowed it to devote significantly more effort towards public communications. According to participants of the SWOT workshop, there was room to improve MFA's public communications, which mostly consisted of echoing IRC's media communications.

5.3 Efficiency

The FWA stipulated that 59 percent of the amount MFA allocates annually for humanitarian assistance via Icelandic CSOs would be allotted to the FWA. IRC was to report annually to MFA and ensure media visibility of the MFA-funded support. Within the first quarter of every year, MFA was to convene a formal consultation with IRC. The agenda would cover progress of the Agreement, including: the progress, problems, lessons learnt, and future directions of ongoing projects; general cooperation between the IRC and the MFA in the area of humanitarian assistance; and any other business. It also called for an evaluation of the FWA within the first 12 months. These aspects of the FWA were all met, except for the evaluation.

Both parties found that the FWA significantly enhanced efficiency by reducing administrative costs and time, and ensuring a smooth process. IRC have not had to prepare proposals for each individual project and MFA have not had to apply its long 12-step process to award each grant.

For IRC, the predictability of the funding has been a great advantage. Its reaction time to the appeals from the Red Cross Movement has greatly improved. Before it took IRC an average of 20 days to decide on incoming appeals. The FWA results framework set a target of 10 days, but IRC exceeded that target by taking only 5 days. Likewise, the time from receiving a request to

²⁷ The ratio of meetings to resources for 2018 and 2019 is 13 meetings for ISK 13.5 million, which is more the double the effort that was envisaged in the results framework.

when a grant was awarded previously took an average of 90 days. Since the FWA, IRC has achieved this in 17 days. This is two more than the targeted 15 days. IRC maintains that these delays are caused the fact that after the Icelandic funds have been approved, IFRC needs to provide IRC with a cash pledge registration, before funds can be transferred.

Both parties agreed that mutual trust, respect, and communication have improved. Having an annual meeting was seen as an important means of joint engagement. The FWA allowed IRC to support what it felt would have greatest effect. The scope for political influence over what is funded was reduced. IRC, however, was open to more frequent and more structured dialogue. IRC also found that the reporting template was not fit for purpose, requiring too much descriptive rather than analytical content. MFA participants in the SWOT workshop were concerned that the FWA led to less synergies and linkages with MFA's other policies.

The agenda for the annual consultations specified in the FWA does not include mutual priorities ahead, coherence with other MFA humanitarian efforts,²⁸ and information-sharing on ongoing humanitarian emergencies and multilateral developments. Priorities, progress, and plans regarding capacity development of IRC seem to be relevant topics to include, given the prominence of these objectives in the *CSO Strategy*. Likewise, to align with the *CSO Strategy*, the annual report could contain more information on areas such as its progress and plans on its own capacity development, internal improvements it has achieved, IRC's communications effort, and an analysis of the added value it has contributed.

5.4 Summary

The FWA has brought many advantages to both MFA and IRC. It has permitted IRC to raise a remarkable amount of co-funds (which in effect MFA has leveraged). In addition, both parties gained significant administrative efficiencies and relations between the two have improved further. Targets set were either well surpassed, met, or almost reached by IRC. The number and type of Icelandic delegates that IRC has managed to send out has been impressive. The influence that IRC is beginning to enjoy with IFRC is empowering and motivating for IRC. The annual consultations could have been used more strategically. The objectives of the *CSO Strategy* could have been better reflected in the Agreement and its results framework. IRC's reporting could have been more analytical, addressed added value, and covered communications efforts and organisational capacity improvements.

²⁸ Including MFA's direct support to ICRC.

6 Coherence

To what extent does Icelandic CSO collaboration efforts cohere and create synergies with MFA's other strategic partnerships, in particular private sector partnerships and the technical assistance programme?

Coherence refers to the compatibility of the strategy implementation with other strategies/interventions. In the case of the *CSO Strategy*, this includes coherence with MFA's strategies in relation to other partnerships such as the private sector, MFA's technical assistance programme and the GRÓ centre.

According to MFA staff interviewed, CSOs function in relative isolation within the Ministry. Neither have the bilateral programmes and embassies in Uganda and Malawi been much involved in the CSO projects, despite the CSO desk's previous location within the bilateral department. The public communications campaigns by CSOs funded by the MFA's communications unit have not been closely coordinated with the CSO desk. There has been minimal interaction with the UNU/GRÓ and the Icelandic technical assistance support. The 2017 PWC Assessment recommended increased collaboration with the Ministry of Interior in terms of partnership and grants to CSOs, but this does not seem to have materialised.

There have been, however, some efforts to promote synergies. In 2019, as part of a public communications campaign undertaken by the CSOs, MFA organised an event to bring CSOs together with the Icelandic private sector. According to the CSOs interviewed, this was a great success that has led to important collaborations such as those between the Red Cross and some Icelandic companies.

In the same year, for the first time, an Icelandic CSO (the Red Cross) proposed a candidate from its project in Malawi to attend the GRÓ GEST programme. The candidate completed the training. Generally, however, neither MFA nor the GRÓ programmes have proactively encouraged Icelandic CSOs to propose candidates, despite the 2017 CSO Evaluation having identified potential synergies between LWF's Jijiga livelihood project and UNU-GEST and UNU-LRT.²⁹

The 2017 CSO evaluation recommended that synergies with bilateral efforts "should be promoted when relevant, but not considered an end in themselves." In Malawi, for example, it recommended that synergies between the Red Cross MRCS project and Iceland's Basic Services project be actively explored. This was not, however, pursued. To promote synergetic opportunities (and critical mass) the evaluation also recommended that MFA should, to the extent possible, promote the geographic concentration of CSO efforts in fewer countries. For instance, Icelandic CSOs should only receive funding for projects in up to three different

²⁹ The opportunities for synergies included i) for alumni from these programmes to interact with LWF's efforts and ii) for LWF to suggest candidates to these training programmes from its own organisation, as well as from local government agencies, research institutes, universities etc.

countries.

It is unclear to what extent MFA has communicated to Icelandic CSOs that projects in Icelandic programme countries were generally regarded as positive initiatives because of the potential for synergetic effects and critical mass. When SOS Children's Villages sought to transfer funds from a project in the Philippines to Malawi, the CSO was unsure if this would be considered less desirable by MFA *because* Malawi was a programme country. Save the Children, on the other hand, recognised Icelandic programme countries as an opportunity. In 2018, Save the Children identified the potential for synergies in Uganda within the education sector. It, therefore, applied for funds to undertake a feasibility study to prepare for a long-term development project in the education sector that could potentially link with Iceland's bilateral education initiative. The funds were granted. However, when Save the Children submitted the project proposal, it was rejected on a technicality that SC disputes.³⁰ The following year, SC submitted the same proposal again, but with a different funding structure. The proposal was rejected a second time, but this time on the grounds that the capacity of SC was deemed questionable. SC strongly disputes the assessment but, again, has not been able to appeal the decision.

These rejections had several consequences. First, MFA invested funds in a comprehensive feasibility study that amounted to nothing, despite SC having subsequently dedicated significant efforts to develop a multi-year project proposal. Second, MFA lost the opportunity for synergies with its bilateral programme, which could have been mutually beneficial. Third, because of the negative experience, SC says it is not likely to ever submit a Ugandan educational project proposal again, hindering opportunities for future synergies. Fourth, the handling of the support has negatively affected MFA's image, even beyond SC, and reinforced the perception of poor transparency and inconsistencies in the grant decisions.

Framework agreement between IRC and MFA does not raise the issue of synergies or coherence, except that IRC's humanitarian initiatives must not be contrary to MFA's policies. Some participants of the SWOT workshop mentioned that the synergies between the FWA and MFA's other humanitarian effort are limited. The lack of synergies, however, is not inherent to framework agreements as such. Failure to create synergies in humanitarian support would represent missed opportunities to adequately use the annual consultation strategically to define common objectives and interest.

