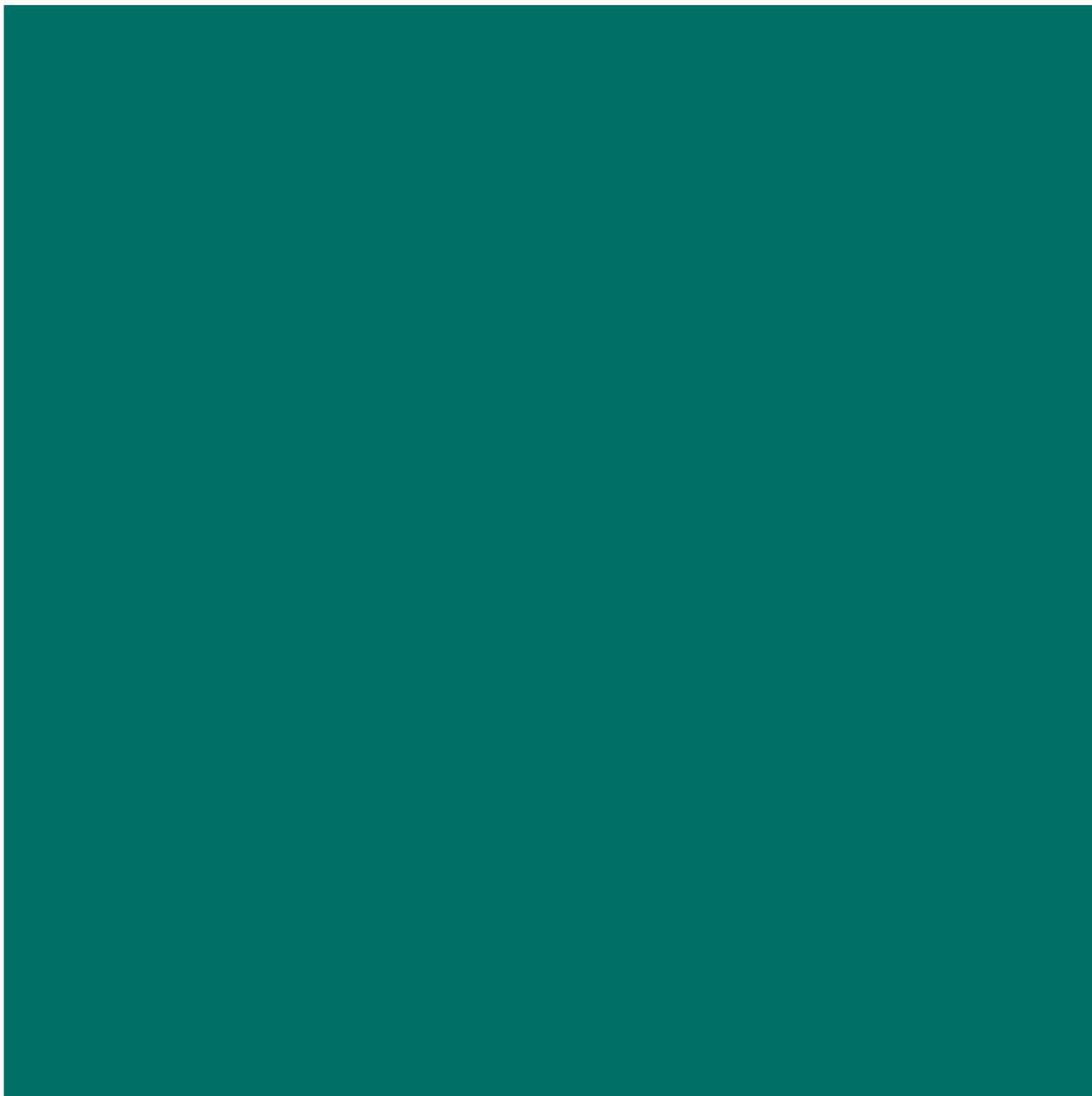


Criteria for the selection of frame organisations



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1. Introduction

This document has the aim of specifying the principles for Sida's cooperation with a number of Swedish NGOs under the framework agreement system. The system only includes that part of the cooperation that is regulated under the budget for NGOs, and administered by Sida/SEKA and Sida/Info, and the funds that are delegated to Sida/SEKA from the budget for Central and Eastern Europe.

The document has the intention of wording the existing principles in a clearer manner and of opening up the system for changes. The document does not have the aim of formulating Sida's approach to strengthening civil society or describing the general policy behind the budget for support to NGOs, the so-called popular movement appropriation.

