

# NGO perspectives and recommendations on pooled funding mechanisms in Southern Sudan

*A collective response of the NGO Forum in Southern Sudan, April 2009*

## Introduction

**The purpose of this document is to capture the perspectives and concerns of both international and Sudanese NGOs on pooled funding mechanisms in Southern Sudan and to provide constructive recommendations to donors to improve effectiveness of those funds in delivering peace dividends.**

As an NGO community, we are cognisant that Southern Sudan has reached a critical stage in its development, with building capacity of the Government of Southern Sudan (GoSS) at all levels as an urgent priority. We are aware of the good humanitarian donorship initiative, principles of aid effectiveness and that pooled funds are seen by some key donors as an important mechanism for delivering assistance in a more effective, timely, coordinated and accountable manner. We likewise appreciate that GoSS has expressed a preference for pooled funds, including in its 2006-2011 Aid Strategy. But as an NGO community, we have serious concerns that the mix and application of pooled funds in Southern Sudan are not meeting the significant and simultaneous humanitarian, recovery and development needs of communities on the ground.

We believe that NGOs in Southern Sudan are well placed to speak on these issues in view of our direct experience engaging with pooled funds; our presence across Southern Sudan, including in hard-to-reach areas outside of state capitals where other actors do not necessarily operate; our critical role in providing essential services; our strong links with local communities and government officials and good understanding of their needs and aspirations; and our focus on direct delivery of results to beneficiaries. With many of us active in southern Sudan for over two decades and through our own program staff and links to communities, we are able to bring forward the voice of ordinary citizens.

Four years after the signing of the CPA, southerners are frustrated at the slow pace of service delivery and a lack of peace dividends. Citizens still struggle to access essential services such as health, water and education, and build sustainable livelihoods. Southern Sudan continues to experience chronic or recurrent humanitarian emergencies. While GoSS has made important strides in establishing governance structures from a very low base, it remains heavily reliant on international partners to meet citizens' needs. In 2009, GoSS, which is almost entirely dependent on oil revenue, faces a serious financial crisis due to the plummeting oil price, meaning international assistance will be even more important in delivering essential services.

Working in over 200 locations in Southern Sudan, NGOs are responding to the consequences of decades of poverty and marginalisation that makes the South one of the most deprived regions in the world. We find that discussions about development in Southern Sudan are often removed from the reality on the ground. For example, terms like recovery and reconstruction assume the existence of pre-existing structures that now need to be rebuilt. But in many locations, Southern Sudan's needs include *construction* and building infrastructure for the first time. It is therefore incumbent upon us to think outside of traditional development boxes to address the needs of a non-traditional post-conflict context.

At this critical juncture, we feel it is important donors review the workings of the pooled funds and we hope to support them in that effort.

This document identifies strengths, causes for concern and recommendations for the:

- [Common Humanitarian Fund \(CHF\)](#) - page 4
- [Sudan Recovery Fund \(SRF\)](#) – page 6
- [Basic Services Fund \(BSF\)](#) – page 9
- [Multi Donor Trust Fund \(MDTF\)](#) – page 10

An [overview of our findings](#), [vision](#) and [recommendations](#) are set out below. A textbox containing the views of [Southern Sudanese indigenous NGOs](#) (SINGOs) is also included on page 8. This paper is based on a user survey circulated to NGO Country Directors and continuous discussions between and within INGOs and SINGOs on the pooled funds as well as references to recent evaluations.

## Executive Summary

**The executive summary outlines key NGO concerns with the pooled funding mechanisms; our proposals for what role each should play; and recommendations for strengthening the existing funds.**

### NGO Concerns

1. There is no effective longer-term recovery or development funding for Southern Sudan or an overall strategic donor supported GoSS vision for the multiple pooled funds.
2. That the MDTF remains the biggest fund with the worst record for delivery is unacceptable and must be urgently addressed.
3. Life-threatening humanitarian needs in Southern Sudan, which are likely to exist for the foreseeable future, must be met through a timely and effective humanitarian financing mechanism.
4. In the absence of other effective funding sources, the CHF is being relied upon to fill recovery gaps for which it was not designed.
5. NGOs wish to support the integrity of the CHF as a much-needed humanitarian funding mechanism but donors have an urgent obligation to ensure that recovery financing mechanisms are functioning and delivering before they demand a reduced CHF.<sup>1</sup> Delivery is more than contracts signed: it must include monitored impact on the ground.
6. Continued discussion of phasing out the BSF is alarming. This fund has delivered peace dividends to beneficiaries through the CPA's interim period. Any reduction in its role or scope ahead of 2011 would be unwise.
7. The JDO has not been adequately staffed or empowered to adequately oversee donor interests in Southern Sudan. We remain concerned that donor decision-making and oversight authority seems to rest with people who do not live in Southern Sudan and often have little understanding of the context outside Juba.

