

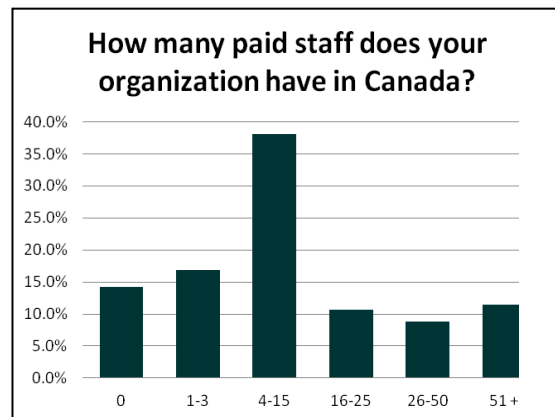
November 2011

1. Survey details

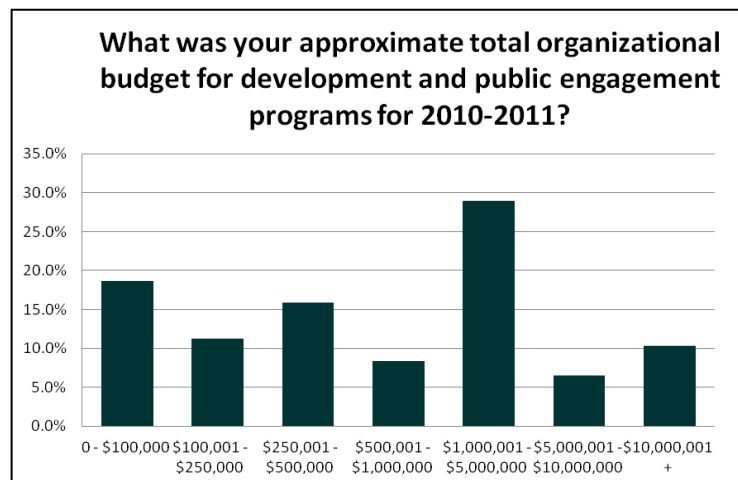
Civil society organizations (CSOs) across Canada were asked to fill out an online questionnaire about the concrete impacts that the Canadian International Development Agency (CIDA)'s Partnerships with Canadians Branch (PWCB) funding announcement delays have had on their operations and development work. The survey was conducted from November 18-24, 2011 and sent to the 517 member organizations of CCIC and the Provincial and Regional Councils for International Cooperation. (However, it should be noted that not all of these member organizations apply to CIDA for funding.) 113 organizations responded to the survey, with 87 responses to the English version and 26 responses to the French version. A longer survey to evaluate the impact of the new competitive process on CSOs and their development work will be conducted soon, but given the excessive delays in announcing the results for over and under \$2 million proposals, we decided to bring out this survey focusing around the issues of delays.

2. Organizational profiles

CSOs were asked how many paid staff they have in Canada. The most common response was from small organizations with between 4 and 15 employees, accounting for 38% of respondents. 31% of responding organizations had 3 or fewer employees, and 31% had 16 or more employees.

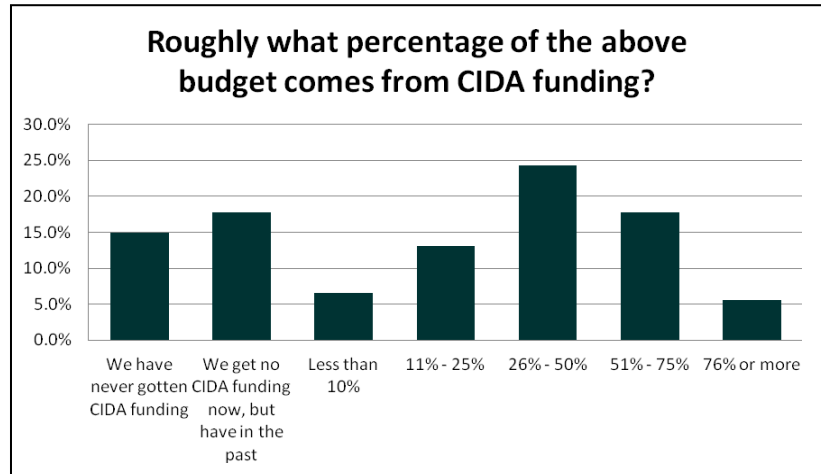


Organizations were also asked about their total budgets for development and public engagement. The results show a wide range spanning from very small organizations with a budget of under \$100,000 to much larger organizations with a budget of over \$10M. The most common response (29.0%) was from organizations with an organizational budget of between \$1M and \$5M.