The work on the criteria has been performed as part of the broad discussion of the framework system and development trends in civil society. In this discussion, civil society has been defined as a social sphere of cooperation among people that lies outside the family, the state and the private sector. Civil society consists of different types of associations – from large, well-organised popular movements to informal networks or traditional village communities. One common factor in the discussion is the conception that civil society plays a very important role, possibly an increasingly important role, in global social development. It is also quite clear that there has been a rapid increase in the number of actors in civil society and that new forms of cooperation are coming into being all the time. An increasingly larger part of civil society is also active in the form of global networks, with the global arena as the working field for these organisations. The actors in civil society are being taken more seriously by governments, enterprises and multilateral organisations: as speaking partners – or as troublesome antagonists.

Civil society has also been given an increasingly important role in international development cooperation. Different types of NGOs have become important actors on both the donor side and in the partner countries. An increasing proportion of development cooperation funds are being channelled through these organisations. Promoting the development of a strong and democratic civil society has also become an increasingly important objective of development cooperation, both internationally and in Sweden.

This is a very brief summary of the broad discussion of the role of civil society which forms the background to, but is not included in, this document on criteria for the selection of frame organisations.

2. Background to the present system with frame organisations

Ever since the Swedish Government started to work with bilateral development cooperation, Swedish popular movements have participated as important actors. Through their long-term development work, originally through the Swedish mission organisations at the end of the 1800s, and subsequently, after the establishment of Swedish sections of the Red Cross and Save the Children, through the trade union movement and the temperance movement etc, they contributed considerably to the formulation and focus of Swedish bilateral development cooperation in the 1950s. When the Swedish Agency for Development Assistance (NIB) and later the Swedish International Development Authority (SIDA) were established in the 1960s, efforts were made to preserve the links to popular movements by giving representatives of popular movements seats on the boards of these organisations.

During the following ten years governmental bilateral development cooperation was extended. During this period the NGOs also received budgets for international work from Sida. However, these budgets were small – at the beginning of the 1970s they amount to less than one per cent of the total development cooperation budget. However, from the mid 1970s the NGO budget began slowly to increase. The strongest percentage increase in government support to NGO development cooperation occurred in the 1980s and since then the budget for support to NGOs has comprised approximately 10 per cent of Sida's appropriation.

The present system with frame organisations (currently 13 organisations, and the Red Cross which has a framework agreement under the humanitarian appropriation), which was introduced to an ever increasing extent at the beginning of the 1980s, is based on the first framework agreements with Swedish trade unions (LO/TCO) and the Swedish Cooperative Centre which came into being in 1977 on the initiative of officials at SIDA. The reason was to facilitate the administration of support to NGOs, both at Sida and the NGOs, in the light of the increase in appropriations. It was to a great extent SIDA's organisational needs that were the driving force behind the framework agreements.

The framework agreement model came into being to give the organisations greater freedom and a long-term perspective in the planning and implementation of their activities and to provide an opportunity for the reallocation of resources. It also had the aim of

facilitating a continuous dialogue with SIDA on policy and methods work. SIDA intended that the model should contribute to enhancing the quality of the NGOs' development cooperation activities, for example through the control mechanisms in the form of guidelines and directions etc that had been drawn up in consultations with the organisations, and through capacity studies and system-based audits.

No in-depth analysis or criteria for selection principles governed the emergence of the present group of frame organisations – both the selection of organisations and the allocation of funds have rather been based on custom and tradition, in which long cooperation with SIDA and a large volume of activities have been an important factor.

During recent years attention has been drawn to the fact that the lack of criteria has created two types of problems: firstly the allocation of grants can appear to be arbitrary and secondly, if new actors are excluded, Sida risks losing valuable experience. Despite the fact that the long-term perspective in the relations between Sida and the organisations provides a form of stability in development cooperation activities that must largely be regarded as positive, there is also a risk that it can lead to stagnation. The framework agreements do not merely regulate the approval of grants from Sida, they also constitute a sorting mechanism for the organisations with which Sida has a close dialogue with in policy and methods issues. The composition of the group of frame organisations thus affects the quality of this exchange of experience. It should also reflect the changes taking place in civil society in Sweden and the partner countries.

In view of the above, Sida has seen a need to draw up criteria for the selection of frame organisations. Attention was drawn to the lack of criteria in a report produced by the Parliamentary Auditors in 1998 on controls, implementation, coordination and follow-up of development cooperation activities. Among other things, this report had the effect that the Government instructed Sida to draw up selection criteria during the year in its annual directives and letter of appropriations to Sida for 2001.

3. Criteria for the selection of frame organisations

In its assessment of an organisation's potential to enter into agreements as a frame organisation or as a programme agreement organisation (see below), Sida's point of departure is, in the first place, an overall assessment of the ways in which the organisation can contribute through its work to a change which benefits poor people and which strengthens civil society. Sida has identified a number of selection criteria for the assessment of organisations. The criteria stipulate aspects that Sida will analyse. No measures are provided in respect of what an organisation must have achieved in each field in order "to qualify", since Sida does not feel that it is possible to do this, at least not at the present stage. Sida intends to apply the same criteria in its assessment of the three different types of cooperation taken up here, but the requirements will naturally be considerably higher for the two forms of framework agreements than for organisations that are offered programme agreements. Should special reasons exist, it will also be possible for specialist organisations to be given a programme agreement, for example an organisation whose activities focus entirely on communications work in Sweden.