### NGO views on each fund:

**CHF:** This should be a fast, effective, and flexible funding mechanism able to meet the significant humanitarian needs in Southern Sudan, which remain through 2011 and beyond. The current role of the CHF as a gap filling mechanism can only change when recovery and development funding mechanisms function effectively. For example: in 2009, the CHF, an annual humanitarian fund, is supporting Southern Sudan's vaccine pipeline, a predictable long-term need. But NGOs would not support the removal of funding for vaccines or other essential services from the CHF until we see vaccines being adequately and effectively funded through a more appropriate longer-term mechanism. Delivery of essential services cannot be compromised by dysfunctional pooled funding mechanisms.

**SRF:** While it is still too early to draw definitive findings, the SRF does not appear to be meeting its stated aim of filling the critical gap in recovery funding. That indigenous NGOs are able to access the SRF (including through a specially designed grants window) and state authorities participate in all stages of project development is positive. But shifting priorities and a mismatch between donor pledges versus funds have contributed to undermining confidence in the SRF. To meet recovery needs, SRF should, as originally expected, support 2-to-3 year, 'recovery-length' projects that allow for genuine capacity building. The SRF must clarify its objectives and ensure a focus on delivery on the ground.

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<sup>1</sup> This repeats a 2007 MDTF Review Report that noted the CHF has been overstretched as agencies tap into it for early development in the absence of other sources.

**BSF:** This fund is widely seen as the most efficient, accessible and user-friendly, delivering tangible dividends that are monitored through peer/external reviews and on-site visits. It must continue to be adequately supported to do so through to 2011 and beyond. Donors should leave the BSF to function as an impact fund or it could extend project time horizons to 2 to 3 years if they want to provide increased scope for building government capacity.

**MDTF:** It is critical that the MDTF finally delivers the longer term funding that is so badly needed in Southern Sudan. The MDTF has been characterised by unacceptable delays, lack of clarity and inadequate support to GoSS to manage complex grants. We also understand the World Bank has sizeable funds sitting in a bank account that is not yet committed to MDTF projects<sup>2</sup> - money that could be used to provide desperately needed services for beneficiaries. We urge the Technical Secretariat to engage with the NGO community to disseminate clear information and explain funding opportunities particularly through sub-contracting arrangements.

#### **Key Recommendations to donors:**

1. Support the government to articulate a clear overall strategic vision for the roles of the existing pooled funding mechanisms.
2. Continue to resource the **CHF** and the **BSF** at existing or increased levels through to 2011.
3. Put pressure to ensure that the **CHF** is a rapid and flexible humanitarian funding mechanism that able to meet the life-threatening humanitarian needs in Southern Sudan.
4. Support the **SRF** to meet its stated aim of delivering demonstrable peace dividends, including by funding 2-3 year 'recovery-length' projects.
5. Take responsibility for the funds committed to the **MDTF** and hold the World Bank accountable for poor performance. Ensuring the MDTF delivers will include clarifying the process of accessing MDTF to all parties; providing the necessary technical assistance to line ministries to manage MDTF grants and projects; a continuous senior management World Bank presence in Juba.
6. Recognise the continued role for **bilateral funding** in Southern Sudan provided it is coordinated through government, fills gaps left by pooled funds, and clearly fits with government priorities.
7. Intensify efforts to find creative ways to **support indigenous organisations**, recognising that a strong and diverse civil society is critical to Southern Sudan's stability post 2011.

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<sup>2</sup> Figure taken from MDTF Technical Secretariat presentation, March 2009

## Common Humanitarian Fund (CHF)

### CHF Stated aims:<sup>3</sup>

Common Funds are being piloted in Sudan and the DRC. They are designed to support a more coherent, strategic and coordinated humanitarian response by strengthening the Humanitarian Coordinator (HC) to direct funding to priority needs identified in the field and provide predictable funding coordinated through the UN workplan.<sup>4</sup> In Southern Sudan, the CHF is run through the DRC/HC with UNDP acting as the administrative agent. The first allocation of the CHF for 2009 was \$35 million.