3. Funding Profiles

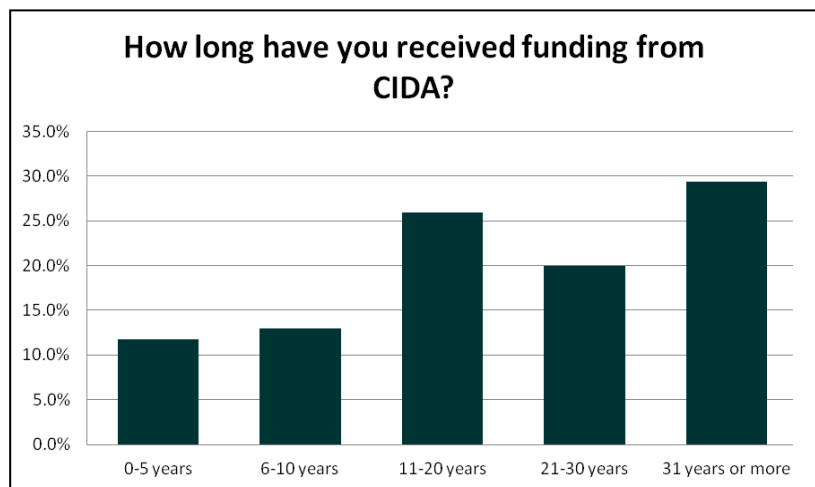
Many CSOs receive a significant portion of their development budgets from CIDA. 23.4% of organizations reported that 51% or more of their budgets came from CIDA funding, with another 24.3% reporting that CIDA funding made up 26-50% of their budgets.



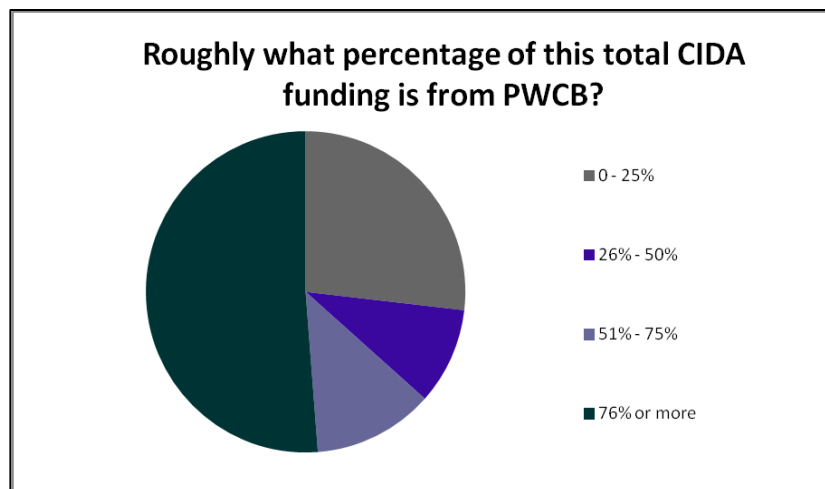
Provincial government funding was not a significant contributor to most organizations' budgets, with 35.5% of organizations reporting that provincial funding made up less than 10% of their budgets, and 37.4% reporting that they received no provincial funding at all. 27.1% of organizations reported that 76% or more of their budgets came from non-governmental contributions, such as individuals, foundations, and corporations.

4. CIDA Funding Profile

Respondents were asked to state the number of years they'd received funding from CIDA. 75.3% of CSOs had a lengthy relationship history with CIDA, having received funding for 11 or more years and in many cases for the entire life of the organization. 65.9% reported that CIDA funding had previously been uninterrupted.



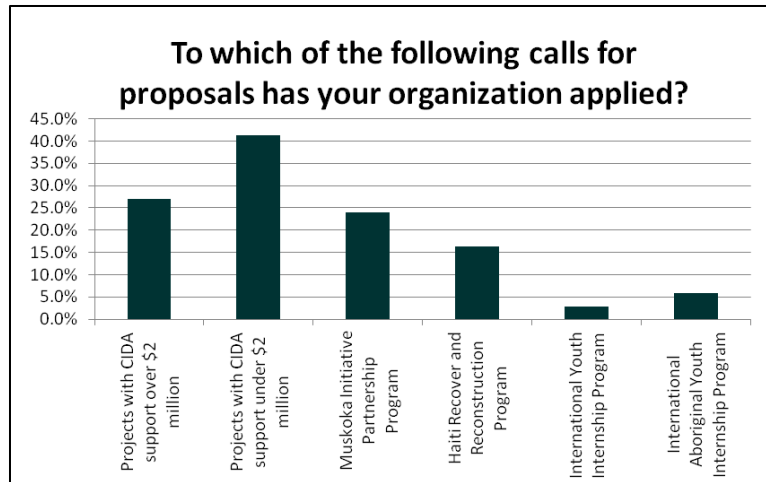
PWCB funding made up a large percentage of the total CIDA funding. In fact, 51.2% of CSOs said that PWCB funding accounted for 76% or more of the funding they received from CIDA. Any changes to the PWCB funding system will therefore have a profound impact on the majority of organizations who responded to this survey.



