

Business Case and Intervention Summary

Intervention Summary

Title: Support to Bond on NGO effectiveness, transparency and joint civil society action.

What support will the UK provide?

Bond is the UK member organisation for Non-Governmental Organisations (NGOs) that work in development. The UK Government, through the Department For International Development, will provide Bond with a total support of £2,708,107 over three year (2013-16). DFID funding will support two specific areas of work to: 1.improve the effectiveness and transparency of UK NGOs' programmes to reduce poverty and 2. build and coordinate NGO coalitions to support positive EU and international policy action on poverty reduction.

The total cost of the programme is £4.1 million. Other contributors include: Comic Relief, BIG, the Bill & Melinda Gates Foundation, Bond and Bond members.

Why is UK support required?

Effective development cooperation, and agreeing a poverty focussed and adequately-resourced framework to replace the MDGs post 2015 are a UK priorities. More effective development cooperation will increase long term impact for people living in poverty. To achieve more effective development cooperation a number of things need to happen at the national, regional and international levels, such as adequate resourcing of aid efforts, a focus on poverty reduction beyond the current Millennium Development Goals timeframe, and improvements in the effectiveness of development cooperation and of those organisations that deliver aid.

Governments can't do it alone. Civil society plays a key role in development at all levels; a role widely and officially recognised. Well-coordinated civil society action can impact on the level of commitment and policy direction of development actors, particularly where civil society organisations exhibit best practice in institutional effectiveness, which in turn will lead to better results on the ground.

The UK NGO sector and its partners are global actors with far reaching impact and influence. A well-coordinated and effective UK civil society sector will be better able to implement development best practice and to promote a poverty-focused international development framework, both leading to longer term impact for poor people. Bond is well placed to support the UK NGO sector, and its partners, to coordinate their input to European and international processes and to improve their organisational effectiveness. This would contribute to achieving the UK's international development objectives.

What are the expected results?

A Strategic Grant Agreement (SGA) with Bond to improve the UK NGO sector's Effectiveness & Transparency and to support Joint Civil Society Action on EU & post 2015 will benefit:

(indirectly) – the millions of people living in poverty who are (or could be) reached by EU aid programme and development policies that are effective and focused on poverty reduction.

(indirectly) –1.4bn people worldwide living in extreme poverty (under \$1.25/day)ⁱ who would benefit from post 2015 efforts (and current MDG ones) that remain focused on poverty eradication for the greatest possible number of poor people.

(directly) –UK development NGOs and their EU and international counterparts by strengthening their ability to achieve better outcomes for those they work with or on behalf of.

(directly) – 395 UK development NGOs (of which 40% are classified as small). Bond's target of increasing effectiveness amongst 55% of its members by 2016 would contribute to the better use of £1.36 billion of expenditure.

Specifically, Bond's proposed programme of work seeks to 1. improve the effectiveness and transparency of UK NGOs' own programmes to reduce poverty, and 2. build and co-ordinate NGO coalitions to support positive EU and international policy action to meet international commitments.

Business Case

Strategic Case

A. Context and need for a DFID intervention

International Context

In 2000 world leaders agreed eight international development goals to reduce poverty. In the last decade these, 'Millennium Development Goals' (MDGs) have galvanised efforts to reduce extreme poverty by half; decrease by half the proportion of people without access to clean water, and achieve parity between girls and boys in primary school enrolment. According to the World Bank, 'the first MDG target – halving the share of people living in extreme poverty – is within reach at the global level and in four of the six developing regions'.ⁱⁱ

However, achieving the MDGs by 2015 is still a challenge. Progress towards the goals varies across countries, and even if the MDGs were fully achieved, further work would still be required to eradicate poverty globally. For example, in 2015 almost one billion people will be living on an income of less than £1.25 per day; more than 600 million people worldwide will still be using unimproved water sources and children will suffer and die from preventable diseasesⁱⁱⁱ.

The international community has begun the process of agreeing what will replace the MDG framework post-2015 and despite the shock of the 2008 financial crisis and its aftermath, the key development actors are committed to ensure effective^{iv} and adequately-resourced development co-operation to achieve better results for poor people.

Governments alone won't be able to 'deliver development'. Others including Multilateral organisations, such as the UN, and Civil Society Organisations (CSOs) have a key role to play.

UK context

The UK Government is committed to contributing to the achievement of the MDGs. They are at the heart of the Department for International Development's (DFID) work as set out in its latest Business Plan^v. The UK Prime Minister, David Cameron, is a co-chair of the High Level Forum on post 2015, which is considering critical issues such as development financing and global partnerships.

The UK is also playing a leading role in the follow up to the Aid Effectiveness agenda agreed at the High Level Forum in Busan in November 2011^{vi}. It is doing so through the Secretary of State for International Development's role as co-chair of the Global Partnership for Development Effectiveness (GPDEC)^{vii}. The UK expects that an increase in aid transparency and effectiveness will lead to a better use and allocation of resources, and in turn will have a greater impact on poverty reduction and on the lives of those it seeks to reach.

EU context

Collectively, the European Union is the world's largest provider of Overseas Development Assistance (ODA). In 2011, EU Member States and the European Commission provided €53 billion on ODA – more than half the world's total reported amount.^{viii} In 2005, EU Member States all committed (or in many cases re-committed) themselves to reaching the UN's 0.7% of GNI in aid as part of the EU Consensus on Development.^{ix} The UK is set to reach the target in 2013.

The EU has also committed to greater effectiveness and focus on results through its joint position at Busan. A recent study showed that improved co-ordination of EU aid could result in annual savings of

€5 billion^x. Indeed, both on quality and quantity, EU policy has the potential to significantly impact on effectiveness, resourcing and development cooperation broadly.

Civil Society

Civil Society can play a unique role in reaching poor and marginalised communities; in helping poor people set standards for their lives and demand that they be met, and in providing basic services and livelihoods in places that the government or private sector have not reached^{xi}.

A strong international and local civil society is important for achieving the MDGs^{xii}; and is likely to continue to be central post 2015. Although it is still unclear what the post-2015 agenda will look like, the 'golden thread' is a recurring theme in the Coalition Government's approach to growth and poverty reduction. The 'golden thread' is characterised by an '**open societies, open economies**' discourse and CSOs can (and in some cases need to) play a key role in promoting accountable and transparent governments.

Globally, the number of international non-governmental organisations increased from 6,000 in 1990 to 50,000 in 2006^{xiii}. In 2010, CSOs managed 16% of OECD DAC members' ODA – USD\$18.4 Billion^{xiv}. Civil Society Organisations were recognised as a key development actor in the 2008 Accra Agenda for Action, and this was reiterated in Busan, emphasising their central role in contributing to development effectiveness.

DFID support to CSOs:

In 2011/12 DFID channelled £694m of bilateral aid through civil society organisations (CSOs.) i.e. 16% of total bilateral spend^{xv}.

DFID has five broad objectives for work with civil society. These are to:

- provide goods and services to the poor, particularly the hard to reach
- help people in developing countries hold governments and others to account and influence decisions that affect poor people's lives
- support poor people to do things for themselves
- build support for development by encouraging UK citizens
- build and maintain the capacity and space for an active civil society

Working with civil society is a key part of DFID's business model. DFID works with over 500 international and UK CSOs and has direct or indirect links with many more CSOs in developing countries. This relationship is led by a dedicated department (Civil Society Department) that aims to support CSOs to more effectively deliver against DFID's objectives. CSD has been placing an increased emphasis on transparency and evidencing results^{xvi} by CSOs, especially given the wider pressures on public spending and increased public scrutiny of the aid budget. It does so by demanding certain standards and procedures of its grantees, and by influencing civil society. This has been demonstrated by CSOs' increased commitment to results and value for money^{xvii}.

Bond:

Internationally, British NGOs are recognised as playing a range of leadership roles in global development, as demonstrated during the Make Poverty History Campaign in 2005 and with the current Beyond 2015 work.