### NGO Findings:

#### CHF Strengths:

1. UNDP's Fund Management Unit (FMU) has been responsive to feedback and engages well with partners once contracting has occurred.
2. Provides good gap funding, with NGOs being able to use the relatively small CHF allocations to fill important gaps in projects funded by other donors who may have tight restrictions on eligible activities or require costs to be shared with other donors. *Example: Emergency Response Fund (ERF) component of the CHF*
3. Although small as compared to the overall allocation, indigenous NGOs have been able to access the CHF. *Example: In 2008 Episcopal Church of Sudan (ECS) and Nile Hope Development Forum (NHDF) received funding in the education sector; South Sudan Law Society (SSLS) for Rule of Law and Catholic Diocese of Torit (CDoT) in WATSAN*
4. The role of the HC has been strengthened sometimes to good effect. *Example: In 2007 and 2008, the HC made a decision to target underserved areas, based on agreed need to draw services out to regions that historically were not covered by agencies.*
5. Perceived lack of transparency and consultation in the allocation decision-making process partially addressed by the establishment in January 2009 of an Advisory Group composed of equal UN, NGO and donor representation.

#### CHF Causes for Concern:

1. To date there has been no role for government in decision making but we welcome recent commitments by the HC to include the GoSS MoFEP Director for Aid Coordination to the CHF Advisory Group
2. Application and allocation process difficult to understand and changes considerably from year-to-year.
3. Slow and unpredictable selection process for a humanitarian mechanism, with timelines agreed at start of process often not kept, resulting in loss of programme staff and damage to relations with government and beneficiaries. *Example: in 2008, proposals were submitted in September, the UN Workplan was launched in December. Sectoral work on prioritization began at the same time but the size of the allocation for southern Sudan was not known until January 2009. Allocations were made against this first tranche without any knowledge as to when and whether a second tranche of funding would be available for southern Sudan, at what time.*

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<sup>3</sup> As understood by the NGO community.

<sup>4</sup> This definition is drawn from the Common Funds for Humanitarian Action in Sudan and the Democratic Republic of Study, Monitoring and Evaluation Study, December 2006, available at [http://www.goodhumanitarianandonorship.org/documents/common\\_funds\\_monitoring\\_and\\_evaluation\\_report\\_december\\_2006.pdf](http://www.goodhumanitarianandonorship.org/documents/common_funds_monitoring_and_evaluation_report_december_2006.pdf)

4. No requirement in proposals to include impact or quality indicators with knock-on effect for entire selection process as creates unhealthy rivalry rather than merit-based competition between and within sectors. Impact monitoring throughout implementation and in end-of project narrative reports is similarly weak. *For example: No field visits have been initiated by the CHF Technical Secretariat in 2008-09 (during this period BSF Secretariat conducted peer reviews and monitoring field trips.)*
5. UN clusters do not align with GoSS budget sectors
6. UN agencies as sectors leads (with NGOs as co-sector leads) may present conflict of interest for those UN agencies. It gives rise to the perception that the CHF is primarily a financial mechanism for bigger UN agencies with greatest ability to influence and access the HC. *For example: UNICEF is sector lead for Education, Water & Sanitation, co-sector lead for Health & Nutrition and sits on the CHF Advisory Group as UN representative. While projects are reviewed 'blind' at Advisory Group level it is presumed the UNICEF Head would know which projects his/her organisation is submitting.*
7. UN agencies often sub-contract to NGOs, resulting in further delays in funds reaching beneficiaries, an additional unnecessary layer of overhead, and higher operational costs
8. While sectors determine the allocation process, they vary in capacity and often experience high staff turnover. *For example, NFIs is well led by UNJLC and World Vision but this is not benchmarked as the cross-sector standard and it is unclear whether the HC has a mandate to encourage other sectors to learn from such good examples.*
9. Inconsistent staffing at Juba-level technical secretariat level with apparent confusion between roles of OCHA, UNDP and UN DRC/HC Office, resulting in institutional memory loss and inefficiency.
10. At country level, competition rather than coordination generated between partners operating in different regions. Need a balance between competitiveness and effectiveness