All stakeholders interviewed saw considerable scope for greater coherence and were generally enthusiastic about pursuing opportunities. Participants of the MFA SWOT were particularly hopeful because the reorganisation at MFA has placed the management of all external partnerships (private sector, academia, CSOs) within the same department (Department of Strategic Partnership). They expressed that this set-up could remove past "silo approaches" and facilitate policy coordination. Participants were particularly hopeful about CSO-private sector collaboration. MFA is currently conducting a study to map out collaboration possibilities with

³⁰ The CSO grant Procedures state that the proportion of public funding must not surpass 80%. Some of the co-funding for the SC project came from SC Norway. MFA decided that because the origin of SC Norway's funds was from the Norwegian government, it should be counted as "other public funds", which in turn would make the public fund contribution too large, thus disqualifying the proposal. According to SC Iceland, the Ministry of the Interior interpret "public funds" as only referring to Icelandic public funds. SC Norway's contribution were clearly not Icelandic public funds, but there were no means for SC to appeal MFA's decision.

Icelandic academia in the area of international development cooperation, with the aim to identify potential links and opportunities.

Capacity priorities expressed by the CSOs could also promote coherence. The survey responses reveal that there is considerable demand among CSOs for strengthening capacity in the areas of gender equality, environmental sustainability, and human rights-based approaches. The GRÓ programmes, which are essentially capacity development programmes that cover important aspects of these areas, could potentially be called upon to assist.

7 Conclusions and recommendations

7.1 Achievements

The *CSO Strategy* has funded nearly 100 development, humanitarian, and communications projects, plus an additional 19 projects under the FWA agreement with IRC. It has involved 18 Icelandic CSOs and projects in 32 countries. These projects have had a strong poverty focus and have targeted marginalised and vulnerable groups to a great degree. Education, integrated community projects, and youth/income generation projects jointly make up over 60 percent of the projects. Twenty percent of the projects focus specifically on women and/or girls. Many of the humanitarian interventions and all of the development projects have relatively small-sized target groups and/or covered limited geographic areas. All but six projects were 12 months or less. The narrow scope in terms of time, target group, and geography naturally limits the scale of outcomes that can be expected. Nevertheless, if assessed as an effort contributing to poverty reduction using CSOs as a channel for development cooperation resources, the CSO portfolio represents a respectable one.

However, the *CSO Strategy* is ultimately concerned with CSO capacity building—in developing countries and in Iceland. In the process of implementing the *CSO Strategy*, the overall goal and immediate objective have faded from view: the *Procedures for CSO Grant Applications*, the application assessment criteria, and the reporting requirements for grants do not capture results in capacity development amongst civil society organisations in developing countries or in Iceland. In fact, in at least one instance, a project proposal that aimed to build local partner capacity was rejected for that reason. MFA annual reporting to Parliament also barely discusses capacity development. As such, MFA and the CSOs appear to have lost sight of the vision of both the *CSO Strategy* and *Iceland's Policy for International Development Cooperation for 2019-2023*.

Some modest capacity development has nonetheless been achieved among the Icelandic CSOs. While biannual training workshops have not been held as expected, workshops to help newcomer CSOs to apply for funds and a few ad hoc activities have been undertaken during the *Strategy* period. By bringing predictability and saving significant time and administrative resources, the FWA with IRC has been one of the more important means of enhancing CSO capacity, even though the objective of strengthening organisational capacities was not specifically mentioned in the agreement or part of the monitoring framework.

The *CSO Strategy* resources have also contributed to public communications efforts by CSOs, although some of the more comprehensive initiatives have been funded by MFA's communications unit. All parties, nevertheless, see opportunities for CSOs to generate greater awareness of development cooperation in Icelandic societies.

The *Strategy* period has not seen an "enhanced professional dialogue" in the field of development cooperation as foreseen by the *CSO Strategy*. Minimal efforts were made in this area. On the other hand, stakeholders saw considerable scope for establishing a joint forum for exchange and discussion among CSO and MFA development professionals, including on more strategic issues related to Iceland's development cooperation.

7.2 CSOs' roles in development and their added value

A vibrant and pluralistic³¹ civil society is a key component for socioeconomic and democratic development, and the realisation of human rights. Civil society played an active role in the global development of the sustainable development goals and is a critical partner for their achievement. Thus, proponents of democracy are greatly concerned that there has been a drastic closing of civic space in many parts of the world. Like other Nordic countries, Iceland recognises the importance of building capacities of civil society in developing countries as an end in itself, and this is the overall goal of its CSO Strategy.

The *CSO Strategy's* intermediate objective is to build the capacity of *Icelandic* CSOs. Its theory of change of exactly how the strengthening of *Icelandic* organisations will lead to a "strong and empowered" civil society in developing countries is, however, not clarified or made explicit. The *CSO Strategy* indicates that Icelandic CSOs can add value to Iceland's development cooperation, for instance, by contributing Icelandic expertise. This is certainly a possibility, but with extremely limited human resources within the CSOs, this is not always easily achieved. There are other areas in which CSOs have more unique added value by virtue of them being organisations *by* and *for* civil society. This includes their potential to connect peoples across borders, act in solidarity with developing country CSOs, engage in global level civil society solidarity, and foster public engagement at home.

Given the small size of the Icelandic CSO sector that focuses on international collaboration, the intention to strengthen it makes good sense. However, setting such an objective without engaging with CSOs to determine needs, wishes, and aspirations makes fulfilling this objective especially difficult.

Going forward, MFA can either revise the *Strategy* to align with how it has largely been implemented in practice to date, i.e., using Icelandic CSOs as a practical funnel for development cooperation resources; or it can enhance the strategy, its tools, and implementation approach to actually contribute to a vibrant and pluralistic civil society in developing countries. The latter would be in line with the *Iceland's Policy for International Development Cooperation for 2019-2023*, which specifically states that CSO support, "aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations."

Since Iceland is committed to applying a human rights-based approach, the new strategy should recognise the particular importance and special potential CSOs have in such work. International CSOs such as Save the Children have a long history of developing and implementing (child) rights-based approaches that are founded on the principles of participation, accountability, transparency, and non-discrimination. The Icelandic CSOs that form part of larger CSO networks have the opportunity to leverage the knowledge resources of their sister organisations which can support Iceland in its human rights-based approach to development.

CSOs serve as effective actors to address humanitarian needs and save lives. In humanitarian contexts, however, CSO support rarely contributes to the objective of a vibrant, pluralistic and

³¹ The English translation of the CSO Strategy uses "diverse". A pluralistic society is a diverse one, where the people of different races, religious beliefs, political convictions, cultures, and identities exist in the same society and in which this diversity is tolerated or embraced. If diversity is a fact, pluralism is an achievement.

empowered civil society in developing countries and the opportunities for building beneficial (north-south) people-to-people ties and connections are limited. The difference in roles and objectives of CSOs in development versus humanitarian contexts would need to be recognised in the new *Strategy* so that expectations are clear. In humanitarian operations, it is especially important that CSOs are experienced in working in emergency situations and in coordination with international humanitarian system.

Recommendation 1:

When drafting the future *CSO Strategy*, MFA should build on its previous one, developing it further to better meet the overall objective. MFA should initiate a consultative process with the development CSO community to ensure their input to the *Strategy*. Such a process should explore the:

- Ways that Icelandic CSOs envisage strengthening civil society partners in developing countries;
- Ways that Icelandic CSOs envisage proactively adding value to Iceland's development cooperation effort;
- Extent to which the Icelandic CSOs can play a role beyond service provision (for example, building active citizenship, global governance, advocacy, etc.).

When drafting the new strategy, MFA should elaborate a sound theory of change that clarifies the preconditions for change and the underlying assumptions. MFA should use the theory of change as the basis for a robust monitoring framework and plan. It should also make a distinction in the Strategy between the different roles that international CSOs have in humanitarian versus development contexts.

Recommendation 2:

In future development grant proposals, CSOs should be expected to explain, monitor, and report on how they will build capacity of and act in solidarity with developing country CSOs; connect peoples across borders; foster public engagement in Iceland; and engage in global-level civil society solidarity. Even though the support may be channelled through an intermediary (e.g., Lutheran World Federation country office), proposals should identify the local CSO partner and their status (community-based, sub-regional, national, membership-based, network, etc.).