Bond is the membership body for British Non-Governmental Organisations in development. It:

Brings together 395 UK development NGOs of all types and sizes; including NGOs with extensive experience in policy dialogue and public mobilisation (e.g. Oxfam, CAFOD, Christian Aid) - 40% of

Bond members are classified as small organisations (expenditure below £1m)
Brings together NGOs with a combined expenditure of £2.9 billion
Represents the UK NGO sector on CONCORD (European NGO network of 1,800 NGOs organized through national level networks or “platforms” across all 27 EU Member States)
Launched *Beyond 2015*, an international campaign to kick-start and accelerate the post-2015 planning process and established the Bond Beyond 2015 UK Group providing a platform for members to work together
Is an elected member of the *Beyond 2015* Executive Committee and of the CONCORD Board
Is the national convenor and international coordinator for civil society work on the G8 and the G20.

Bond currently has a two–year Strategic Grant Arrangement (SGA) with DFID worth £543,520 and due to end on 31st March 2013.

The SGA has supported the Bond Effectiveness Programme (BEP), which was established in 2009 to build the UK NGO sector’s capacity to better track, monitor and demonstrate results and Value for Money (evaluate and improve effectiveness). With the support of DFID, Comic Relief and several individual Bond members, the BEP (consortium of Bond, NIDOS^{xviii} and CADA^{xix}), has designed a set of tools to support NGOs to improve their effectiveness in areas such as monitoring results, evaluation, rigour of evidence, Value for Money amongst others (e.g. sector standard for assessing rigour of evidence currently being piloted by members and by DFID).

Under the SGA, and in addition to the BEP, Bond has led UK NGOs’ response to the transparency agenda, including a highly-successful drive to assist NGOs to publish their data to the International Aid Transparency Initiative (IATI) standard (supporting 85 NGOs or 75% of all publishers to date).

The SGA has also supported Bond’s work at the EU level on aid financing and EU aid effectiveness.

Need for continued support to Bond:

Effectiveness

There is evidence to support development work through CSOs, in both service delivery and empowerment and accountability. However, evidence also exists that challenges some of the key assumptions about CSOs, for example that they reach the most marginalised groups, which highlights the importance of good Monitoring & Evaluation^{xx}.

Indeed, though CSOs’ strategic importance as key partners in global efforts to reduce poverty has received increased official recognition in recent years, it comes with a call to ‘encourage CSOs to implement practices that strengthen their accountability and their contribution to development effectiveness’^{xxi} – as reflected, for example, in the Istanbul Principles adopted by NGOs internationally in 2010^{xxii}.

One of the main challenges facing all organisations in development is the need to make continual progress to improve effectiveness and value for money. Where UK development NGOs struggle to provide rigorous, consistent and systematic evidence of the contribution they make to international development^{xxiii}, this could undermine performance and evidence-based decision-making, weaken learning and effectiveness, and ultimately feed public scepticism towards international development – see Theory of Change.

Transparency

For aid impact to be increased it is important that donors, including NGOs, are more accountable to the beneficiaries of aid. Transparency is considered to be a necessary (but not sufficient) condition of accountability within the aid system. The International Aid Transparency Initiative (IATI) is a key step in the process of opening up aid information data and making it readily accessible to interested

parties.

It is becoming increasingly important to capitalise on the initial momentum created by DFID's requirement for CSOs to demonstrate they meet IATI standards by: (i). ensuring that CSOs publish information about what resources they receive and how they use those resources; (ii). incentivising non-DFID funded NGOs to see the benefits of publishing to IATI voluntarily and (iii) encouraging the use of the information which will ultimately contribute to greater accountability of all development organisations.

Eu / Post 2015

DFID's Multilateral Aid Review rated some important elements of the EU programme with the best possible scoring – notably the European Development Fund which gained a double 'strong' for 'contribution to UK development efforts' and 'organisation strengths' – but three other foreign affairs funds included in the European Commission budget were rated as 'weak' and 'satisfactory' only.^{xxiv} The OECD's peer review of EU aid in 2012 found that the EU was 'a formidable player in global development', though it still needed 'to make progress in a number of areas'^{xxv}. The December 2012 Independent Commission on Aid Impact (ICAI) review rated the EU performance framework and results management as weak^{xxvi}.

On both the quality and quantity, there are important aspects of EU policy that impact strongly on meeting the commitments on effective, adequately resourced, development co-operation. Given the scale of EU aid, securing even small improvements has the potential to deliver major benefits in poverty reduction on the ground. The same goes for mobilising pressure to ensure that all EU Member States sustain progress towards their commitment to reach the 0.7% target; or at the very least to prevent cuts being made where they are threatened.

For a legitimate and broadly-owned post-2015 framework that seeks to transform the lives of those living in poverty, it is broadly agreed that a multi-stakeholder movement is needed. Civil society involvement at national, regional and international level can help secure such an agreement. Coalitions and organised alliances can contribute to minimising the very real risk that post-2015 civil society activity becomes too crowded, uncoordinated and disparate without effective facilitation, support or leadership. Moreover, the scale of some of the challenges of EU aid (i.e. aid targets are off-track in many member states), development policy and a new post-2015 development framework, added to the complex nature of securing international agreement on these issues in the context of a continuing financial crisis, also point to a need for effective coalitions and alliances to impact on decision making.

Current evidence base

Role of Civil Society

There is a body of evidence, referred to in more detail in the appraisal section, on the role that CSOs can play in development, including but not limited to service delivery and empowering citizens. For example, McGee and Gaventa (2010) have broadly found that citizen engagement, often as a mechanism for holding service providers accountable, has a positive impact in driving better use of resources and development results.

Effectiveness & Transparency:

There is broad consensus that aid should be managed better to achieve greater development impact. This underpins the agreements in the Paris Declaration (2005) and Accra Agenda for Action (2008). The theoretical link between aid effectiveness and development outcomes is strong. However, finding clear, long-term evidence of a causal link between improved aid effectiveness and development outcomes is challenging^{xxvii}.

The evidence base on the impact of aid transparency is not strong. This is partly because it is a relatively new area of intervention and also because studies have tended to focus on the consequences of a lack of aid transparency rather than on the benefits of promoting greater transparency (Mulley, 2010^{xxviii}; McGee and Gaventa, 2010^{xxix}).

However there is growing evidence on the impacts of transparency and accountability (T&A) initiatives more broadly, often based on in-depth analysis of country-specific case studies. There have been a number of meta-analyses of the impact of voice and citizen engagement (O'Neill et al, 2007^{xxx}; Gaventa and Barrett, 2010^{xxxi}) and T&A initiatives (McGee and Gaventa, 2010).

Joint Civil Society Action:

Though influencing can be difficult to measure and track - this is an area of work that DFID itself is seeking to address - there is some patchy evidence of civil society alliances playing a significant role in contributing to positive policy outcome. In a recent study of the lessons of donors' engagement with CSOs, the OECD Development Assistance Committee's (DAC) acknowledged CSOs' particular added value in having 'grass-roots knowledge of needs in developing countries, expertise in specific sectors, knowledge of public opinion and as advocates for human and civil rights, fighting poverty and environmental degradation, improving governance and making international policies more development-friendly.'^{xxxii}

A Danida / SIDA Nordic donor review concluded, 'coalitions/networks can increase effectiveness in policy formulation'^{xxxiii}, while another examining a range of international examples commissioned by the Gates Foundation stated that, in terms of securing outcomes 'coalition is king' and that 'collective action is - in almost all cases - a necessary characteristic for large-scale impact'^{xxxiv} – though it goes on to note that for impact to be secured they have to be effectively formulated and run coalitions.

B. Impact and Outcome that we expect to achieve

A Strategic Grant Agreement (SGA) with Bond to improve the UK NGO sector's Effectiveness & Transparency and to support Joint Civil Society Action on EU & post 2015 development policy will benefit:

(indirectly) – the millions of people living in poverty who are (or could be) reached by EU aid programme and development policies that are focused on poverty reduction. The European Commission spent €11.3 billion (approximately £9 billion) on aid in 2011^{xxxv}, making it the largest multilateral donor in the world^{xxxvi}. It is assumed that greater effectiveness and adequate resourcing of EU aid will in turn result in better value for money, resource allocation and greater impact on the ground, and therefore have a beneficial impact on the direct and indirect recipients of EU ODA.