The introduction of criteria is to take place in a process in which Sida initially makes an analysis of the present frame organisations with the aid of the selection criteria. In this process the criteria will be made operational and will also be discussed further with the NGOs. Sida's assessments of the organisations will naturally be reported openly and will be documented.

The following are the criteria that will be used in assessments of the organisations:

Legitimacy

The fundamental principle is that a frame organisation should have a democratic structure and its work should be based on democratic values. It should also be permeated by openness towards its stakeholders and the general public. This means that a frame organisation will normally be a non-profit or cooperative association. A non-profit foundation may also be approved as a frame organisation if it has the full acceptance and support of the community and is permeated by openness towards its stakeholders and the general public; and if there are good reasons for choosing this form of organisation.

Competence in development issues

Sida will assess the organisation's general expertise in the broad field of development cooperation and global policy. This expertise includes the organisation's documented capacity to perform effective development cooperation work that strengthens civil society in the partner countries. The expertise criterion also includes the organisation's capacity to act in relation to the overall development policy agenda.

Competence in learning and methods development

Sida will assess the organisation's general competence in respect of its own learning in all its activities, as well as its knowledge of and interest in methods development in the broad field of development cooperation. One important part of the assessment is the capacity possessed by organisation for change, and its ability to organise its activities on the basis of the country-specific context, as well as its determination and ability to evaluate its work and learn from it.

Communications ability in development cooperation

Sida will assess the organisation's communications capacity, i.e. first and foremost its capacity, strategy and determination to communicate with its members/member organisations and partners in cooperation within the framework of development cooperation.

Communications ability in Sweden

Sida will assess the organisation's ability, experience and capacity for communications work and information on development issues and development cooperation in Sweden. The assessment also includes the organisation's ability to stimulate dialogue, debate and opinion.

Ability to mobilise commitment and resources

Sida will assess the capacity of the organisation and, where applicable, its member organisations to mobilise commitment in Sweden, as well as its capacity to raise funds or mobilise resources in other ways in support of its activities.

Scope and breadth of activities/specific skills

Sida will assess the scope and breadth of the organisation's activities or its skills in specific issues. The assessment can also include – as a positive factor – the organisation's capacity to make regional or sectoral priorities and specialisation.

Reliability of systems for management and control

Sida will assess whether the organisation has completely reliable internal systems for the management and control of its activities.

Experience of previous cooperation

Sida will also assess the organisation's total capacity on the basis of its reports on previous cooperation with Sida or other partners, as well as Sida's assessment of the quality of the activities reported on.

4. Three types of framework agreements

Sida intends to administer three types of framework cooperation:

- 1) *Frame organisations which channel grants to other organisations
(have their own framework agreements with Sida)*

Sida will enter into agreements with organisations with a very broad degree of legitimacy and representativeness, and with substantial expertise, for the assignment of channelling and monitoring Sida grants to the activities of subordinate or member organisations.

Sida will stipulate the framework for programmes of development cooperation, and have a close dialogue with the organisations that channel grants to other organisations on the preparation and follow-up of programmes of development cooperation and on methods and policy development. Sida regards these organisations as important communication links with broader groups of Swedish organisations.

The frame organisations that channel grants to other organisations can also implement activities of their own, as described below.

- 2) *Frame organisations with own activities
(have their own framework agreement with Sida)*

Sida will enter into agreements covering several years with an NGO due to the breadth and quality of its work, together with its specific skills in fields of interest for Swedish development cooperation.

Sida will stipulate the framework for programmes of development cooperation and have a close dialogue with the organisations that channel grants to other organisations on the preparation and follow-up of programmes of development cooperation, on methods and policy development, and on issues relating to the specific expertise possessed by the organisation.

- 3) *Organisations with programme agreements
(agreements approved by Sida covering several years with frame organisations)*

A frame organisation can enter into an agreement on support for a period of several years with an NGO that has broad activities and good capacity, or specific expertise, but is of the type that does not justify it having a direct agreement with Sida. A programme agreement

of this type will originate on the initiative of the frame organisation but must be approved by Sida. When approving grants, Sida will make special formal decisions on the allocation of funds to each organisation with a programme agreement. Sida will mainly cooperate indirectly with these organisations through the frame organisation responsible. However, the programme agreement organisations constitute important dialogue partners with Sida in respect of methods and policy issues.