Recommendation 3:

The new strategy should consider the role that Icelandic CSOs can have in developing and applying human rights-based approaches. Icelandic CSOs that are part of larger international networks should be encouraged to draw upon the knowledge and experience of their peers and subsequently share this with Iceland's development community.

7.3 Partnership approach and MFA-CSO relations

MFA has prioritised establishing a system that awards grants accountably and impartially. A project approach has been applied, and mostly one-year projects were awarded grants. As such, management of the grants has taken precedence over the achievement of the Strategy's

main objective—namely, the strengthening of CSO capacities in Iceland. Project support as a modality undermines long-term planning and the development of new areas of work. It stifles innovation and disincentivises organisational investment. Opportunities for learning and dialogue are missed. A continued project approach will not lead to enhanced capacities among Icelandic CSOs.

Given the generally positive relationship between MFA and most CSOs, and the common interest for more engagement and dialogue, there appears to be considerable scope for taking the relationship to the next level. This could consist of a partnership approach based on a framework agreement. Such an approach centres on shared objectives, mutual trust, honesty and dialogue. It relies on the accountability of both parties. However, complete alignment of all goals is not necessary. The independence of the CSOs is recognised and respected and the duties of the government ministry are accepted. A partnership approach involves a continuous, open and transparent dialogue, not least on ethical and other value-based issues.

While the FWA with IRC has yet to involve a strategic dialogue process among the parties, the generally positive experience of the framework agreement with IRC shows that a partnership approach with Icelandic CSOs is doable and promising. It leads to significant administrative efficiencies and improves prospects for results. IRC's fundraising results since the FWA are remarkable. Its gender equality effort is resulting in unprecedented attention from IFRC and ICRC. Going forward, the new FWA will need to ensure that the annual consultations become a more strategic instrument. IRC should also be expected to track and report on its public engagement/communications results and organisational development progress.

Not all CSOs are able to manage a framework agreement and others may only want to receive project grants. This would include newcomer CSOs, CSOs with no full-time staff, CSOs that are satisfied with their current capacity, and CSOs that prefer to keep a measure of distance from government. For such CSOs, project grants should continue to be available.

A FWA is of interest to most of the relatively larger CSOs, all which were assessed by PWC in 2017. The assessment needs to be revisited and followed up to determine the extent that these CSOs are ready. Areas which need improvement, but which the CSOs have only passable capacity in, can be dealt with in the FWA as an item the CSO commits to improving and report on within a defined time span.

While there have been ups and downs in the communication between MFA and the CSOs over the years, there is currently a solid level of collaborative spirit and energy among the stakeholders. The goodwill shown by MFA in the last year (particularly during Covid) and this evaluation process appear to have bolstered optimism and a desire for greater engagement. Establishing a regular dialogue platform for MFA and CSOs that would allow exchange and discussion of strategic and technical issues would be an asset for all parties and the overall Icelandic development cooperation effort.

Recommendation 4:

MFA and the interested larger CSOs should move towards establishing FWAs for humanitarian and/or longer-term development grants.

- The extent that the CSOs have made improvements since the PWC report should be assessed. Areas in need of organisational strengthening—including internal, external and/or technical capacities—should be identified and targets for improvement should be agreed upon.
- The CSOs should develop a multi-year strategic plan that draws on their unique added value as CSOs and include objectives in relation to building public awareness, organisational development, and capacity of developing country partners.

Recommendation 5:

MFA and the CSOs should make the most of the current positive momentum and establish a regular dialogue forum. In the upcoming period, the forum could support the consultation process for the new strategy.

Recommendation 6:

MFA and IRC should both ensure that the annual consultations of their FWA become a more strategic instrument. The discussion could include mutual priorities ahead; coherence with other MFA humanitarian efforts; and information-sharing on ongoing humanitarian emergencies and multilateral developments. IRC's priorities, progress, and plans regarding organisational development should also be covered. IRC should also be expected to track and report on its public communications efforts, and organisational development progress.

7.4 Grant management and coherence

MFA made important efforts to establish a comprehensive administrative system for CSO support during the *Strategy* period. Tools were prepared and updated. Evaluations were undertaken for the first time. A framework agreement was drawn up, signed, and implemented. The grant administration process, however, has been long, time-consuming, and fairly cumbersome, leading to inefficiencies within MFA and CSOs.

In comparison with other OECD countries, it is unusual that the grant administration system gives the Minister for Foreign Affairs the final say in every allocation. This seems to be a waste of resources and introduces the potential for political influence. Moreover, it undermines the professionalism of Iceland's development assistance.

The introduction of FWAs should lead to a more efficient system with lighter administration for the Ministry. There is also an opportunity for greater efficiency in the administration of project grants by introducing a two-step process consisting of the submission of a concept note before a project proposal is prepared. A two-step process is used by many bilateral donors,³² multilateral agencies, development funds, and foundations to promote efficiency and avoid waste of resources. It is particularly useful when applicants have less experience with the donor or with

³² Example from Sida <https://www.sida.se/en/for-partners/partnership-with-sida/how-an-initiative-comes-about>, Example from Danida <https://ddrn.dk/wp-content/uploads/2020/12/W1-Call-2021-final.pdf>.

submitting proposals since it provides the opportunity for guidance and dialogue along the way. As such, it strengthens capacity of the applicants.

MFA's CSO grant management has suffered from high turnover of staff. In addition to leading to delays, monitoring has been at best patchy. The misalignment of strategic objectives with the application, reporting, and monitoring criteria has further weakened the results-based management effort. Recommendations of external evaluations/assessments have not been followed up. Some institutional memory and opportunities for learning have been lost. Coherence with other parts of MFA and other MFA partners has not been pursued. The CSO partners have been negatively affected.

Vesting the CSO grant management in one position has worsened the effect of the high staff turnover. To ensure institutional stability it would be prudent to have 2 to 3 people sharing the work with CSO issues, even if not all of them are working full-time. This would also allow for dynamic exchange and learning within the unit.

Synergies and linkages with other parts of the Ministry, the government, and with partners have been weak. There is considerable scope and energy among staff for greater coherence, especially with the establishment of the Department of Strategic Partnership. The annual consultations of future framework agreements can serve as a way to identify and potentially pursue synergies and linkages. Likewise, the establishment of a regular forum for dialogue with the CSO actors would also promote coherence.

Recommendation 7: MFA should revisit and follow up on the recommendations of the evaluations from 2017 and the PWC assessment.

Recommendation 8: MFA should explore streamlining its proposal assessment process. This includes considering a two-step application for project grants that includes the submission of a concept note, followed by a full project proposal if the concept note meets the preliminary criteria. To promote coherence, when concept notes/proposals involve bilateral partner countries (Malawi and Uganda), MFA should consider involving relevant embassy staff in the assessment process.

Recommendation 9: To ensure professionalism and good development cooperation practice, decisions on individual agreements with CSOs should be void from processes that are open to political influence.

Recommendation 10: MFA should consider how it can reduce staff turnover and share the tasks of the CSO desk to promote institutional learning, dynamism and coherence.

Recommendation 11: To promote coherence, MFA should ensure a coordinated approach in its relations with CSOs, including with regard to initiatives funded through the *CSO Strategy* and those funded via the Ministry's communications budget.

Evaluation of The Icelandic CSO Strategy

Annexes

CECILIA MAGNUSSON LJUNGMAN

18 JANUARY 2021

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Evaluation of Iceland's strategy and management for Icelandic CSO collaboration in International Development Cooperation and Humanitarian Assistance

1. Introduction

Collaboration with Icelandic Civil Society Organisations (CSO) has always been a vital part of Icelandic Development Co-operation. CSOs contribute significantly to Icelandic development cooperation as well as emergency and humanitarian assistance. One of the primary strength of CSOs as a delivery mechanism for Icelandic development assistance is the close links they have with the grass roots in Iceland and recipient communities, and their potential advocacy role for vulnerable and disadvantaged groups.