(indirectly) – post 2015 work can help galvanise efforts to achieve the MDGs by the end of 2015 with the potential to transform the lives of 1.4bn people worldwide living in extreme poverty (under \$1.25/day)^{xxxvii} and ensure a strong post 2015 framework focused on poverty eradication for the greatest possible number of poor people.

(directly) – through the EU / post 2015 work programme: UK development NGOs and their EU and international counterparts by strengthening their ability to achieve better outcomes for those they work with or on behalf of.

(directly) – through the Effectiveness and Transparency work programme: 395 UK development NGOs (of which 40% are classified as small) with a combined expenditure of £2.9 billion. Bond's target of increasing effectiveness amongst 55% of its members by 2016 would contribute to the better use of £1.36 billion of expenditure.

The Super Impact of a Strategic Grant Agreement with Bond would be: :

More effective development co-operation is increasing long-term impact for people living in poverty

The Impact would be:

The programme's target audience plays a key role in achieving development commitments through meeting its own effectiveness goals, and influencing EU and international development policy and practice

NB: The target audience is UK NGOs including Bond members, UK development NGOs that are not Bond members and other strategic partners where relevant, such as CONCORD. The Effectiveness Programme's target audience also includes collaboration with NIDOS, WIDH and CADA in Scotland, Wales and Northern Ireland.

Specifically, Bond's proposed programme of work seeks to 1. improve the effectiveness and transparency of UK NGOs' own programmes to reduce poverty, and 2. build and co-ordinate NGO coalitions to support positive EU and international policy action to meet international commitments, with the view to achieve the following outcomes:

The target audience effectively and efficiently achieve its organisational goals and exhibits best practice

The target audience engages with and influences EU development policy and the post-2015 agenda

Appraisal Case

A. What are the feasible options that address the need set out in the Strategic case?

The appraisal case will first outline the Theory of Change for the proposed intervention, detailing further down the evidence for the assumptions.

Theory of Change for Bond's programme of work under a Strategic Grant Agreement with DFID (see Figures 1):

Overall Snapshot:

The snapshot Theory of Change argues that more effective development cooperation will increase long term impact for people living in poverty. To achieve more effective development cooperation a number of things need to happen at the national, regional and international levels, such as adequate resourcing of aid efforts, a focus on poverty reduction beyond the current MDG timeframe, and improvements in the effectiveness of development cooperation and of those organisations that deliver aid.

Civil society plays a key role in development at all levels; a role widely and officially recognised (e.g. Busan). Well-coordinated civil society action can impact on the level of commitment and policy direction of development actors, particularly where civil society organisations exhibit best practice in institutional effectiveness, which in turn will lead to better results on the ground.

The UK NGO sector and its partners are global actors with far reaching impact and influence. A well-coordinated and effective UK civil society sector will be better able to implement development best practice and to promote a poverty-focused international development framework, both leading to longer term impact for poor people. The membership body for UK NGOs working in development, Bond, is well placed to support the UK NGO sector, and its partners, to coordinate their input to European and international processes and to improve their organisational effectiveness.

Narrative Theory of Change

Aid effectiveness can be defined as “the arrangement for the planning, management and deployment of aid that is efficient, reduces transaction costs and is targeted towards development outcomes including poverty reduction”^{xxxviii}.

An international development and aid system that is effective, transparent, accountable and results - driven is likely to provide better Value for Money for aid recipients (and UK tax payers) and to lead to better results for people living in poverty.

The UK is playing a lead role in pushing such an agenda including through the respective co-chair roles of the Prime Minister and Secretary of State on the post 2015 High Level Panel and on the Global Partnership for Effective Development Cooperation.

The world has made significant progress in reducing poverty in the twelve years since agreeing the MDGs^{xxxix}. However, progress faces a number of challenges. There are variations across countries, and even if the MDGs were fully achieved, further work would still be required to eradicate poverty globally. According to the World Bank,^{xl} “1.29 billion people in 2008 lived below \$1.25 a day” and “2.47 billion people in 2008 consumed less than \$2 a day”^{xli}.

The international community has begun the process of agreeing the replacement for the MDG framework post-2015 and despite the shock of the 2008 financial crisis and its aftermath, the key development actors are determined^{xlii} to improve effective and adequately-resourced development

co-operation to achieve better results for poor people.

The UK has regularly reiterated its commitment to resource and implement efforts to achieve the MDGs, and any future post MDG framework that is aimed at improving the lives of poor men and women^{xliii}. A strong poverty focus must remain in a post 2015 framework.

Some actors have particularly high potential to impact on international development effectiveness and on resourcing levels. One of these is the European Union.

Collectively the European Union is the world's largest provider of Overseas Development Assistance (ODA). In 2011, EU Member States and the European Commission provided €53 billion on ODA – more than half the world's total reported amount.^{xliiv} The EU has committed to greater effectiveness and focus on results through its joint position at Busan. The December 2012 ICAI review rated the EU performance framework and results management as weak^{xliv}.

Both on quality and quantity, there are important aspects of EU policy that impact strongly on meeting the commitments on effective, adequately-resourced, development co-operation. Given the scale of EU aid, securing even small improvements has the potential to deliver major benefits in poverty reduction on the ground.

Governments and Multilateral Institutions such as the European Commission and the United Nations alone won't be able to 'deliver development'. Others, including civil society organisations, have a key role to play. In 2010, CSOs managed 16% of OECD DAC members' ODA – USD\$18.4 Billion^{xlvi} and in 2011/12, 16% of DFID bilateral spend.

In recognition of their central role in contributing to development effectiveness, Civil Society Organisations were recognised as a key development actor in the 2008 Accra Agenda for Action, and this was reiterated in Busan.

Many factors will determine the direction of EU aid and development policy, and the outcome of the negotiations on the post-2015 development framework. Nonetheless, civil society could play a significant role in contributing to a positive outcome on both fronts. The scale of some of the challenges of EU aid, development policy and a new post-2015 development framework, added to the complex nature of securing international agreement on these issues in the context of a continuing financial crisis point to a need for coalitions and alliances to impact on decision making.

However, NGOs will only be likely to achieve long term and strategic impact if they work together in effective coalitions and as part of effective international alliances. Coalitions and organised alliances can contribute to minimising the very real risk that post-2015 civil society activity becomes too crowded, uncoordinated and disparate without effective facilitation, support or leadership.

Also, and for a legitimate and broadly owned post 2015 framework that seeks to transform the lives of those living in poverty, it is broadly agreed that a multi-stakeholder movement is needed. Civil society involvement at national, regional and international level can help secure such an agreement. Well-coordinated civil society action could also strengthen the voices of the poor. It could help create a global, multi-stakeholder movement that would contribute to a legitimate post-2015 framework that seeks to transform the lives of those living in poverty.

However, to retain their credibility and to ensure that they achieve the best possible results for poor people, civil society organisations need not only to be well organised, but also to exhibit best practice in institutional effectiveness.

As the Busan, Accra and Paris agreements all recognised, there are two factors critical for achieving effective outcomes. These are: (i) being better able to measure and evaluate the impact of

development interventions (understanding better what works and what doesn't and therefore shift resources to greater likelihood of success); and (ii). improving transparency. Both are understood to be drivers of effectiveness and value-for-money, which will ultimately impact on reducing poverty by improving the instruments used to do so.

Better measurements:

One of the greatest challenges facing NGOs today is the need to demonstrate continuous improvement in effectiveness and Value for Money. A number of UK development NGOs still struggle to provide rigorous, consistent and systematic evidence of the contribution they make to international development^{xlvii}. This may be undermining performance and evidence-based decision-making, weakening learning and effectiveness, and ultimately feeding public scepticism towards international development. It may also be undermining their credibility as development actors who are seeking to contribute to evidence-based policy making (e.g. post 2015).