## **CHF Recommendations**

### **To Donors:**

1. Recognise the significant humanitarian needs in Southern Sudan will likely remain up to 2011 and beyond and ensure that the proportion allocated to the south reflects those needs
2. Hold the UN to account for the limited attention placed on M&E in the CHF

### **To the Deputy Humanitarian Coordinator:**

1. Engage the Government during the priority setting and allocation process
2. Allocation decisions should be based on merit-based assessment of agencies' ability to deliver on priorities as well as the priorities themselves.
3. Introduce field site visits by the Technical Secretariat to monitor impact.
4. Standard reporting requirements, including financial, for all CHF recipients.
5. Apply best practices of well-performing sectors across the board, such as Health Sector initiative of incorporating impact and performance indicators in allocation process.
6. Do more to assure NGOs that the entire allocation process is transparent and merit-based<sup>5</sup>

### **To NGOs:**

1. Increased NGO engagement as far as conditions allow at Khartoum-level with CHF Advisory Committee, including feeding written information if physical presence at the Advisory Committee is not possible.

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<sup>5</sup> First round of the CHF for 2009 included a Track-A relating to common pipeline projects that did not come through the sectors and were not presented to the Advisory Board.

2. Monitor pipeline allocations and feed back to the HC on impact

### Sector Strategy & Coordination Advisors (SSCAs)

In 2008 there was an attempt made to embed Sector Strategy and Coordination Advisors (SSCAs) into key sectors of Health/Nutrition, WASH, FSL and Education. The Health Sector SSCA was a neutral sector support who reported to the HC and not the agency leading the sector. They were extremely well received by NGOs but less so by UN agencies. This initiative was not funded beyond 2008 and the position was subsequently replaced by a UN agency staff member.

NGOs would be interested to learn why the SSCA initiative was dropped so that lessons can be learnt for future coordination efforts.

### Sudan Recovery Fund (SRF)

#### Stated aims:<sup>6</sup>

The Sudan Recovery Fund (SRF) aims to facilitate a transition from humanitarian to recovery assistance through wide ranging support that offers quick recovery impacts and demonstrates peace dividends. In doing so, the SRF seeks to bolster the capacity of the GoSS and partners, and actively encourage the participation and empowerment of communities affected by conflict and poverty.<sup>7</sup> The SRF was established following an acknowledged a gap in medium-term recovery assistance and has to date dispersed \$20 million across 18 projects.<sup>8</sup>

The fund is overseen by a Steering Committee chaired by GoSS and co-chaired by the UN Deputy Resident Humanitarian Coordinator and Joint Donor Team composed of GoSS, donor, UN and NGO representatives. A Technical Secretariat composed of 5 staff facilitates the work of the Steering Committee. UNDP acts as the administrative agent (AA). The SRF places emphasis on the participation of state authorities, with SRF Steering Committees also active at State level.

#### NGO Findings:

*While it is still too early to comprehensively assess the fund's effectiveness, initial findings and impressions can be drawn.*

#### SRF Strengths:

1. State participation in each state of the process (proposal development, allocation decisions, and project implementation) is welcome. Participation is secured through formally constituted Local Steering Committees, which could provide a useful model for engaging local government authorities in other funds.
2. Both international and indigenous NGOs able to access the SRF, with targeted allocation made for indigenous NGOs. *For example, the indigenous NGO HARD received an allocation in the first round; a further \$2.5million has been allocated for a small grants window for indigenous NGOs to be implemented in 2009*

#### SRF Causes for concern:

1. Priorities and sector focus appear to be shifting, resulting in growing confusion over priorities and perception SRF is funding narrow set of sectors to avoid duplication with BSF. Related to

<sup>6</sup> As understood by the NGO community

<sup>7</sup> Definition taken from the SRF's website: <http://www.sd.undp.org/SRF-SS.htm>

<sup>8</sup> SRF newsletter, Edition 1, 2009

this, no overall strategy document exists to inform dispersal, set priorities and manage stakeholder expectations.