Iceland's Policy for International Development Cooperation 2019-2023 states that: "continued contributions shall be made to projects run by civil society organisations (CSOs) in the field of development cooperation and humanitarian assistance. Work will be carried out in accordance with the policy objectives and procedures for cooperation with Icelandic CSOs, as well as support considered for CSOs in partner countries and countries of emphasis. Support for CSOs shall be based on promoting an independent, powerful, and diverse civil society that fights against poverty in all its different forms in the developing countries. The support also aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations. CSO projects shall, as with other projects of Icelandic authorities, aim to respect for human rights, gender equality, and sustainability".

The Ministry for Foreign Affairs and International Development Cooperation (MFA) is responsible for Iceland's international development cooperation and has set in place regulations and guidelines for operational procedures and application processes for collaborative funds for all humanitarian assistance and development cooperation projects in which Icelandic CSOs are involved.

In the past, Iceland has also collaborated with CSOs from the global south through its Embassies in developing countries. Currently, Iceland has a presence in Malawi and Uganda. Such support has to a large extent ceased but is being reconsidered as an appropriate channel to support efforts for cross-cutting issues in Iceland's development policy which are human rights, gender equality and the environment.

As of 20 May 2020, organizational changes took effect within the MFA's Directorate of International Affairs and Development Cooperation. Administration of CSO collaboration now falls under the Department of Strategic Partnership, which is one of three core departments within the

Directorate. The Department is also responsible for collaboration with other partners in Iceland for which synergies are sought for example the private sector.

In recent years, the cooperation with CSOs in Iceland has been guided by Iceland's Policy for International Development Cooperation, mentioned above, and a specific Strategy for CSO collaboration, complemented with Rules (no. 300/2019) and Guidelines.

The Strategy for Cooperation with Icelandic CSOs in International Development Cooperation and Humanitarian Affairs was in place from 2015 to 2019. Furthermore, in 2017, in accordance to the Policy, a framework agreement was established with the Icelandic Red Cross Society (RKÍ) to channel support to emergency and humanitarian assistance.

Cooperation with civil society is subject to evaluations and other monitoring mechanisms. In 2017 (reports published at the beginning of 2018), projects by the Icelandic Church Aid (Hjálparstarf Kirkjunnar) and Icelandic Red Cross (Rauði Kross Íslands) in Ethiopia, Uganda, Belarus and Malawi, were evaluated.

2. Purpose of the evaluation

The purpose of this evaluation is for both accountability and learning in relation to the implementation and results of the strategy for collaborating with Icelandic CSOs. It applies a utilization-focus and is expected to provide MFA Iceland with input to the drafting of future Icelandic CSO strategy and its implementation. This includes recommendations relating to improved administrative and results-based management systems. The primary user of the evaluation is the Department of Strategic Partnership¹ within the MFA's Directorate of International Development Cooperation. Secondary users include Icelandic CSOs. Other users include the implementation partners of Icelandic CSOs, international networks/umbrella organisations of the Icelandic CSOs, other departments with MFA and MFA's different strategic partners for development cooperation initiatives.

3. Objectives

The overall objectives of this evaluation assignment are to provide an independent and objective assessment of the:

1. the results of the CSO strategy 2015-2019,
2. the operational efficiency of MFA's administration/management system for collaboration with Icelandic CSOs,
3. the results of the framework agreement with the Icelandic Red Cross for humanitarian assistance,

¹ The Director for Strategic Partnership is responsible for leading the formation of the CSO strategy and is the operational unit for collaboration with Icelandic CSOs.

4. the operational efficiency of the framework agreement with the Icelandic Red Cross for humanitarian assistance,
5. The coherence of the CSO strategy results with Iceland's other of strategic partnerships for development cooperation.

The evaluation will focus on the following OECD/DAC evaluation criteria:

- Coherence: how well does the strategy implementation fit into Iceland's overall development policy efforts?
- Effectiveness: is the strategy achieving the intended results?
- Efficiency: how well are resources being used?

The evaluation is expected to shed light on:

- the extent to which the current administrative and management system promotes and contributes to the achievements of the CSO strategy objectives and outcomes (see annex 1)
- the efficiency of different funding agreements, administration and management of Icelandic CSO collaboration and value added of Icelandic CSO cooperation.

Based on the above, the evaluation should provide suggestions for appropriate funding and management systems for Iceland's collaboration with CSOs based on the above assessments. It should also provide recommendations on how MFA can better achieve results in its collaboration with Icelandic CSOs.

The evaluation shall adhere to the MFA Evaluation Policy 2020-2023 and follow the current OECD-DAC Quality Standards for Development Evaluations, as appropriate.

4. Scope

The object of the evaluation is MFA, its management and implementation of the Icelandic CSO strategy 2015-2019. The scope of the evaluation includes the years 2015 to date. It should encompass the 20+ Icelandic CSOs that have applied and/or received support since 2015, the Icelandic country committees for UN Women and UNICEF, and the UN Association, Iceland. It should also obtain information from the seven MFA staff members who have been involved in the management of the Icelandic CSO support. The evaluation should also gather views from a sample of the external consultants who have participated on the advisory boards and consultants conducting a formative evaluation of Iceland's collaboration with academia.

Core documents to be reviewed by the evaluation are listed in Annex 2.

5. Evaluation questions

The following evaluation questions should be considered and further elaborated in the inception phase:

Coherence:

1. To what extent does Icelandic CSO collaboration efforts cohere and create synergies with MFA's other strategic partnerships, in particular private sector partnerships and technical assistance programme?²

Efficiency:

2. How efficient is the current MFA management/administrative system for Icelandic CSO collaboration?
3. How efficient has system been for managing the framework agreement with the Icelandic Red Cross been?
4. To what extent is there an operational and effective results-based system in place at MFA?³

Effectiveness:

5. To what extent has the CSO collaboration strategy reached its intended results?
 - a. To what extent has the overall capacity of Icelandic CSOs to work against poverty and protect democracy and human rights improved from 2015 to 2020?
 - b. To what extent has the framework agreement for humanitarian aid been effective in achieving results?

6. Approach and methodology

The evaluation process should be designed with a utilisation focus in mind, and be conducted and reported to meet the needs of the intended users. The evaluation should promote participation and engagement in the evaluation process by the evaluation's primary and secondary users.

The evaluation shall be based on study of relevant documents and interviews with relevant stakeholders. It is expected that mixed methods will be applied, qualitative and quantitative. It is expected that interviews will be carried out with key stakeholders in Iceland, and workshop held with stakeholders from CSOs and Ministry for Foreign Affairs representatives.

During the inception phase, the Consultant will designing an appropriate methodological approach which is likely to yield evidence-based assessment and developing a detailed evaluation matrix in cooperation with MFA, which will be presented in the inception summary.

² It should be noted that the third primary dimension for strategic partnerships is partnerships with academia, for which no strategy currently exists. A formative/forward-looking evaluation commencing in September 2020 maps opportunities, defines best practices and mechanisms for MFA to collaborate with academia to jointly contribute to the achievement of the SDGs.

³ Planning, monitoring systems, regular evaluation functions, reporting and learning.

7. Evaluation Activities

The tasks of the Consultant's work will include, but not be limited to:

1. Formulate specific evaluation questions in collaboration with MFA. Evaluation questions shall be based on the core evaluation questions set forth above.⁴
2. Carry out a desk study of the current administrative framework for MFA's collaboration with CSOs to include evaluation and monitoring practices.
3. Assess the strength and shortcomings of current management mechanisms applied by the MFA.
4. Hold focus discussions (workshop) with the respective CSOs and other stakeholders to capture their views and recommendations, on the administrative framework for CSO collaboration.
5. Make recommendations to MFA for a results-based management system, including monitoring and follow-up processes.
6. Remotely present recommendations of the evaluation to stakeholders and MFA staff.