5. Proposals submitted under competitive mechanisms

61.5% of respondents had applied to one or more PWCB call for proposals in the past 12 months.

CSOs confirmed that proposal development for competitive bidding mechanisms is very expensive in terms of person hours, consultant fees, research costs, etc. 25.4% of respondents estimated that their PWCB proposals cost under \$10K to put together. 34.9% said proposals cost between \$10K-\$20K; 23.8% said proposals cost between \$20K-\$30K, and 15.9% said their cost was over \$30K.



Organizations were asked to what extent CIDA's new sector and countries of focus influenced their decisions and priorities while developing their proposal. The results show that CIDA's priorities have had a strong influence on the types of proposals that are being submitted. Only 13.4% of respondents answered that CIDA's priorities had no influence on their proposal. 50.7% answered that it influenced them to some degree, 32.8% replied that it influenced them to a large degree, and 3.0% said that it influenced them entirely.

6. Impacts of delays in funding decisions and announcements

Respondents were asked in what ways the delays in funding decisions and announcements for the PWCB Over and Under \$2 Million calls for proposals have impacted their organizations. This was a long-answer question in which respondents were asked to provide as much detail as possible. A qualitative analysis of the responses shows the following themes:

- The delays and accompanying lack of project financing are slowing down or stopping international project work, which has a negative impact on partners and communities in developing countries (45%).
- The delays and accompanying lack of project financing are forcing the organization to restructure other non-CIDA funded programs, alter their overall budget, or draw on financial reserves to continue operating (42%).
- Staff are being impacted due to layoffs, delays in hiring, low morale, and employees quitting due to organizational uncertainty (35%).
- Organizations are having difficulty planning for the future (32%).
- Organizations are losing credibility with their international partners because the delays make it very difficult to meet commitments and maintain partnerships (27%).
- The reputation of CIDA and the Canadian government is being diminished in the eyes of international partners (13%).

- The costly proposal applications have siphoned resources away from program spending (13%)
- Organizations face significant psychological strain and anxiety (13%).
- The organization is losing donations from other funders, who are accustomed to matching CIDA project funding and are unwilling to donate in the absence of an answer from CIDA (12%).
- The organization was not adversely impacted by the delays (10%).

Here are some sample responses:

- The organization is not able to plan for its future. Many initiatives have been suspended until news from CIDA is received which will drastically alter the future of the organization. This affects every aspect of the work of every member of the organization and is having serious negative impacts on stress levels and morale for all involved including Board members, two of whom have resigned as a result of these uncertainties.

- We have been forced to lay off staff and scale back our public engagement programming. We are running on a very lean budget this fiscal year, which will be leaner next year (ie: more staff layoffs) if results of the call are not released soon. For the first time in our history, we see our future in jeopardy. Our donors wish to put their funds to work immediately in the south but also want their funds to be matched by CIDA, so we are continually explaining the situation to them and urging them to contact their MPs to discuss the problem further.

- The decision has required that we reduce commitments to our partners, putting a number of key activities on hold pending the decision. In a nutshell, part of the program is now in a "holding pattern," pending the Minister's decision. Despite the Government's failure to respect their own deadlines, on a financial level, we aim to respect our commitments to program participants in the field, so as not to lose critical momentum in our international programming. Coping mechanisms include possibly dipping into reserves to make up for the shortfall. This "holding pattern" will also raise our short-term overhead and admin costs as a % of our budget, since we cannot afford to lose critical human resources.

- Primarily, the impact has been upon our credibility with our overseas partners. We have explained to them how unpredictable CIDA is at the moment, so there is an impact on CIDA's credibility as well. The uncertainty adds a significant psychological strain, and impacts on our ability to plan our work. We have concluded that we may not invest in applications to CIDA in future, whereas previously, whenever a partner proposed something that might fit CIDA guidelines, we applied to CIDA.

When asked whether CIDA's new competitive funding mechanism and/or delays within the new system had influenced their decision to apply for future PWCB calls for proposals, 31.1% said yes, 41.0% said no, and 27.9% were unsure.