On both fronts – impact and credibility - it is important for CSOs to improve and demonstrate their effectiveness, and work together in partnership to enhance this work. The increased external expectation of CSOs is also matched by a growing determination to measure, demonstrate and improve effectiveness and transparency amongst CSOs themselves – as reflected, for example, in the Istanbul Principles adopted by NGOs internationally in 2010^{xlviii}.

Transparency:

The Paris Declaration Evaluation (2011)^{xlix} emphasised transparency as the indispensable foundation for effectiveness and accountability. It has become an increasingly important issue in subsequent High Level Forums on aid effectiveness (Accra in 2008 and Busan in 2011).

For aid impact to be increased it is important that donors, including NGOs, are more accountable to the beneficiaries of aid. Transparency is considered to be a necessary (but not sufficient) condition of accountability within the aid system. Available and accessible data can improve its use by beneficiaries and others involved in the aid distribution chain, it can help them to hold those providing the aid to account. It is assumed that improved transparency will lead to improved tracking, learning and accountability, all in turn contributing to efficiency and better VfM and results.

Within international civil society, the UK NGO sector and its partners are global actors with far reaching impact and influence. British NGOs are recognised as playing a range of leadership roles in global development (e.g. Make Poverty History and Beyond 2015).

A well-coordinated and effective UK civil society sector will be better able to implement development best practice and to promote a poverty-focused international development framework, both leading to longer term impact for poor people.

If UK NGOs and their partners get better at transparency and demonstrating the impact of their work, we can anticipate that they will significantly contribute to a drive towards developing and using more effective aid and instruments, and hence, achieving greater poverty reduction.

The membership body for UK NGOs working in development, Bond, is well placed to support the UK sector, and its partners, to coordinate their input to European and international processes and to improve their organisational effectiveness.

Bond is far reaching, both in the UK and beyond. It is well-positioned to convene, lead and support UK NGOs and their work with EU and international civil society on the opportunities that are arising in 2013-16. Bond has a track record of supporting its members to effectively engage with, and influence, policy dialogue at EU and international levels. Bond can play a particularly important role for those organisations that lack sufficient capacity to participate individually in these processes.

With DFID support amongst others (e.g. Comic Relief), Bond has been developing tools and approaches to enable NGOs to better measure and demonstrate their impact and to improve their transparency.

If Bond's coordination, support and tools do indeed improve the collaboration, effectiveness and transparency of its membership - we can anticipate a greater contribution to, and impact on, poverty by those actors who improve how they operate (i.e. in this case Bond, NIDOS, WIDH & CADA members, and indirectly their partners). Securing such sector-wide outcomes as those anticipated by Bond could achieve a substantial improvement in the way the majority of UK NGOs operate, and therefore in their capacity to impact on poverty reduction.

[See further sections for additional information on Bond's expertise and track record, and what it will do under a SGA with DFID].

Theory Of Change high level assumptions and relevant evidence:

More effective development cooperation and aid will increase long term impact for people living in poverty.

There is broad consensus that aid should be managed better to achieve greater development impact. This underpins the agreements in the Paris Declaration (2005) and Accra Agenda for Action (2008). The theoretical link between aid effectiveness and development outcomes is strong. However, finding clear, long-term evidence of a causal link between, for example, the Paris principles and development outcomes is challenging. This challenge is not unique to aid effectiveness - assessing the impact of aid is difficult in a number of circumstancesⁱ.

The causal relationship between aid effectiveness and the outputs achieved is being explored by the OECD DAC, and by others working in international development such as Think Tanks and CSOs.

A poverty focussed and adequately resourced post 2015 framework is still relevant

Though progress has been made on the MDGs, poverty persists. According to the World Bank,ⁱⁱ "1.29 billion people in 2008 lived below \$1.25 a day" and "2.47 billion people in 2008 consumed less than \$2 a day"ⁱⁱⁱ.

In 2015 almost one billion people will still be living on an income of less than £1.25 per day; more than 600 million people worldwide will still be using unimproved water sources and children will suffer and die from preventable diseasesⁱⁱⁱⁱ.

Civil society plays a key role in development

Civil Society Organisations were recognised as key development actors in the 2008 Accra Agenda for Action, and this was reiterated in Busan.

In 2010, 16% of ODA - USD\$18.4 Billion - was channelled to aid through CSOs by OECD DAC Members^{iv}.

Civil Society can play a unique role in reaching poor and marginalised communities; in helping poor people set standards for their lives and demand that they be met, and in providing basic services and livelihoods in places that the government or private sector have not reached^{iv}.

An internal DFID review looked at the evidence on the role of civil society in achieving development. It found medium to strong evidence that a rich civil society has positive impacts on economic and social development (medium-high). Rich civil society also appears to have positive impacts on

improving state accountability before society. However, the degree to which civil society can have strong impacts in undemocratic states is limited^{lvi}.

The UK Parliamentary Public Accounts Committee praised CSOs for often performing better than developing country governments in providing benefits for the poorest^{lvii}.

Well-coordinated civil society action can impact on the level of commitment and policy direction of decision makers:

The Institute for Development Studies (IDS) found good evidence from 100 case studies^{lviii} that citizen engagement can contribute to developmental or state-building outcomes. Creating and maintaining democratic space is a prerequisite for effective policy change and CSOs change policy largely through alliances. In a separate study^{lix}, IDS used eight of these case studies to demonstrate how citizens have changed national policies. For example, in Mexico a campaign to reduce maternal mortality put the issue on the national agenda in an unprecedented way, contributing to changes in national budgets and health delivery mechanisms. Evidence suggests that donors must broaden their understanding of civil society organisations and coalitions that are able to bring about deep reform; provide long term support; and help create opportunities for civil society based campaigns to build links with government reformers, media and technical expertise.

A joint SIDA and DANIDA evaluation of CSO engagement in policy dialogue concluded that ‘coalitions/networks can increase effectiveness in policy formulation’^{lx}.

A Gates Foundation review examining a range of international examples stated that, in terms of securing outcomes ‘coalition is king’ and that ‘collective action is - in almost all cases - a necessary characteristic for large-scale impact’^{lxi} – though it goes on to note that for impact to be secured they have to be effectively formulated and run coalitions.

Within international civil society, the UK NGO sector and its partners are global actors with far reaching impact and influence.

Beyond 2015 <http://www.beyond2015.org> is an example of UK NGO leadership. Set up by Bond and a handful of UK NGOs and NGOs elsewhere, the international campaign is now the largest platform on the post 2015 agenda with a diverse, global base playing a leading role in debates, consultation and action influencing decision-makers. A founding principle of the campaign is that it is a partnership between civil society organisations from the global North and South – bringing together groups from developing, emerging and developed economies.

Make Poverty History has been described as inspiring CSO coalitions in many other countries. When heading the UN Millennium (2008), Salil Shetty, described UK NGOs as some of the “best international development organisations in the world [...] with a significantly higher level of resources and expertise vested in the UK CSO community, and with that a responsibility to the global anti-poverty movement to always up the game.” He continued on to say: “When the UK CSO community cannot present a united front, it is not only felt by the British public but has had a spill over effect on many other coalitions in Europe and elsewhere. A collective voice from British civil society is crucial: the power of a unified UK civil society [...] is required in dealing with the EU and indeed at the global level”^{lxii}.

EU could impact greatly on international development effectiveness and on resourcing levels:

In 2011, EU Member States and the European Commission provided €53 billion on ODA – more than half the world’s total reported amount.^{lxiii}

In 2005, EU Member States all committed (or in many cases re-committed) themselves to reaching

the UN's 0.7% of GNI in aid as part of the EU Consensus on Development.^{lxiv} The UK is set to reach the target in 2013.

The EU has committed to greater effectiveness and focus on results through its joint position at Busan. A recent study showed that improved co-ordination of EU aid could result in annual savings of €5 billion^{lxv}. The December 2012 ICAI review rated the EU performance framework and results management as weak^{lxvi}.

Both on quality and quantity, EU policy has the potential to significantly impact on effectiveness, resourcing and development cooperation broadly.