While the MFA Departments of Results and Evaluations, Department of Strategic Partnerships and the respective CSOs are expected to participate with the Consultant in the evaluation to a certain extent, it is nonetheless the ultimate responsibility of the consultant to produce a high quality evaluation report and recommendations with reference to MFA mission for international development.

8. Deliverables

The deliverables in the consultancy consist of the following outputs:

- Short inception report with an evaluation plan, brief workplan and data requirements.
- Workshop with stakeholders in Reykjavik (pending possible COVID-19 restrictions).
- Draft report.
- Final report.
- Remote presentation of the final report.
- Evaluation brief not exceeding 2 pages.

9. Timeframe

It is expected that the assignment will be carried out from 22 September 2020 and be finalized by 30 December 2020. One visit to Iceland is planned.

10. Management and Logistics

The evaluation will be managed by the Department of Results and Evaluations at the MFA Directorate of International Affairs and Development Cooperation. The evaluation will be led by _____

⁴ The MFA logframe for CSO collaboration is provided in appendix 1.

the Consultant but MFA staff will provide necessary documents and available data. With respect to the overall management and execution of the evaluation the following assignment of responsibilities is expected.

1.1.1 The Director of Results and Evaluation at MFA

The Director of Results and Evaluation at the Directorate for International Affairs and Development Cooperation at MFA will be the primary MFA representative for this evaluation and the focal point for communication with other MFA personnel. The Director of Results and Evaluation is responsible for:

- Facilitating the Consultant's access to pertinent MFA documents and personnel.
- Facilitating the Consultant's access to pertinent CSO personnel.
- Organizing Consultant's workshop with relevant stakeholders.
- Providing overall management responsibility for the evaluation.
- Approving all deliverables.

1.1.2 The Consultant

MFA Iceland seeks to hire a Consultant with at least 10 years of experience in evaluations in international development, including vast experience in evaluating CSO projects, and partner arrangements between CSOs and donor organizations.

The Consultant is responsible for:

- Conducting the evaluation in accordance with the ToR and the approved Inception report.
- Managing day-to-day operations related to the evaluation.
- Making relevant travel arrangements related to the assignment.
- Providing regular progress updates and consulting the MFA Director of Results and Evaluation as needed.
- Producing deliverables in accordance with the contractual requirements.

2 Appendix 1

MFA logframe for collaboration with Icelandic CSOs

The objectives of the government's strategy for supporting CSOs.	Measurements	Proofs/evidence	External conditions and risks
To strengthen CSO's work against poverty and to protect democracy and human rights.	Powerful and active organisations that participate in international cooperation and put effort into reduce poverty, promote democracy and human rights in the world.	Reports and evaluations.	Economic – political.
Special objectives	Measurements	Proofs/evidence	External conditions and risks
To strengthen the ability of Icelandic CSOs within international humanitarian- and development aid	<p>Increased proportion of acceptable application for funding.</p> <p>Projects that get funding achieve set goals.</p> <p>Organisation that get funding show institutional skills.</p>	<p>Annual reports from CSOs.</p> <p>Annual reports from the funding mechanism.</p> <p>Reviews from the professional team handling the applications.</p> <p>Progress reports.</p> <p>Evaluations.</p> <p>Evaluations from the MFA, monitoring reports.</p> <p>Annual reports</p> <p>Progress reports</p>	<p>Economic – political;</p> <p>policy changes withing the Icelandic government regarding cooperation and funding to Icelandic CSOs</p> <p>Lack of transparency and liability division; lack of knowledge and ability.</p> <p>Economic - political; Knowledge, ability and structure; dependent</p>

		Evaluations and reviews. Evaluation from the MFA, monitoring reports.	on funding (from government and private sectors).
	Increased flow of information and academic discussion about the matter.	Annual report from the funding mechanism.	Economic and political: capacity.
Expected outcome	Measurements	Proofs/evidence	External conditions and risks
a. Organisations that have the ability and the structure to accept funding and make agreements to minimum of 4 years	<ol style="list-style-type: none"> Two framework agreements made during the timeframe of the strategies (humanitarian aid). Four long term project agreements (2-4 years). Four agreements made with newcomers (at least one sponsorship per year). Two agreements: Unstable states/minorities. For example agreements caused by projects: <ol style="list-style-type: none"> in unstable states; regarding refugees or others that are suffering related to KFÖ (1325). 	<p>Yearly report from the funding mechanism.</p> <p>Progress reports/evaluations/audit checks.</p> <p>Reviews from the professional team that handles the applications.</p>	<p>Professional applications.</p> <p>CSOs meet requirements.</p>
b. Increased knowledge, ability and	<ol style="list-style-type: none"> The MFA should fund training for SCOs at least every second year. (e.g. 	Same as above.	Same as above.

<p>professionalism within CSOs</p>	<p>preparing newcomers and in preparation and monitoring of projects).</p> <p>2. X amount of funding for the SCOs to host their own course about their issues.</p>	<p>c. Improved environment and facilities for food for thoughts and professional discussions.</p>	<p>1. X amount of funding to promoting and introduction of the issues (workshops, conferences, publications, presentations and other events).</p>	<p>Same as above.</p>	<p>Same as above.</p>
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3 Appendix 2 Documents

- CSO Strategy 2015-2019 (new strategy is pending the evaluation).
- Rules for the Ministry for Foreign Affairs on grants for development cooperation and humanitarian assistance organisations.
- Detailed guidance (verklagsreglur) for applicants (2015-2020).
- Assessment framework for applications.
- Framework Agreement between the Ministry for Foreign Affairs and the Icelandic Red Cross on International Humanitarian Assistance 2018-2020.
- Reports from 2015-2020 detailing the selection committee's comments and recommendations.
- Financial reliability assessment of CSOs (2017 report).
- Monitoring mission reports.
- Financial overview of grants 2015-2019.
- Grant call and announcement timelines 2015-2020.
- CSO capacity development efforts overview/summary.
- CSO project status reports and final project reports (as required by Consultant).
- Other available documents/data (as required by Consultant).

Annex 2: Evaluation framework

Evaluation questions <i>What do you want to know</i>	Indicators - <i>How will you know</i>	Methods - <i>How will the data be gathered</i>	Sources - <i>Where can the data be obtained</i>
Coherence			
EQ1: To what extent does Icelandic CSO collaboration efforts cohere and create synergies with MFA's other strategic partnerships, in particular private sector partnerships and technical assistance programmes?	<p>What opportunities for synergies are there?</p> <p>To what extent are these synergies capitalised on?</p>	Evidence of synergetic efforts and effects.	Interviews and document review.
			<p>MFA staff responsible for other partnerships</p> <p>Relevant stakeholders within Private Sector, Academia, technical assistance, staff at GRO, team appraising collaboration with academia</p> <p>Members of the selection committee</p>
Efficiency and organisational effectiveness			
EQ2: How efficient is the current MFA management/administrative system for Icelandic CSO collaboration?	<p>To what extent is the process from calls for proposals to issuing grants smooth and timely?</p> <p>To what extent are there</p>	<ul style="list-style-type: none"> Distribution of time and resources per contribution over time (time spent by MFA on administration, management, 	<ol style="list-style-type: none"> Document review Data analysis of disbursements and
			<p>Documentation</p> <p>Key informants at MFA and in CSOs</p>

	<p>systems in place for an effective dialogue with partner/recipient CSOs?</p> <p>Are there opportunities for streamlining processes?</p>	<p>dialogue, strategic tasks)</p> <ul style="list-style-type: none"> • Tools developed to support smooth administration of grants (guides, templates, feedback) • Form, frequency and quality of dialogue with CSOs 	<p>management timespans</p> <ol style="list-style-type: none"> 3. Organisational SWOT analyses 4. Analysis of survey results of CSOs 5. Interviews 6. Virtual groups discussions 	<p>Members of the selection committee</p>
<p>EQ 3: To what extent is there an operational and effective results-based system in place at MFA??</p>	<p>Have the structures and systems been put in place to ensure effective monitoring of the programmes?</p>	<p>Extent the results framework is known about, used, updated</p> <p>Existence of a functioning monitoring system</p> <p>Management response to evaluations and evidence of follow-up and learning</p>	<ol style="list-style-type: none"> 7. Document review 8. Organisational SWOT analyses 9. Interviews 10. Virtual groups discussions 11. Monitoring/field visit document(s) 	<p>Documentation</p> <p>Key informants at MFA and in CSOs</p>