7. Impacts of delays on overseas partners

Respondents were also asked to provide detail about the ways in which the delays in funding decisions and announcements have impacted their overseas partners and beneficiaries, projects and programs. The following themes emerged:

- The delays undermine international development work: projects are being scaled back, shut down, or losing momentum and continuity (58%).
- Staff are being impacted due to layoffs, delays in hiring, low morale, or employees being hired away by other development aid organizations (33%).
- International partners are in limbo while they wait for the decision (30%).

- People are suffering or dying because urgently needed community development and health initiatives are not being provided (25%).
- International partner organizations are having difficulty planning for the future (23%).
- Staff of partner organizations are having to do extra work to maintain momentum and adjust projects to keep them relevant in the face of long delays (19%).
- Partnerships are being lost and undermined, and will need significant work to rebuild even if the funding is approved (14%).
- The reputation of partner organizations is being diminished; they are being seen as less effective because the absence of Canadian funding forced them to shut down or delay projects (14%).
- The reputation of the Canadian government is being diminished, with international partners questioning CIDA's commitment to international aid (11%).
- International partners had their hopes raised needlessly by contributing to calls for proposals that have not materialized (7%).
- The Canadian government's ability to meet its international commitments (such as the Millennium Development Goals) is being undermined (5%).
- The partner organization is not being adversely impacted, in many cases because the Canadian organization has taken steps to prevent this from happening (9%).

The following responses illustrate these concerns:

- Funding that does not happen as promised by CIDA has a very negative impact on the reputation of CIDA to our Southern partners as they do not see the value in spending time and investing resources to develop a program when there is no consistency in the process. Community members familiar with CIDA's lack of consistency hesitate to become involved in the programs for fear of losing face with their community members. Tragically, many field offices have had to lay off excellent staff (that were trained in CIDA programs) and see them go to other organizations that receive consistent funding from USAID and the European Union countries. This will result in a weakened capacity in the long term for future CIDA-funded programs. Constant funding interruptions to long term programs lead to a very inefficient aid delivery model and has the risk of weakened outcomes and impacts. CIDA's reputation has been damaged by these delays.

- Women and children (beneficiaries) in developing countries have to suffer and struggle to live without the basic tools in place. Without project funding, we cannot assist with the implementation of the UN goals in countries where this is greatly needed. Again it is the marginalized members of society who suffer and never have the chance to rise above and out of poverty.

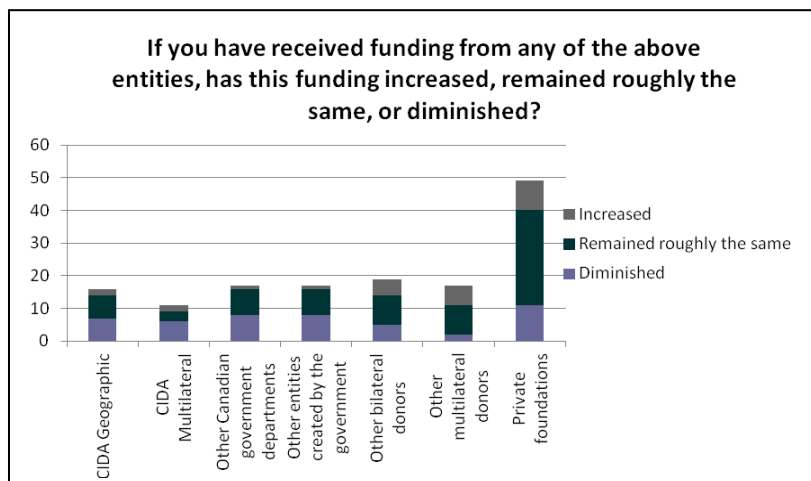
8. Experience with other competitive bidding processes

As illustrated in the graph to the right, most CSOs that responded to the survey had experience with other competitive bidding processes. Only 27.8% did not.



They were also asked to explain whether funding from the above entities had increased, remained roughly the same, or diminished.

Respondents were then asked a long answer question, “How does this experience compare with other competitive bidding processes in which you have been involved?” The following themes emerged:



- Other funders provide more information and more communication during the application process (21%).
- Other funders observe their own deadlines or communicate about the expected length of delays (21%).
- Other competitive bidding processes are less cumbersome (19%).
- CIDA’s application form is more poorly designed and does not allow applicants to adequately describe their projects (15%)
- Other funders are more transparent in their processes (12%)
- There seems to be more political or ideological interference with CIDA’s competitive bidding process (10%)
- CIDA’s process is more punitive against smaller CSOs (6%)
- CIDA’s process shows a shift towards treating CSOs like contractors instead of partners (6%)
- Other competitive bidding processes are about the same as CIDA’s (8%).

Sample comments:

- The other processes were not characterized by lengthy delays. Feedback during other processes has allowed us to adjust our approach the next time if we were unsuccessful with a bid.