Voices of the Poor can be highlighted through CSO alliances on post 2015 priorities, and multi-stakeholder outcomes promoted

In a recent study of the lessons of donors' engagement with CSOs, the OECD Development Assistance Committee's (DAC) acknowledged CSOs' particular added value in having 'grass-roots knowledge of needs in developing countries, expertise in specific sectors, knowledge of public opinion and as advocates for human and civil rights, fighting poverty and environmental degradation, improving governance and making international policies more development-friendly.'^{lxvii}

Civil society involvement at national, regional and international level would lead to a post 2015 agreement that is widely owned and seeks to transform the lives of those living in poverty. The DFID funded *Participate* Initiative is a joint IDS and Beyond 2015 collaboration aiming to provide high quality evidence on the reality of poverty at ground level, bringing the perspectives of the poorest into the post-2015 debate.

Better Measurement and Improved Transparency will lead to better outcomes.

The Busan, Accra and Paris agreements recognise (i) being better able to measure and evaluate the impact of development interventions; and (ii) improving transparency as critical to improved effectiveness in achieving development outcomes

The Paris Declaration Evaluation (2011)^{lxviii} emphasised transparency as the indispensable foundation for effectiveness and accountability. It has become an increasingly important issue in subsequent High Level Forums on aid effectiveness (Accra in 2008 and Busan in 2011).

Transparency is considered to be a necessary (but not sufficient) condition of accountability within the aid system. The evidence base on the impacts of aid transparency is not strong. This is partly because it is a relatively new area of intervention and also because studies have tended to focus on the consequences of a lack of aid transparency rather than the benefits of promoting greater transparency (Mulley, 2010^{lxix}; McGee and Gaventa, 2010^{lxx}).

However there is growing evidence on the impacts of transparency and accountability (T&A) initiatives more broadly often based on in depth analysis of country-specific case studies. There have been a number of meta-analyses of the impact of voice and citizen engagement (O'Neill et al, 2007^{lxxi}; Gaventa and Barrett, 2010^{lxxii}) and T&A initiatives (McGee and Gaventa, 2010). These have broadly found that citizen engagement, often as a mechanism for holding service providers accountable, has a positive impact in driving better use of resources and development results.

In fact, the provision of information on aid and other resource flows in the absence of interventions to engage poor people and their representatives are unlikely to lead to greater accountability and responsiveness to these groups. DFID is providing leadership in the evolving area of beneficiary feedback and requesting of grantees that they report on how beneficiaries access and are able to feedback on their experience of receiving aid.

Evidence exists that challenges some of the key assumptions about CSOs, for example that they reach the most marginalised groups, which highlights the importance of good Monitoring & Evaluation^{lxxiii}.

A number of UK development NGOs still struggle to provide rigorous, consistent and systematic evidence of the contribution they make to international development^{lxxiv}.

Bond's tools and services will lead to greater effectiveness of the sector

If Bond were to improve the effectiveness of 55% of its membership by 2016, it could be contributing to the better use of £1.36 billion of development / aid expenditure. Securing such sector-wide outcomes as those anticipated by Bond could achieve a substantial improvement in the way the majority of UK NGOs operate, and therefore in their capacity to impact on poverty reduction.

However, evidence of the impact of Bond's tools and services is not strong. This is partly due to timing, it being too soon to tell.

Emerging evidence includes Bond's most recent annual survey that shows that 74% of Bond members have received support from Bond, on measuring and demonstrating effectiveness. Of Bond effectiveness programme participants, 35% say they have made changes to improve their practice individually and this is contributing to organisational change. This data is from 2011 and since then there has been a rapid uptake of the effectiveness tools so we would expect a further uplift in this figure; a further survey is due to take place soon.

In 2011-12, 87% of respondents who had participated in Bond workshops, support services and events on IATI reported that their skills, knowledge and confidence on transparency had improved as a result.

Bond will test the chain of impact from adopting new tools and approaches, to improved data tracking of outputs and outcomes, to results and recommendations, through to changed practice and impact on the ground. (see M&E section and logframe – case studies)

Capacity building is a good approach:

Though the evidence may be lacking to directly link capacity building of CSOs to better project outcome and impacts, Bond and NIDOS' research has consistently identified weaknesses in monitoring and evaluation (M&E) as a barrier to improved effectiveness. A 2008 survey of Bond members indicated that 74% of respondents needed support in assessing and demonstrating their impact. 'Time and resources' and 'lack of technical expertise' were identified as the most significant barriers to improvement.

These barriers are felt most acutely by the small and medium sized agencies, which make up over 80%, 70% and 25% of Bond, NIDOS and CADA's membership.^{lxxv} Small organisations have particular capacity building requirements^{lxxvi}.

ODI (2010) recommends that Global Funds should give more attention to capacity development, particularly for sector wide needs, and that these should not be limited to building new capacity in the public sector but may also include strengthening and using the capacity of civil society.

Bond will track capacity building through a range of methods including stakeholder surveys, case studies and in depth evaluations. Through the development of the Improve It Framework and working closely with the Bond thematic working group and the Bond Advocacy team, Bond will track the outcomes and indicators for capacity building and review tools used to measure. This will contribute to evidencing how capacity building of CSOs can lead to greater impact.

Bond's reach makes it well placed to support the UK sector - and its partners - to coordinate their input to European and international processes and to improve their organisational effectiveness.

Bond is the only nationally representative body bringing together over 390 UK development NGOs of all types and sizes; with a combined expenditure of £2.9 billion and millions of public supporters across the UK. It includes many member NGOs with extensive experience in policy dialogue and public mobilisation. As well as NGOs, Bond membership now encompasses think-tanks, donors and universities, such as the Vitol Foundation, Elton John Aids Foundation, ODI, IDS, University of Sheffield, the Open University and Sci.Dev.Net.

Bond is the biggest national umbrella body for international development organisations in Western Europe and North America. The number of Bond members is higher than those of France, Germany and Spain combined.

662 UK international development organisations engaged with the range of Bond services over the last 12 months. 250 organisations took part in Bond training in the last 12 months. Many courses were delivered outside the UK in countries ranging from South Africa, Mozambique, Poland, and The Netherlands to the USA.

Bond's quarterly publication *The Networker* has on average 850 copies per quarter, distributed to 392 member organisations, targeted non-member organisations as well as key Bond contacts in the UK.

In January 2013, the Bond website had 45,940 visits; 59% of visitors to the Bond website are from the UK, 41% international.

To date, Bond has supported 85 NGOs (75% of all publishers) to publish data to the IATI standard through workshops, 1:1 support, online surgeries and tailored resources.

Bond is well-positioned to convene, lead and support UK NGOs and their work with EU and international civil society on the opportunities that are arising in 2013-16.

Represents the UK NGO sector on CONCORD (European NGO network of 1,800 NGOs organized through national level networks or "platforms" across all 27 EU Member States).

Launched *Beyond 2015*, an international campaign to kick-start and accelerate the post-2015 planning process and established the Bond Beyond 2015 UK Group providing a platform for members to work together

Is an elected member of the *Beyond 2015* Executive Committee

Is the national convenor and international coordinator for civil society work on the G8 and the G20.

For Bond's track record and approach, see following sections.

Option 1: Fund Bond's proposed work programmes (Effectiveness / transparency and Joint Civil Society Action)

Under option 1, DFID will provide funding to Bond to continue its effectiveness and transparency programme, as well as to build on its existing civil society action programme on EU and Post 2015 engagement.

What will Bond do? – Effectiveness & Transparency

Bond's proposed programme of work seeks to build on experience and progress to date through a joint programme to improve the effectiveness and transparency of UK NGOs' own programmes to reduce poverty. Bond is well placed to build on its existing programme to ensure that UK NGOs are using the best tools available to improve transparency, efficiency and accountability - (see sections below).

The Bond Effectiveness Programme was established in 2009 to lead to better collaboration on improving effectiveness. It has quickly established itself as the "go-to" for NGOs (UK and in some cases Southern such as Gender Links) and donors (Comic Relief, DFID) with a reputation for forging practical yet rigorous solutions that equip NGOs to evaluate and improve their effectiveness (e.g. the organisational health check tool, the Bond Improve It! Framework and the principles for rigorous evidence which DFID is also piloting^{lxxvii}).