2. Expectations of some NGOs that SRF would fill gaps left by MTRF, especially in health and education, and support 2 to 3 year 'recovery-length' projects have not been realised.
3. Failure of donors to match high pledges with actual transfer of funds has affected the fund's ability to meet stated goals. Perception exists that fund has stopped disbursing after first allocation due to lack of donor support. This concurs with an earlier finding that asked whether the SRF 'can ... demonstrate(d) that the addition of a new window will provide enough added value to justify the financial and transaction cost of shifting resources from existing programmes, focusing on the benefit to the people of Sudan?'<sup>9</sup>
4. Fund created high expectations of state authorities' engagement in the SRF process, without necessary discussion between key stakeholders and state governments on division of labour during implementation. This has led to lack of clarity between roles and responsibilities between state authorities and NGO partners.
5. Role of the UN as SRF Steering Committee Co-Chair represents a major conflict of interest since the UN stands to benefit from SRF funding.
6. NGOs remain extremely cautious about awarding the fund manager role to UNDP given past poor performance in other funds such as Global Fund, CHF and RRP

### **SRF Recommendations:**

#### **To SRF Steering Committee:**

1. Clarify SRF priorities, including its ability to meet recovery needs in health, education, and WatSan.
2. Strengthen Technical Secretariat so that it can play an effective M&E role (see NGO Forum Report - Wendy Fenton 2008).
3. Given the role of UNDP as AA and potential for UN agencies to receive significant funds from the SRF, a conflict of interest could arise with the DRC/HC as co-chair

#### **To donors:**

1. Avoid setting the agenda without adequate consultation with the Steering Committee which, in line with donors own recovery policies, puts government in the driving seat
2. Make good on pledges to support the SRF as long as fund is strategic.

#### **To NGOs:**

- On clarification of priorities, NGOs should engage with mechanism

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<sup>9</sup>Scanteam review report, December 2007

## Perspective of the Southern Sudan Indigenous NGOs (SINGOs)

Based on a discussion with 27 SINGO representatives at the SINGO Forum. Of those 27 NGOs, 2 organizations had experience of trying, unsuccessfully, to access any of the pooled funding mechanisms although this report has noted that the CHF, SRF and BSF have dispersed funds directly to indigenous NGOs.

### Concerns:

- From the SINGO perspective, the high barrier to enter all pooled funding mechanisms deters many organizations from even considering putting forwarding applications. Those barriers include:
  - o minimum submission in excess of amount of funds handled by agencies in past
  - o nature of written documentation on past performance –e.g. audits by international firms.
- Not clear if or how donor policy seeks to facilitate SINGO participation. *For example:* Donors encourage partnerships between international and indigenous NGOs but do not sufficiently analyse the nature of that relationship. International NGOs themselves need to seriously consider the various modalities for partnership with indigenous NGOs.
- Indigenous organizations feel penalized in most partnerships with international organizations as the information that is provided to them is very limited – e.g. no transparency on the overall budget agreed
- **CHF** viewed as having the simplest entry requirements, although no organization present had successfully accessed funds
- **BSF** viewed as the most difficult mechanism to access because:
  - o Submission of documents in hard copy to Holland puts a real price on submission that excludes many local organisations
  - o Organisations which only submitted in hard copy to Juba would have been immediately disqualified
  - o Stringent presentation requirements, such as specific naming on the submission envelope, also disqualified submissions.
- **SRF** met specifically with indigenous NGOs and did present information on how to apply. Two indigenous NGOs were eventually successful in obtaining funding but other unsuccessful applicants are eager for feedback on how they can do better in future rounds.

### Recommendations:

- Avoid having SINGOs compete directly with international NGOs for funds.
- Funding mechanisms should specifically encourage the participation of SINGOs as they can work at the grassroots level, understand the local context and the beneficiaries enabling them to have greater impact at times than international organizations.
- Funding mechanisms need to focus on also building the capacity of local organisations that they engage with.
- Donors with serious commitment to the development on civil society provide serious funding to support this agenda in a meaningful way

## Basic Services Funds

### Stated aims:<sup>10</sup>

DFID established pooled fund to support delivery of basic services, including health, watsan and education activities, by funding international NGOs. The fund is administered by a private agent (Mott McDonald) and allocated GBP 17.6 million in Rounds 1 and 2, with a further 17.5million for Round 3 which includes funds committed from other donors (Norway, Dutch and Canadian)<sup>11</sup>. It is now entering its second generation and is set to phase out after 2010.

### NGO Findings:

#### BSF Strengths:

1. Initial teething problems between the donor and BSF Secretariat were dealt with and fund is now widely seen as efficient, timely, responsive and user-friendly
2. Physical presence of the Technical Secretariat in Juba has enabled good, working relationships between it and NGOs. Competitively selected private administrative agent is widely seen as accessible and willing to engage with NGOs.
3. Introduction of peer reviews is a welcome initiative.
4. Funds dispersed quickly through NGOs, resulting in tangible impacts for beneficiaries.