<p>EQ4: How efficient has the system been for managing the framework agreement with the Icelandic Red Cross been?</p>	<p>What have been the strengths and challenges?</p> <p>Are there opportunities for streamlining processes?</p> <p>Can the agreement be replicated?</p>	<p>Distribution of time and resources per contribution over time (time spent by MFA on administration, management, dialogue, strategic tasks)</p> <p>Tools developed to support smooth administration of the framework agreement</p> <p>Form, frequency and quality of dialogue between MFA and IceRC</p>	<p>12. Document review</p> <p>13. Mapping out disbursements and management timespans, drawing on archives</p> <p>14. Joint SWOT workshop on framework agreement</p> <p>15. Interviews</p> <p>16. Virtual groups discussions</p>	<p>Documentation</p> <p>Key informants at MFA and at IceRC</p> <p>Members of the selection committee</p>
<p>Effectiveness</p>				
<p>EQ5: To what extent has the CSO collaboration strategy reached its intended results?</p> <p>a) To what extent has the overall capacity of Icelandic CSOs to reduce poverty</p>	<p>17. What have been the capacity needs/gaps of the CSOs and to what extent have</p>	<p>The number of applications for funding from CSOs and the proportion that meet criteria.</p> <p>The extent CSO funded programmes met their respective objectives.</p>	<p>19. Document review</p> <p>20. CSO survey</p> <p>21. Interviews</p> <p>22. Virtual groups discussions</p>	<p>Documentation</p> <p>Key informants at MFA and in CSOs</p>

<p>and protect democracy and human rights improved from 2015 to 2020?</p> <p>b) To what extent has the framework agreement for humanitarian aid been effective in achieving results?</p>	<p>they been addressed?</p> <p>18. To what extent and how are the Icelandic CSOs is adding value and how?</p>	<p>Evidence of organisational development within CSOs</p> <p>Achievement of targets set in results framework/strategy:</p>		
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Annex 3: List of informants

1. Ágúst Már Ágústsson	Adviser, International Organizations and Political Affairs, MFA Iceland
2. Águsta Gísladóttir	Director, Department of Strategic Partnerships, MFA Iceland
3. Ásdís Bjarnadóttir	Adviser, World Bank Group Unit, MFA Iceland, Former CSO Grant Selection Committee member
4. Atli Viðar Thorstensen	Director of International Department, Icelandic Red Cross
5. Bjarni Gíslason	Director, Icelandic Church Aid
6. Erla Hlín Hjálmarsdóttir	Director, Director of Results and Evaluations, MFA Iceland Former CSO Grant Selection Committee member
7. Guðrún Helga Jóhannsdóttir	Deputy CEO – IP & PR Director, Save the Children Iceland
8. Gunnar Stefánsson	CEO of Smiley Charity and Founder of Education in a Suitcase
9. Hafdís Hanna Ægisdóttir	Senior Advisor, MFA Iceland and Research Manager, Institute for Sustainability Studies, University of Iceland
10. Páll Davíðsson	Lawyer and UN Consultant, CSO Grant Selection Committee member
11. Pétur Skúlason Waldorff	Deputy Permanent Representative, Permanent Delegation of Iceland to the OECD. Former CSO Grant Selection Committee
12. Ragnar Gunnarsson	Director, Icelandic Lutheran Mission
13. Ragnar Schram	Managing Director, SOS Children's Villages Iceland
14. Ragnheiður Kolsöe	Adviser, Humanitarian Affairs, MFA Iceland
15. Sjöfn Vilhelmsdóttir	Director of GRÓ LTF, Former CSO Grant Selection Committee member
16. Skafti Jónsson	Minister Counsellor, Directorate of International Affairs and Development Cooperation, MFA Iceland.
17. Sóley Ásgeirsdóttir	Specialist, Strategic Partnerships, MFA Iceland
18. Sólrún María Ólafsdóttir	PMEAL/PGI advisor, Icelandic Red Cross, Icelandic Red Cross
19. Sólveig Ólafsdóttir	Communications Officer at the City of Reykjavik CSO Grant Selection Committee member
20. Stella Samúelsdóttir	Executive Director, UN Women Iceland

21. Svanhvít Aðalsteinsdóttir	Director of Consular Services, Directorate for Legal and Executive Affairs - Consular Services, MFA Iceland
22. Þórdís Sigurðardóttir	Head of Mission, Embassy of Iceland, Uganda
23. Vilhjálmur Wíium	Director of Environmental Affairs, Directorate for Bilateral and Regional Affairs, MFA Iceland

Annex 4: List of documents reviewed

1. Cooper, Rachel. *What is Civil Society, its role and value in 2018?* K4D Helpdesk Report Commissioned by DfId.
2. Framework Agreement between the Ministry for Foreign Affairs and the Icelandic Red Cross on International Humanitarian Assistance 2018-2020.
3. Icelandic Red Cross Monitoring of Targets in framework Agreement. 2018-2020, March 15, 2020
4. Icelandic Red Cross, Financial Progress, 2020
5. Icelandic Red Cross, Monitoring framework for the Humanitarian Framework Agreement
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Annex 5: CSO Survey questions

1. When was you CSO formed?

1 to 5 years ago

5 to 10 years ago

10 to 15 years ago

15 to 20 years ago

More than 20 years ago

2. How many equivalent of fulltime staff members does your organisation have working with development/humanitarian issues?

0 50

3. approximately how many volunteers does your organisation have working with development/humanitarian issues?

0 50

4. Please indicate the extent you agree to the following statements:

	I strongly agree	I mostly agree	I slightly agree	I slightly disagree	I mostly disagree	I strongly disagree	I do not know
I am familiar with the <i>Icelandic CSO Strategy</i> and its objectives.	<input type="radio"/>						
I am familiar with the <i>different types of CSO funding</i> available from MFA.	<input type="radio"/>						
I am familiar with the <i>processes</i> involved in applying for CSO funds from MFA.	<input type="radio"/>						

Any comments?

5. Please indicate the extent you agree to the following statements:

	I strongly agree	I mostly agree	I slightly agree	I slightly disagree	I mostly disagree	I strongly disagree	I do not know
MFA communicates well with my organisation.	<input type="radio"/>						
MFA communicates well with the CSO community.	<input type="radio"/>						
Communication with MFA and my organisation occurs frequently enough.	<input type="radio"/>						
MFA is transparent in its relations with CSOs.	<input type="radio"/>						
MFA is	<input type="radio"/>						
MFA understands the strengths of my organisation.	<input type="radio"/>						
MFA understands the challenges faced by my organisation.	<input type="radio"/>						
MFA supports my organisation to network.	<input type="radio"/>						
MFA supports my organisation to build organisational capacity.	<input type="radio"/>						

Any comments?

6. Please indicate how you assess your organisation's capacities

	Excellent	Above average	Average	Below average	Weak	I do not know
Governance	<input type="radio"/>					
Management	<input type="radio"/>					
Financial systems	<input type="radio"/>					
External communication and awareness raising	<input type="radio"/>					
Advocacy	<input type="radio"/>					
Field engagement	<input type="radio"/>					
Fund-raising	<input type="radio"/>					
Building and maintaing networks	<input type="radio"/>					

Any comments?

Annex 6: SWOT methodology and results

The Evaluation of the Icelandic CSO Strategy included three separate SWOT workshops: one for MFA staff, one for CSO representatives; and one for MFA and Icelandic Red Cross staff with a focus on the framework agreement for humanitarian projects.