Bond has also led UK NGOs' response to the transparency agenda, including a drive to assist NGOs to publish their data to the IATI standard ((supporting 85 NGOs or 75% of all publishers to date; training 138 people from 109 organisations on IATI and developing a suite of resources and basic support services tailored specifically to NGO needs).

There is still progress to be made in both areas of work (e.g. more needs to be done on IATI to reach more NGOs, in particular non-DFID funded ones and to go beyond the minimum requirements of compliance). It is also essential to begin to make the data readily accessible to ensure its use by stakeholders worldwide, including and especially those in the South seeking to hold aid providers to account. A visualisation tool and web platform are obvious next steps, looking to link to and build on DFID's own Aid Information platform under development.

This next phase of work will ensure attention is given to reaching those smaller NGOs with lesser institutional capacity and to ensuring that the tools are of relevance to them (i.e. Bond has worked closely with NIDOS to produce their Effectiveness Toolkit which is better suited to smaller CSOs – it is now open for use and will be officially launched in a couple of months^{lxxviii}).

Under this Effectiveness & Transparency programme, Bond will:

Launch a suite of training, support and consultancy services to build the capacity of the sector to embed the Bond Effectiveness Programme's (BEP) tools and approaches in their organisations. This will include targeted support for the smallest NGOs (likely to be set at NGOs with annual expenditure of less than £1 million) across the UK.

Use a business model of fielding expert, in-house personnel as the core of project teams providing support and consultancy to NGOs, with external associates supplementing this for either peak demand or very specialist expertise.

Drive commitment amongst NGO leaders and other stakeholders through a sustained programme that makes the case for NGO effectiveness and transparency and their links to greater poverty reduction (through events, research, publications, presenting the results of the programme as it develops, media work, and on-line collaboration).

Continue to develop the effectiveness tools in the light of user feedback. Incubate and develop new tools as required (such as 'auditing' NGOs' use of the tools or kite marking systems to provide external validation).

Build and promote an online platform to visualise NGO IATI data to project the reach and depth of UK NGO work tackling poverty, to encourage other NGOs to publish to IATI, and to improve collaboration and evidence-based decision-making, as well as providing a key accountability mechanism.

Develop new partnerships with NGO networks in other countries and exploring the potential with other stakeholders (such as beneficiary groups, businesses and universities) to extend the reach of this work, enhance the evolution of tools, and open up additional income streams for programme sustainability.

What will Bond do? – Joint Civil Society Action

EU:

A new DFID strategic grant would support Bond members to continue to play vital roles in shaping some of the EU and EC's development priorities over the next three years. Bond's proposed programme will build on its work to date under the DFID and Bill and Melinda Gates Foundation Grant Agreements.

The proposed work programme is divided into three main areas:

1. Aid volumes – 0.7% and the new Multiannual Financial Framework
2. Aid effectiveness & quality; including post Busan implementation
3. European development policy

Aid volumes: Bond will actively participate in, and contribute to, the Pan-European CONCORD AidWatch project, which tracks and monitors the annual aid levels of every Member State. Bond's direct work will focus on influencing key political moments (such as informal meetings of EU development ministers), the Brussels-based institutions and a number of key Member States. This work area would also include an annual tracker of the new EU budget.

Aid effectiveness: Bond will seek to ensure that the European Commission and at least four Member States publish Busan implementation plans and commence delivery of their aid effectiveness commitments. The first stage in this work will identify the four countries and subsequently establish strategic relationships with the NGO platform or civil society in them.

European development policy: This will be delivered through official Commission consultations.

Post 2015:

Bond's proposed Post-2015 programme of work will build on its national and international role to date in convening dialogue around the MDGs process and in recent years on what follows it. Bond has accelerated its work on the post-2015 agenda including co-creating the international Beyond 2015 campaign. Bond has been an elected member of the Beyond 2015 governing Executive Committee since its inception, having an important leadership role within the campaign, which now has 620 members in over 95 countries.

Bond formed the Bond Beyond 2015 UK group to represent the international civil society Beyond 2015 campaign in the UK and coordinate the work of UK NGOs interested in this agenda. Bond Beyond 2015 UK is now a well-established and active working group, with over 170 members from 85 different UK-based development organisations.

Under this programme of civil action, Bond will:

Develop collective NGO policy positions and recommendations, including thematic submissions on EU aid, EU and international development policy and the post-2015 agenda;
Organise and lead events to bring Bond members together with key policymakers and influencers in a coordinated and well-prepared way at UK, EU and international levels on a regular basis and at important moments around key international decision-points;
Work at pan-EU level within the EU-wide CSO network CONCORD (working groups, etc.) to deliver

effective, timely and collective policy work;

Carry out outreach and joint activities with partner networks in key countries, at both EU and international level to ensure coordinated and effective civil society engagement with key EU and international development policy processes, such as post-2015;

Coordinate effective and efficient policy dialogue between UK NGOs and UK, EU and UN/international policymakers;

Carry out strategic public and on-line engagement and outreach with media and opinion-formers to support NGOs' efforts on the post-2015 agenda.

Option 2: "Do Nothing" counterfactual

Under the 'do nothing' option DFID's current strategic grant arrangement with Bond will end on 31st March 2013.

Bond, would continue to exist as the membership body for UK-based NGOs working on international development, however they would not have the resources to run a dedicated programme on effectiveness and transparency as proposed under option 1.

Bond's work on Europe is currently co-financed by DFID and the Bill and Melinda Gates Foundation. There is one more year in the Gates grant. Without the new DFID grant, some EU work would continue under the Gates grant for a short time but this would be limited in both scope and scale. Bond's ability to continue this work at the end of the Gates grant would be severely curtailed.

Bond does not currently receive any external funding for its Beyond 2015 work. The current programme of work is being adsorbed by stretching internal capacity and resources. Under Option 2, Bond would be unable to sustain its current level of work and would be forced to scale down.

Option 2 would also limit how DFID engages with UK NGOs centrally to project based funding (and possibly strategic funding depending on how current thinking evolves). Bond is a valued convenor and capacity builder, able to reach the sector in ways that are supportive of UK development policy and priorities. Option 2 would limit DFID's capacity to call on Bond when needed.

B. Assessing the strength of the evidence base for each feasible option including delivery routes

In the table below the quality of evidence for each option is rated as either Very Strong, Strong, Medium, Limited (or No Evidence)

<i>Option</i>	<i>Evidence rating</i>
1	<i>Medium (overall)</i>
2	<i>N/A (counterfactual)</i>
3	<i>Add rows as necessary</i>

C. For each feasible option, what is the assessment of local capacity? Is the intervention likely to strengthen capacity in a durable manner?

Transparency and Effectiveness:

The aim of the effectiveness and transparency programme is to build the capacity of UK NGOs, including those smaller organisations such as NIDOS members, to become more effective and transparent. The approach is one of capacity building and knowledge sharing.

Over 40% of Bond members are classified as small organisations (expenditure below £1m) and although their engagement with the Effectiveness Programme to date is relatively modest (28 organisations, or 16% of all small organisations), this reflects their more limited capacity to engage in the development stages. Once the initial phase of scaling up and piloting has begun, and the engagement programme is rolled out, it is expected that the smaller Bond members will lead the take up of a range of services which are likely to prove transformative for many of the participants.

By working in collaboration with NIDOS and closely with membership organisations in Wales and Northern Ireland, Bond will be in a strong position to engage small organisations in using the effectiveness tools. Bond also has its own active small members group that is involved in the effectiveness programme and will continue to work closely with them to ensure the tools remain relevant and useful.

To support smaller organisations to access the range of services Bond has to offer, it provides an outreach service for organisations based outside of London. Bond is developing an online forum, linked to My Bond, which will provide interactive support to any location, and is scoping the possibility of providing webinars for training and support. Bond's pricing structure for accessing services is already based on a sliding scale, depending on financial resources of organisations, and Bond plans to systematically review this in consultation with members.