5. Principles for Sida's cooperation with frame organisations

The new selection criteria are based on the following principles that have been formulated for Sida's cooperation with frame organisations.

The system with frame organisations is one part of Sida's development cooperation under the budget item for support to NGOs. The overall goal of the budget item is, as for other parts of Swedish development cooperation, to contribute to poverty reduction in accordance with the internationally agreed development goals, with the main goal of halving extreme poverty by the year 2015.

The specific goal of the budget sub-item is to promote the development of a vibrant and democratic civil society and to strengthen local partner organisations in developing countries.

One fundamental principle is that it is the local organisations which are in focus and it is local initiatives in the partner countries that form the point of departure for development contributions. Cooperation that is established between Swedish organisations and their partners in the South (and East) shall be specifically permeated by organisation development and human resource development.

Sida's support to the Swedish organisations is based on the conception that cooperation with and provision of support to civil society is usually best promoted by cooperation between the organisations of civil society themselves, based on common values. Cooperation between like-minded organisations in Sweden and in developing countries has special qualities and potential. Through their extensive organisational knowledge, their long experience of development cooperation and their experience of working with advocacy vis-à-vis the Government and Parliament, the Swedish organisations have good prospects of contributing experience and interest to the organisations in developing countries.

Value added is also created by the fact that contacts between people and organisations with the same values in different countries lead to their acceptance and support of visions that go beyond development cooperation relations. These contacts are also to be found in the global arena which implies an important contact with so-called global civil society. Sida regards this as an important complement to inter-governmental development cooperation and highly values the better understanding of development issues possessed by Swedish citizens which the organisations have contributed to through their extensive experience of development cooperation.

Sida's cooperation with Swedish NGOs under this budget item is based on the principle that it is a form of support to the activities of these organisations. Sida stipulates the forms of its support through the rules it issues, for example guidelines and general conditions. This direct form of cooperation thus takes place between Sida and the Swedish NGOs with which Sida has concluded frame agreements. Through the frame organisations Sida also has an indirect form of cooperation with other Swedish NGOs that receive government grants for development cooperation activities. All development cooperation through NGOs that are in receipt of government grants must, as mentioned above, be based on a programme of cooperation between the Swedish organisation and a partner in cooperation in the South or East. Cooperation can also take place in different international networks.

The basic condition for the conclusion of framework agreements by Sida with Swedish NGOs is naturally that it fulfils the requirements stipulated for Swedish organisations in Sida's guidelines for grants to NGOs.

One overall aim of the framework system is to establish cooperation between Sida and Swedish NGOs that covers groups that are as broad as possible, where diversity and differences are of great importance, both in Sweden and among the Swedish organisations' partners in the South and East. The selection of frame organisations is thus not determined merely by the qualities of an individual organisation but also by the need that the composition of the entire group of frame organisations should be as wide as possible, from both the perspective of development cooperation and for shaping opinion in Sweden. Sida's assessment for the selection of frame organisations can thus also include the organisation's specific expertise in development cooperation, the sector it represents, or the specific needs that may exist in respect of cooperation with a certain region.

With its framework system Sida wishes to achieve:

- development cooperation of high quality to support civil society in the South and East
- a broad interface with Swedish organisations and their partners
- a good platform for shaping opinion in Sweden
- a structured dialogue on methods and policy issues with Swedish organisations
- a rational and effective way of administering the popular movement appropriation.

Through its regulation and follow-up mechanisms, Sida stipulates the framework of the ways in which Sida's grants may be used and of reports on their use. Thereby Sida stipulates the focus an activity should have in order to receive government grants while it is then up to the organisations to take full responsibility for the implementation and the effects of the activities. Sida follows up the activities of the frame organisations at the overall level, where effects and results are assessed against predetermined goals. The financial part of cooperation is regulated through strict requirements imposed on the organisations in respect of their financial reports.

Apart from the fact that the framework agreement system is based on trust between Sida and the organisations, it is also based on the conviction that both activities and controls of them will be more effective with the aid of a decentralised model for accountability than through a model where Sida governs activities in detail. In its guidelines Sida lays down the ways the organisation itself shall assume responsibility for detailed controls of its activities. This is combined with Sida making spot-checks and field visits and using various forms of evaluations. One prerequisite for quality assurance of cooperation is also a close and continuous dialogue between Sida and the organisations.

Cooperation between Sida and the frame organisations is based on a long-term perspective and on trust. Framework agreements are therefore concluded that cover several years and after a thorough assessment has been made of the frame organisation's capacity. Should the assessment of the frame organisation's capacity and activities change in any way, Sida can decide not to renew the agreement. Likewise, other organisations that have developed the capacity that is in demand will come into question for framework agreement cooperation with Sida. With the introduction of the selection criteria Sida wishes to make a greater degree of mobility in the system possible.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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