Methodology

For the first two SWOTs, two separate electronic SWOT surveys were sent to 10 MFA staff and 18 CSOs respectively. Ten MFA staff members and 11 CSOs responded. The four questions in each survey were the following:

1. What do you consider are the 3 most important strengths regarding MFA's management (i.e. the leadership, management, communication, coordination and/or administration) of the Icelandic CSO Strategy?
2. What do you consider are the 3 most important areas for improvement with regard to MFA's management of the CSO Strategy?
3. What do you consider are the main opportunities for more efficiently and effectively achieving the objectives of the CSO Strategy ? (The main objectives of the CSO Strategy are to: i) strengthen CSOs in their work to reduce poverty, promote democracy and realise human rights; ii) strengthen the capacity of Icelandic CSOs within international humanitarian and development aid.)
4. What do you consider are the main threats to efficiently and effectively achieving the objectives of the CSO Strategy?

Not all respondents submitted three strengths, weaknesses, opportunities or threats each time. Hence, the total number of inputs do not always add up to 3x number of respondents.

NIRAS analysed and pre-clustered the inputs. Each input was then transcribed onto colour-coded virtual "cards" that were arranged on a Prezi SWOT "canvas" under rubrics in the respective Strengths, Weaknesses, Opportunities, and Threats "fields".

Using Teams, a workshop was held with each group. NIRAS presented the Prezi canvas with its suggested clustering and rubrics, by each SWOT area. Participants were invited discuss and debate the cards and rubrics. Open and frank discussions ensued. The atmosphere was constructive and reflective. Clusters and their rubrics were modified as needed. The table below lists the rubrics and the number of cards that were clustered under each one. The rubrics in bold represent a rubric that was the same or similar to a rubric applied in the parallel SWOT workshop.

Figure 0.1 Rubrics and number of cards under each SWOT area

MFA SWOT		CSO SWOT	
Strengths			
RUBRIC	No OF CARDS	RUBRIC	No OF CARDS
MFA competence & motivation	6	MFA competence & dedication	11
MFA relations with CSOs	6	Guidance & support	5
In-house coordination	6	Flexible & efficient	4
Good management & administration	3	MFA relations with CSOs	4
Fair & clear process	4	Quick communications	2
Public comm. on development cooperation	2	More/longer funding	2
Political commitment	2	Fair process	1
Supports CSOs to connect with sister CSOs	1		
Builds Icelandic CSO capacity	1		
total	31	total	29
Weaknesses			
Staff continuity & capacity	7	Attitudes towards CSOs	7
Internal/external communication	4	Unclear information	6
Cooperation & collaboration w/ CSOs	4	Staff continuity	4
Application processing – length & transparency	3	Predictable & limited funding	3
Leadership	3	Capacity development	3
Management	2	Late responses	3
Capacity development	1		
total	24	total	26
Opportunities			
MFA as an international door opener	6	CSO support to new areas	6
New CSO partnerships in Iceland	4	Increased collaboration	5
Strengthening of CSO capacity	3	More funds	5
Improve MFA-CSO interaction	3	New ways of providing support	4
Public communication	3	Make better use of CSO expertise	2
More funds	3		
IT use	2		
Improve RBM at Ministry	2		
CSO support to new areas	2		
total	28	total	22
Threats			
Limited CSO capacity	9	Reduced funding	9
Small CSO sector	4	Loss of MFA staff professionalism	3
Reduced funding	4	Staff turnover	3
Politics	4	Politics	3
Overall MFA capacity	4	Worsened conditions in LDCs	2
CSO inertia	3	CSOs overstretching	2
Civil society & state divide	1		
Bureaucratisation	1		
total	25	total	22

Annex 7: Inception report

4 Introduction

The following Inception Note is NIRAS' response to the terms of reference for the evaluation of the Icelandic CSO Strategy, which has been commissioned by the Ministry for Foreign Affairs in Iceland (MFA). The purpose of this document is to present the proposed approach, data collection methods, and work plan for the undertaking of the evaluation. The Note is based on an initial documentation review, several discussions with MFA Iceland; and preliminary interviews with key stakeholders at MFA, the Icelandic Red Cross (IceRC) and Icelandic Church Aid. These interviews have focused on expectations, priorities, possible challenges to gathering information, and how to ensure an inclusive participatory process that maximises learning for the key stakeholders.

4.1 Purpose and objectives

The objective of the Icelandic CSO Strategy Evaluation is to assess the following:

- The results of Iceland's CSO Strategy 2015-2019;
- The operational efficiency of MFA's administration/management system for collaboration with Icelandic CSOs;
- The results and operational efficiency of the framework agreement with the Icelandic Red Cross for humanitarian assistance;
- The coherence of the CSO strategy results with Iceland's other of strategic partnerships for development cooperation.

The purpose of the evaluation is to feed into the process of drafting a new Icelandic CSO strategy.

4.2 Scope and expectations

This evaluation concerns Iceland's strategy of collaborating with Icelandic CSOs within the context of development cooperation. A key component of this collaboration is the framework agreement for humanitarian interventions between Iceland's MFA and the Icelandic Red Cross. The evaluation will cover the time period from 2015 to date. It will encompass the 20+ Icelandic CSOs that have applied and/or received support since 2015.

The evaluation will focus on MFA's implementation of the strategy and the results achieved/not achieved as per the strategy's results framework, in relation to *Icelandic CSOs*. Assessment of the results achieved directly or indirectly by Icelandic in developing countries will not be covered by this evaluation.

The 2017 evaluation of MFA's support to IceRC and Icelandic Church Aid provided overall conclusions regarding effectiveness, relevance, efficiency, and sustainability of the projects being implemented. It also analysed the added value of channelling support via Icelandic CSOs, discussed strategic considerations going forward and provided seven recommendations. The current evaluation will follow-up on the 2017 evaluation, including the extent to which relevant recommendations have been addressed and follow up.

Initial discussions with four stakeholders from MFA and three from CSOs raised the following as important issues for the evaluation to address:

- Is the CSO cooperation working well enough? Can it be improved and if so how?

- How are accountability, democracy and transparency promoted in the cooperation?
- How can the cooperation be structured to ensure smooth, open, transparent communication?
- To what extent has the framework agreement with IceRC been a success? Can it be replicated?
- What are the capacity needs/gaps of the CSOs? How do they differ among the CSOs? How can capacity of Icelandic CSOs be developed?
- To what extent are the Icelandic CSOs adding value and how?
- How can MFA staff members gain better insights into the CSOs way of working in practice, including in partnership with networks/umbrellas and on the ground in developing countries?
- To what extent can processes within MFA be streamlined?
- How have the recommendations of the last CSO evaluation been followed up and responded to?

5 Evaluability of evaluation questions

The five evaluation questions outlined in the terms of reference relate to three evaluation criteria – namely effectiveness, efficiency and coherence. These are discussed below.

Efficiency:

11. How efficient is the current MFA management/administrative system for Icelandic CSO collaboration?
12. How efficient has the system been for managing the framework agreement with the Icelandic Red Cross?
13. To what extent is there an operational and effective results-based system in place at MFA?

Efficiency in evaluation relates to assessing the extent that support has been delivered and results have been achieved (or are likely to be achieved) in *an economic and timely way*. The efficiency questions in the ToR concern MFA's efforts to manage, administer, and follow up on the support that is channelled through Icelandic CSOs; as well as MFA's dialogue and interaction with these organisations. It also includes MFA's systems and efforts to plan, monitor, evaluate, report, and learn from its support to Icelandic CSOs.

The information needed to explore these questions will be gathered through review of documentation since 2015 and interviews with MFA and CSO staff. SWOT workshops (see section 6.1.3) will also be an important source.

Effectiveness:

14. To what extent has the CSO collaboration strategy reached its intended results?
 - a. To what extent has the overall capacity of Icelandic CSOs to work against poverty and protect democracy and human rights improved from 2015 to 2020?
 - b. To what extent has the framework agreement for humanitarian aid been effective in achieving results?

Effectiveness considers the extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. The objectives of the CSO strategy are:

- To strengthen CSO's work against poverty and to protect democracy and human rights.
- To strengthen the ability of Icelandic CSOs within international humanitarian- and development aid.