#### BSF Causes for Concern:

1. Fund is not able to meet the recovery needs in health, education, and Watsan because the 18 month funding cycle does not allow for government capacity building. Focus is on service delivery rather than establishment of systems.
2. Projects are not always sustainable because of reluctance in some areas to provide repeat funding for projects.
3. Uncertainties over the future of the fund and shifting priorities in past six months has undermined project sustainability and staff retention.
4. Allocation based on geographical and sector quotas can result in weaker proposals being funded while strong proposals are left unfunded.

#### BSF Recommendations:

##### To Donors:

1. Engage with GoSS and NGOs on developing a sustainable exit strategy, which should include strengthening the SRF.
2. Refrain from automatically discontinuing the fund in 2010 if it continues to provide important peace dividends for beneficiaries, which other funding mechanisms are not able to deliver.
3. Draw lessons learned from the involvement of a private management company, widely seen as effective, as a Technical Secretariat and consider applying to other funds as appropriate.

##### To NGOs:

1. Indigenous NGOs should use their observer status on the BSF Steering Committee to engage with the fund.

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<sup>10</sup> As understood by the NGO community

<sup>11</sup> Not all donor pledges to the BSF have been paid in

## Multi-Donor Trust Fund

### Stated aims:<sup>12</sup>

The establishment of MDTFs (for marginalised areas in northern Sudan and one for southern Sudan) was mandated for in the CPA to ‘support urgent recurrent and investment budget costs under clearly stated criteria of eligible financing components’. The MDTF-South (MDTF-S) focuses on rebuilding the Sudan and providing capacity-building support to GoSS. It has approved \$499.7million of projects in Phase One.<sup>13</sup> The fund is administered by the World Bank from an office in Juba.<sup>14</sup> The World Bank articulated the following aims for the MDTF:

- The objective of the MDTFs should be to ensure **coordinated, flexible and swift** donor responses for financing priority expenditures
- The MDTF(s) would be expected to remain operational through the six years of the Interim Period, and cease operating thereafter.<sup>15</sup>

### NGO Findings

#### MDTF Strengths:

1. The only current mechanism for much-needed longer term funding.
2. Definitive difference from other funds is that it includes a significant GoSS co-contribution and many projects are ‘on-budget’ – i.e. partially integrated into GoSS planning and budgets. In theory, the fund is best-placed to build GoSS capacity and establish foundations for sustainable development

#### MDTF Causes for Concern:

1. Most significant fund in terms of size but worst record for delivery and impact. Given critical needs in southern Sudan, appears to have been unacceptable delays in effectively disbursing funds with perception that money has been eaten up or not spent as a result of opaque administrative procedures.
2. Delays to MDTF in critical areas such as ‘preparing selected investments to consolidate the peace and generate social capital through access to basic services with rapid scale-up of education and health programs’<sup>16</sup> has resulted in other mechanisms having to address gaps originally intended to be covered through the MDTF. For example in the health sector the predictable annual need for vaccines is currently being funded by the one year CHF.
3. Fund developed primarily in Washington without necessary understanding of the southern Sudan context or consultation with NGOs and other important stakeholders. *Example: Assumption that the new Government of Southern Sudan would from the outset have the capacity to engage in contractual negotiations and deliver on procurement was misguided. GoSS has lacked capacity to manage multiple grants and the MDTF has suffered from the lack of project management units in line ministries. This often means that the Ministry procurement department is being pushed into the role of a project management unit.*
4. Requirement for NGOs to pre-finance is onerous and in some cases NGOs have had to wait up to 18 months for a refund
5. International and national NGOs have only been able to access the MDTF as sub-contractors, though the size of those contracts has been beyond the capacity of most international NGOs. International NGOs that applied for funds became locked into endless negotiations with

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<sup>12</sup> As understood by the NGO community

<sup>13</sup> Presentation of the 1<sup>st</sup> Comprehensive Portfolio Review – Summary for Stakeholders (2009)

<sup>14</sup> This information is drawn from the Sudan MDTFs website:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SUDANEXTN/EXTAFRMDTF/0,,menuPK:2193680~pagePK:64168427~piPK:64168435~theSitePK:2193668,00.html>