In terms of IATI, 33% of Bond members attending training on IATI have been from small organisations and the same percentage of Bond members publishing data to IATI come from the small member band. Development Initiatives commissioned an IATI publication tool specifically for small organisations (those with fewer than c. 20 activities) which has been promoted by Bond and is included in training courses and guidance.

Some of the Effectiveness Tools have begun to reach partners in the South. Gender Links (a PPA holder based in South Africa) coordinates the Southern Africa Learning Partnership which is currently piloting the Bond Effectiveness Principles. It is expected that Bond will aim to support more of such initiatives in the future.

The BEP and IATI work suggested by Bond focuses on core capacities that are likely to remain relevant for years, and to weather changing contexts and priorities that come with working in international development.

Joint Civil Society Action:

Given that many UK NGOs, especially small and medium ones, do not have the capacity to engage in EU work, Bond plays an important role in convening its member organisations, building their capacity and facilitating their work at EU level with partners across Europe. Bond builds the capacity of UK organisations to hold the EU to account on its development policies through regular updates (EU news), monthly Bond European Policy Group call and meetings, and creating opportunities for Bond members to directly engage with EU decision and policy makers in Brussels.

As set out in previous sections, there is some evidence that points to the need for donors to broaden their understanding of civil society organisations (CSOs) and coalitions that are able to bring about deep reform; provide long term support; and help create opportunities for civil society based campaigns to build links with government reformers, media and technical expertise. The added value of grassroots knowledge of needs in developing countries that CSOs bring to the table is understood to bring about more sustainable change, rooted in the reality of those living in poverty. Bond's links to Beyond 2015 & IDS *Participate* Programme should ensure that not only is Bond's work rooted in the knowledge of its members and extensive links to CSO partners in the South, but also that the findings of *Participate* inform development thinking where possible and contribute to a more rooted and broadly owned set of future priorities

D. What is the likely impact (positive and negative) on climate change and environment for each feasible option?

Categorise as A, high potential risk / opportunity; B, medium / manageable potential risk / opportunity; C, low / no risk / opportunity; or D, core contribution to a multilateral organisation.

Neither of the intervention options presented provides any substantial risk to climate or the environment. There is little possibility that climate change is likely to threaten project outcomes. Both options merit a C under risks. Under opportunities, if an agreed way to address climate change can be found, Option 1 offers a real chance of positive impact by increasing awareness, and reducing vulnerability and increasing resilience among the poorest through the activities of its members.

Option	Climate change and environment risks and impacts, Category (A, B, C, D)	Climate change and environment opportunities, Category (A, B, C, D)
1	C	B
2	C	C

BOND does not have any direct field programmes, and thus is not responsible for any country level project or programme implementation. It has no policy on climate change, and offers no guidance or support on its website. None of its corporate components (capacity building, campaigns, policy) have any technical content on this issue. With regard to this Business Case and the two programmes that it is proposed are funded, climate change is only addressed in the context of ‘green office’ issues, which is necessary but not sufficient.

There is an opportunity to weave climate resilience into the two main activities that the BC proposes to fund, the CS effectiveness / transparency and EU Joint Civil Society Action. It has been argued in Section A that both the EU and many CS members already have strong climate change agendas. Thus this should not represent a big change in policy, and may be proposed to the membership. What is proposed is that all the various climate-related threads are brought together by BOND under a climate resilience umbrella.

In addition, in the longer term it may be mainstreamed into its corporate programmes wherever possible, with the goal of influencing its membership more broadly. Since many of its more influential members are already a long way down this road, this may be pushing at an open door. This could be achieved through its capacity building programme, where it runs a series of trainings for NGO members, and where climate change may be included as a new theme. Through its campaigning, such as with the current Enough Food for Everyone (IF) campaign, new campaigns relating to climate change might be introduced. Its policy component currently has as its main themes: aid effectiveness, economic growth, working with the private sector and sustainability; again climate change could become a policy theme.

As outlined in the Management case further down, an early meeting will take place between Bond and a DFID Climate Change Adviser to determine which measures lie within the scope of the DFID funded programmes and which lie beyond it. This will help Bond identify how best take these recommendations forward, and for DFID how to track them where relevant.

E. If any, what are the likely major impacts on social development?

General:

CSOs are an important part of the global partnership to deliver the MDGs and public goods, and are

considered to be one of the best ways to reach the poorest and most marginalised groups.

An internal DFID review looked at the evidence on the role of civil society in achieving development. It found medium to strong evidence that a rich civil society has positive impacts on economic and social development (medium-high). Rich civil society also appears to have positive impacts on improving state accountability before society^{lxxxix}.

Civil society is playing an increasingly important role in development effectiveness by reaching out to the poor and marginalised in places that the governments or other official institutions often do not reach^{lxxx}. An OECD report published in 2009 found that: *“CSOs are...often particularly effective at reaching the poor and socially excluded, providing humanitarian assistance, mobilising community efforts, speaking up for human rights and gender equality, and helping to empower particular constituencies. CSOs are also often major service providers, drawing strength from their diversity and capacity for innovation. In these various capacities, CSOs complement government and the private sector.”*^{lxxxix} Significantly, the UK Parliamentary Public Accounts Committee praised CSOs for often performing better than developing country governments in providing benefits for the poorest^{lxxxii}.

Effectiveness

The Bond Effectiveness Programme (BEP) will build the capacity of CSOs who reach millions of beneficiaries a year. As mentioned earlier, Bond and NIDOS' research has consistently identified weaknesses in monitoring and evaluation (M&E) as a barrier to improved effectiveness.

The BEP will seek to improve performance in the following areas: Value For Money, Evidence and Monitoring and Evaluation. One of its key tools is The Improve It! framework looks to improve effectiveness in areas such as child protection, voice and participation, and empowerment and accountability, amongst others. The BEP's focus on rigorous evidence considers voice and inclusion as an important criteria in assessing quality of evidence, and this should push the sector to be better able to justify its approach and demonstrate its impact, pointing to where some people may be losing out

Though the capacity building is otherwise generic in nature, BEP will help better targeting, tracking and measuring of impact by UK NGOs, and of their impact on those they seek to support.

Also, Bond will seek to improve tracking between investments in institutional effectiveness and results on the ground, including on specific groups of beneficiaries. Bond will produce case studies testing the chain of impact from adopting new tools and approaches, to improved data tracking of outputs and outcomes, to results and recommendations, through to *changed practice and impact on the ground*. Early exploration of possible partnerships on this is underway, including initial discussions with the recently-established Assessing Rural Transformations programme at the Centre for Development Studies, Bath University.

Transparency

As previously mentioned, improving transparency is a key ingredient for improved accountability to poor people. It is not the whole story, indeed linking it to beneficiary feedback, and importantly making the data accessible to ultimate beneficiaries, will have empowering effects. Bond's programme of work to visualise IATI data and ensure increased IATI compliance is an important part of improving accountability to the beneficiaries of UK aid.

Post 2015

Through Beyond 2015, Bond works with others to build a global, multi-stakeholder movement for a legitimate post-2015 framework. Beyond 2015 seeks to “create a civil society consensus around a minimum standard of legitimacy for a post-2015 framework, both in terms of the process and the

framework itself. Using this consensus, Beyond 2015 (www.beyond2015.org) aims to influence the creation of such a framework at both the national and international level.”

The DFID funded, joint IDS and Beyond 2015 *Participate* initiative is providing evidence on the reality of poverty at ground level, bringing the perspectives of the poorest into the post-2015 debate.

Participate aims to:

- Bring perspectives of those in poverty into decision-making processes
- Embed participatory research in global policy-making
- Use research with the poorest as the basis for advocacy with decision-makers
- Ensure that marginalised people have a central role in holding decision-makers to account in the post-2015 process

If Bond is able to bridge its roles at International, EC and UK level, it could bring valuable *Participate* perspectives to a wide range of influential actors (e.g. 1800 EU NGOs).

Overall, this programme seeks to support CSOs improve their impact on beneficiaries (in many cases the poorest and most marginalised people in developing countries), improve their accountability to beneficiaries and improve their ability to bring the voices of poor people and grassroots knowledge to international debates, such as post 2015 policy making.