This evaluation will not be able to undertake a full capacity assessment of the partner CSOs, but documentation, discussions, self-assessments in surveys, and SWOT workshops should be able to shed light on the extent there has been changes in capacity in the CSO community. This includes internal capacities (management, administration and governance systems), external capacities (communication, awareness raising, advocacy, networking) and specific technical capacities (for instance working with youth, gender equality, mental health). Follow up of the 2017 evaluation will also be important.

Coherence:

15. To what extent does Icelandic CSO collaboration efforts cohere and create synergies with MFA's other strategic partnerships, in particular private sector partnerships and technical assistance programme?

Coherence refers to the compatibility of the strategy implementation with other strategies/interventions. In the case of the CSO strategy, this includes coherence with MFA's strategies in relation to other partnerships such as the private sector, MFA's technical assistance programme and the Gró centre. What opportunities exist? To what extent have they been seized? Have synergies been achieved? Discussing with stakeholders within the Ministry, the CSOs, and stakeholders of the other strategies are expected to shed light on this evaluation question.

6 Proposed approach and methodology

The overall approach of this evaluation will aim to promote participation, learning and utility. NIRAS considers that it is the evaluator's task to contribute to and facilitate decision-making in a meaningful way, so that the findings, conclusions, and recommendations of the evaluation are concrete, specific and actionable for the different intended users of the evaluation. Thus, the evaluator will aim for a **strong utilisation focus** so that the evaluation process is designed, conducted, and reported in such a way as to meet the needs of the intended users, in this case MFA Iceland. To do so effectively requires establishing a constructive working relationship between evaluator and the key evaluation stakeholders.

Utility is also enhanced when there are **learning opportunities** (informal or more structured) during the evaluation process. Evaluators often have valuable information to share – e.g. insights regarding results-based management approaches and strategies; knowledge of how other development actors have addressed challenges; and perspectives on systems, processes, and strategies – which can contribute to building capacities during the evaluation process.

For both utility and learning, applying an **open, participatory and inclusive** approach to the evaluation process is critical. This involves including stakeholders in discussions, analysis and assessments and stimulating a critically reflective discussion amongst them. For many of the

involved stakeholders, reflections, discussions, and feedback during the evaluation process may prove to be more constructive and valuable than the final written product.

An ongoing dialogue will ensure the best platform for co-creation of knowledge, summarising experience in lessons learnt and formulating operational forward-looking recommendations. In addition to feedback loops, verification activities and interim debriefings; the evaluator will run online SWOT workshops (combined with electronic SWOT surveys); and a verification and validation (preliminary findings and conclusions) workshop.

The evaluator is committed to a number of **key working principles**, that NIRAS has adopted as a result of our hands-on experience with reviews and evaluations. These are summarised below

- **Evidence based and methodological rigour.** NIRAS evaluators apply mixed methods and evaluate based on evidence collected through in this case, document review, interviews, focus group discussions, and electronic survey(s).
- **Quality.** NIRAS strives for our evaluation processes and products to have high quality. Quality is about **utility, credibility** and **impartiality**. The latter involves independence, fairness and professional integrity.
- **Process approach.** Reviews and evaluations are processes rather than single events. An evaluation should offer space for reflection, learning and if necessary agreed adjustments. Information and accumulation of knowledge during the process may bring new perspectives.
- **Ethics.** Evaluation will be conducted with the highest standards of integrity and respect. The evaluator will respect the rights of institutions and individuals to provide information in confidence. Sensitive data will be protected and should not be traceable to its source. The evaluation report will not reveal the names of sources and if needed, it will conceal identities or persons or organisations by using abstraction.
- **Systematic and clear communication.** Active and transparent communication and sharing of information are fundamental for useful evaluation processes and products. The evaluator is committed to clear, transparent, and regular communication with MFA throughout the evaluation.

6.1 Data collection methods

The sections below discuss the different methods and tools that the evaluation will apply to collect data.

6.1.1 Documentation review

MFA has identified and collected some of the data needed. A significant amount is in Icelandic and will require translation. The evaluator will need to work closely with the CSO Desk and the evaluation Desk at MFA to gather, collate, discuss, and understand the available documentation and statistics.

6.1.2 Data analysis

With the support of MFA, the evaluator will compile, analyse and present key data relating to the strategy. This includes, but is not limited to number, type, and size of CSO applications received for the different categories; and number, type, and size of grants; and number of calls.

6.1.3 SWOT workshops

SWOT analyses (Strengths, Weaknesses, Opportunities Threats) with participation are an effective and efficient way to gather information on efficiency/organisational effectiveness and to jointly explore future possibilities. NIRAS proposes to conduct three electronic SWOT exercises: one with MFA focusing on the support and relations with CSOs; another with the CSOs; and a third with relevant MFA staff and IceRC focusing specifically on the humanitarian framework agreement. The approach involves the administration of a fit-for-purpose electronic SWOT survey, followed by a participatory verification session at which the evaluator analyses the survey feedback and presents it to the stakeholders under suitable rubrics. The approach has the advantage of being participatory, yet time-saving and allows views to be expressed anonymously through the survey, but still discuss issues in a group.

6.1.4 Interviews with MFA staff and CSO partners

Interviews will be undertaken with key MFA staff, a selection of CSO partners, and a few other resource persons to be identified.

6.1.5 Survey of CSOs

To ensure that the evaluation gathers data from all CSOs that have applied for funding, an electronic survey in English will be administered. The questions will focus on three main areas:

- Familiarity and understanding of the CSO strategy, its objectives; application processes; the application guidance; and the forms of support available to CSOs;
- Communication and interaction with MFA;
- Self-assessment of the CSOs' capacities – including management capacities, communication, advocacy, fund raising, field engagement, networks.

The questions will be mostly multiple choice (e.g. sentiment questions with a Likert scale), with the option to provide open ended answers and comments.

6.2 Verification and validation workshop

Before the report has been drafted, the evaluator will present key findings and conclusions to key stakeholders. This will allow the key stakeholders to discuss, ask questions, and raise issues with the evaluator before the drafting process. It is our experience that this enhances quality and utility of the evaluation.

6.3 Presentation

The final report will be presented to stakeholders at a final seminar.

6.4 Limitations

Given the Covid pandemic, it is foreseen that this evaluation will not consist of face-to-face meetings, workshops, or interviews. Screen-based communication can feel more formal. Some granular and informal information may be more difficult to capture, since trust and rapport can be more difficult to establish virtually.

The evaluator does not speak Icelandic, but many of the required documents for this evaluation are in Icelandic. The evaluator will need to rely on support from MFA for translation and interpretation of documents. Likewise, the evaluator will need to rely on MFA for access to

financial data. This reliance on MFA has a potential bearing on the independence of the evaluation. To uphold the credibility of the evaluation exercise, it will be important for the support from MFA to be transparent, that the evaluator maintains a critical perspective and that both parties uphold professional integrity.

7 Work Plan

What	Who	When
Implementation and reporting phase		
Inception meeting with CSOs	<i>CSO partners, MFA evaluation focal points, NIRAS</i>	<i>Oct 19</i>
SWOT with MFA	<i>MFA staff, NIRAS</i>	<i>Oct 23, 26 or 27</i>
SWOT with CSOs	<i>CSOs partners, NIRAS</i>	<i>Week Oct 26-30</i>
Framework agreement SWOT	<i>IceRC, relevant MFA staff, NIRAS</i>	<i>Week Nov 1-4</i>
Preliminary findings and conclusions Workshop	<i>CSO partners, MFA evaluation focal points, NIRAS</i>	<i>Nov 24</i>
Submission of draft evaluation report	<i>NIRAS</i>	<i>Dec 11</i>
Comments from MFA to evaluators	<i>MFA stakeholders</i>	<i>Dec 21</i>
Final evaluation report, including recommendations	<i>NIRAS</i>	<i>January 8</i>
Approval of final evaluation report	<i>MFA Evaluation focal points</i>	<i>January 2021</i>
Evaluation seminar	<i>MFA, NIRAS, stakeholders</i>	<i>January 2021</i>