<sup>15</sup> Proposal for Multi-Donor Trust Funds for Sudan Administered by the World Bank, World Bank January 22, 2005

<sup>16</sup> MDTF Memorandum of Understanding (2005), referenced in Scanteam Review, Sudan Multi-Donor Trust Funds Phase One (December 2007)

government with the contract ultimately being cancelled. This has diverted time and resources away from project implementation that would have benefited communities. *Example: one international NGO engaged in 3 years of negotiations with the MTF!*

6. Inadequate GoSS communication to States on MDTF projects has contributed to further delays.
7. There has been little or no attempt by the MDTF Technical Secretariat to act on earlier findings that expectations of the MDTF remain high and unchanged<sup>17</sup>. Focus on average implementation rates denies serious delays in key projects.
8. The consequences of a focus on output and not quality or impact remains to be seen (eg. Building x number of schools without considering quality of teachers etc)
9. Opportunity lost from outset to develop government capacity due to failure to second government staff into the MDTF Secretariat.
10. Donors appear not to have used their considerable leverage and stake in the MDTF to advocate for improvements although there has been some positive engagement on specific sectoral-level projects
11. It remains impossible to locate consensus figures to unspent funds from MDTF Phase-1

### **MDTF Recommendations:**

#### **To Donors, GoSS and the Technical Secretariat:**

1. Draw on lessons learned from the Phase I allocation and apply to Phase II (CY 2009-2011), including establishing a more consultative approach with a wider range of actors and recognizing the comparative advantage of those actors including opportunities for issuing smaller and more manageable contracts.
2. Increased technical support to Ministries to manage MDTF grants and include a MDTF unit in MoFEP.
3. Improved communication on MDTF objectives and ways of working to all stakeholders, including to local government authorities and communities.
4. Encourage secondment of SSRDF staff to the MDTF Technical Secretariat
5. The role and potential contribution of NGOs should be made clear.<sup>18</sup>
6. Greater effort by Oversight Committee members to ensure the MDTF delivers including acting on recommendations to improve capacity.

#### **To NGOs:**

1. NGOs should identify opportunities to engage with the fund both as advocates and implementers, including by regularly attending Oversight Steering Committee meetings and seeking possible funding opportunities in the Phase 2 allocation.

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<sup>17</sup> Scanteam Review report (December 2007)

<sup>18</sup> Scanteam Review report (December 2007)

### **Summary of Recommendations from NGO Forum report (Wendy Fenton, 2008)**

- o Prioritize strengthening and expanding existing funds that have delivered results - EU RRP, Basic Services Fund, CBTF, and the CHF.
- o Maintain OFDA and ECHO support for basic services until other funding sources and/or the GoSS takes over.

Make pooled funding work better:

- o Monitor effectiveness, focusing on impact on the ground not just whether funds meet UN reform, donor harmonization and other aid agendas.
- o Hold funds managers accountable for how overhead costs are used and funds are managed.
- o Ensure through competitive bidding that funds managers have demonstrated capacity to manage the funds, the process and relationships with partners effectively.
- o Encourage funds managers and the GoSS to work with INGOs and SSNGOs as equal partners - not as subordinates.
- o Consider NGOs as possible pooled fund managers at State & county level. Ex: Joint Initiative, Zimbabwe.

Donors should take more responsibility for ensuring that aid instruments are:

- o Appropriate to the context
- o Managed effectively
- o Accessible to key partners – such as NGOs
- o **DELIVERING RESULTS ON THE GROUND**
- o NGOs (and some donors) also felt strongly that more effort should be devoted to making existing funding mechanisms which are already delivering work better, rather than investing considerable time and resources in establishing a new one. In particular, NGOs favoured extending and expanding bilateral multiyear mechanisms currently implemented by NGOs such as the DfID Basic Services Fund and the EU Recovery and Rehabilitation Programme.

## Acronyms

AA	Administrative Agent
BSF	Basic Services Fund
CHF	Common Humanitarian Fund
DRC/HC	Deputy Resident and Humanitarian Coordinator (UN)
FMU	Fund Management Unit
GoSS	Government of Southern Sudan
HC	Humanitarian Coordinator
INGO	International NGO
JDO	Joint Donor Office
MDTF	Multi Donor Trust Fund
SINGO	Sudanese Indigenous NGO
SRF	Sudan Recovery Fund
UNDP	United Nations Development Programme