- The CIDA process is very onerous and almost makes it a barrier for small NGO's to accomplish. So it is in actuality filtering out NGO's like us, the ones who need it the most, out of the process.

- It feels like we are shifting from a programmatic and institutional relationship with CIDA to one that seems to treat Canadian Civil Society organizations as contractors.

9. Best practices

Organizations were then asked to suggest some of the best practices that might be applicable to the PWCB system. Their suggestions were:

- Make the application process more collaborative and communicative, so that organizations can get feedback from CIDA and make revisions throughout the application process (43%).

- CIDA should meet internal deadlines or communicate new deadlines in the event of delays (34%).
- Request 'concept notes' before asking organizations to invest the resources in developing full proposals (15%)
- Use scoring mechanisms that are more transparent and predictable (11%)
- Treat CSOs as partners rather than contractors, in order to make the fullest use of their expertise (9%)
- Enlist CSOs in helping to revise and improve the process (8%)
- Provide specific feedback to organizations whose proposals were rejected (6%)
- Depoliticize the process by preventing what seems to be interference from the Minister's office (6%)

CSOs made these suggestions:

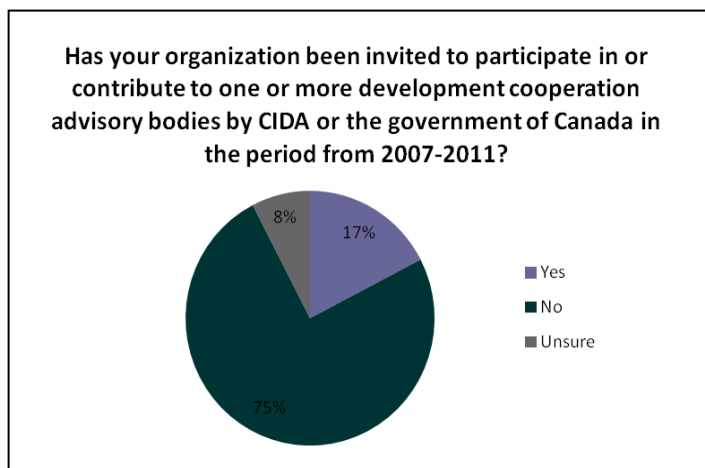
- Respect for established timelines is important. My assumption is that lengthy and unclear bidding processes will discourage many organizations from bidding in future or will favour organizations or corporations who have the means to absorb the costs of delays.

- Based on the feedback gathered in numerous calls and meetings over the past several months, "best practices" might include: 1) adopting the spirit and intent of the ODA Accountability Act; 2) respecting aid effectiveness principles, particularly around ownership and transparency; 3) respecting CSO development effectiveness principles, particularly with respect to modeling transparency and accountability as an Agency calling on those it funds to do the same, and in providing mechanisms that respect CSO efforts to establish, develop and sustain equitable partnerships and work in solidarity with communities in the Global South; 4) respecting CSOs as development actors in our own right, rather than as contractors receiving fees for services who seem to be dictated by partisan political interests

10. Consultation issues

The Official Development Assistance (ODA) Accountability Act states that Canadian CSOs must be consulted at least once every two years as part of the decision-making process relating to official development assistance.

Organizations were asked whether they had been consulted and/or felt able to influence development policies within Canada from 2007-2011. The majority (55.4%) answered no. 23.9% said yes, and 20.7% were unsure.



When asked if their organization has been invited to participate in or contribute to one or more development cooperation advisory bodies from 2007-2011, a decisive majority (75.0%) of respondents said no. 17.4% said yes and 7.6% were unsure.

11. Conclusion and Recommendations

- The PWCB funding announcement delays are undermining Canadian CSOs' ability to do effective international development work.
- Overseas projects that could improve living conditions and save lives are being delayed or shelved.
- CIDA is destabilizing its existing relationships with CSOs, some of which have been in place for decades.
- The delays are impacting CIDA's reputation and causing a loss of credibility, not only for CIDA but for Canadian CSOs and overseas partners involved with the delayed projects
- The effects of CIDA's current funding policies run counter to the requirements of consultation and transparency outlined in the ODA Accountability Act and in OECD-DAC principles for aid effectiveness.
- CIDA should act immediately and communicate new deadlines for announcing the results of the Over and Under \$2 million calls for proposals, including informing those whose proposals have not been recommended for funding are not expected to be awarded grants.
- CIDA is urged to heed the concerns raised by Canadian CSOs, work in partnership with them to address the many issues that have arisen from the delays in the current decision-making process, and respect their decades of experience in international development work.