F. For fragile and conflict affected countries, what are the likely major impacts on conflict and fragility, if any?

There are more than 100 UK NGOs participating in Bond’s Effectiveness Programme, many of which are working with partners and/or delivering programmes in fragile and conflict affected countries.

There are not likely to be any major impacts on conflict and fragility, beyond the anticipated outcome of making those Bond members more effective and thus improving their impact. It is anticipated that improvements should apply to all participating regardless of the contexts within which they operate, in so far as the tools are relevant to their way of working.

G. What are the costs and benefits of each feasible option? Identify the preferred option.

Costs

The total financial cost of both programmes will be £4.1m over 3 years Of this, the financial cost to DFID will be £2,708,107.

	2013/14	2014/15	2015/16	Total
Effectiveness Programme EU/International Programme	611,417	842,326	865,442	2,319,185
	569,219	582,973	661,602	1,813,794
Total Costs	1,180,636	1,425,299	1,527,044	4,132,979
DFID Costs	695,964	1,021,606	990,536	2,708,107

There will also be additional human resource and admin costs to DFID associated with the management of the strategic grant. These are estimated to be, on average, 10% of a full-time equivalent A2 staff member for three years; this is equivalent to £17,405^{lxxxiii}.

NGOs participating in the programme will also incur costs, in terms of staff time. The amount of resources dedicated to this programme will vary by NGO and we do not have the evidence on which

to base an accurate estimate of the equivalent cost. If we assume that of Bond's 395 members, 55% are engaged with the programme (217 NGOs) and within each of these NGOs one person spends one hour per week (on average) on activities related to the Bond programme, the equivalent cost to NGOs will be £172,280 per year^{lxxxiv}, for three years of the programme. We do not anticipate any costs for NGOs beyond the life of the programme.

Benefits

A work programme with Bond on improving the UK NGO sector's Effectiveness & Transparency and on Joint Civil Society Action on EU & post 2015 development policy will benefit:

(indirectly) – the millions of people living in poverty who are (or could be) reached by EU aid programme and development policies that are focused on poverty reduction. The European Commission spent €11.3 billion (approximately £9 billion) on aid in 2011^{lxxxv}, making it the largest multilateral donor in the world^{lxxxvi}. It is assumed that greater effectiveness and adequate resourcing of EU aid will in turn result in better value for money, resource allocation and greater impact on the ground, and therefore have a beneficial impact on the direct and indirect recipients of EU ODA

(indirectly) – post 2015 work can help galvanise efforts to achieve the MDGs by the end of 2015 with the potential to transform the lives of 1.4bn people worldwide living in extreme poverty (under \$1.25/day)^{lxxxvii} and ensure a strong post 2015 framework focused on poverty eradication for the greatest possible number of poor people

(directly) – through the EU / post 2015 work programme: UK development NGOs and their EU and international counterparts by strengthening their ability to achieve better outcomes for those they work with or on behalf of.

(directly) – through the Effectiveness and Transparency work programme: 395 UK development NGOs (of which 40% are classified as small) with a combined expenditure of £2.9 billion. Bond's target of increasing effectiveness amongst 55% of its members by 2016 would contribute to the better use of £1.36 billion of expenditure^{lxxxviii}.

Balance of Costs and Benefits

The total economic cost of the two Bond programmes is estimated to be £4.4m in present value terms^{lxxxix}. It is not possible to do a full cost-benefit analysis of this programme as the benefits cannot be monetised. However, it is possible to illustrate what would need to be achieved in order for the benefits to outweigh the costs, if we assume that the key outcome of Bond's programmes will be to improve the allocative efficiency of NGO expenditure.

Assuming that the impact on expenditure begins in year 3 of the programme and continues for 10 years, and that the expenditure of the relevant NGOs remains constant, this programme would need to improve the allocative efficiency of total expenditure by 0.04% to 'break-even'.

Sensitivity Analysis

Persistence of Benefits

It is difficult to assess for this type of programme how long the benefits are likely to persist for. The sensitivity analysis therefore analyses what the necessary improvements in the allocative efficiency of expenditure would need to be to 'break even', if the persistence of benefits ranges from 1 to 10 years.

Year	Discounted annual expenditure	Cumulative Expenditure	Cost as % of cumulative expenditure ('Breakeven')
2015/16	1,269,574,552	1,269,574,552	0.35%
2016/17	1,226,642,080	2,496,216,632	0.18%

2017/18	1,185,161,430	3,681,378,062	0.12%
2018/19	1,145,083,507	4,826,461,569	0.09%
2019/20	1,106,360,876	5,932,822,445	0.07%
2020/21	1,068,947,707	7,001,770,152	0.06%
2021/22	997,874,122	7,999,644,274	0.06%
2022/23	964,129,587	8,963,773,860	0.05%
2023/24	931,526,171	9,895,300,031	0.04%
2024/25	900,025,286	10,795,325,317	0.04%

Even if the benefits of more efficient expenditure only exist for one year, an improvement in allocative efficiency equivalent to 0.35% of expenditure would be result in this programme being economically viable.

Discount Rate

The base case uses the standard UK discount rate of 3.5%. This is in line with guidance from DFID's Chief Economist's Office that in the absence of a global discount rate, global public goods should be discounted in line with the standard UK rate^{xc}. The guidance and tools produced as a result of Bond's programme could be considered global public goods and in the absence of a specific local context, and therefore discount rate, this seems appropriate. Increasing the discount rate to 10% changes the *cost as % of cumulative expenditure/breakeven* figure to 0.06%, assuming benefits persist to 10 years. Assuming a discount rate of 10% and benefits persistence of only one year, this increases to 0.37%.

Option 2: 'Do nothing' counterfactual

Costs

Option 2 is the baseline against which option 1 compared. There would be no costs associated with this option.

Benefits

Under the 'do nothing' counterfactual the Bond programme would not go ahead, therefore no benefits would be generated.

Balance of Costs and Benefits

Option 2 is not the preferred option. Although DFID would not incur any financial cost, there would be an opportunity cost associated with foregoing potentially large benefits.

H. Theory of Change for Preferred Option

See appraisal case

I. What measures can be used to monitor Value for Money for the intervention?

The value for money of the programme will be assessed annually at annual review stage. The two questions that can provide a broad assessment of value for money are:

Has the expenditure in the last year been in line with Bond's budgeted expenditure? (overall expenditure/budget, not just DFID's contribution)

Have the milestones for each of the outputs been met?

Economy

DFID should ensure that any procurement that took place during the period covered by the review was competitive, ensuring that good value for money was achieved for the inputs.

Efficiency

Efficiency can be assessed at the activity level using a variety of measures, depending on the activities Bond has undertaken in the period covered by the annual review. These may include:

Cost per training session delivered

Cost per NGO employee trained

Average cost per attendee at Bond-hosted events

Average daily rate of consultants

A proxy indicator for the efficiency of Bond overall is the number of Bond members. We would expect this to rise, or at least remain static over the three year period.

Bond membership has grown by 18% over the last three years (to March 2013).

J. Summary Value for Money Statement for the preferred option

Option 1 is the preferred option. Supporting this type of programme through a membership body, such as Bond, ensures transaction costs to DFID remain low, but the potential benefits are large. Although a full cost benefit analysis was not possible, it is highly likely that the benefits of this programme will outweigh the costs due to the high level of expenditure Bond can potentially influence. This is demonstrated by the 'break-even analysis'.

Commercial Case

Direct procurement through a contracted supplier

A. Clearly state the procurement/commercial requirements for intervention No direct procurement – see next section
B. How do we expect the market place will respond to this opportunity?
C. How does the intervention design use competition to drive commercial advantage for DFID?
D. What are the key cost elements that affect overall price? How is value added and how will we measure and improve this?
E. How will the contract be structured and how will contract & supplier performance be managed through the life of the intervention?

Delivery through a third party entity (multilateral organisation; civil society organisation or support to government)

A. Why is the proposed funding mechanism/form of arrangement the right one for this intervention, with this development partner? Why this development partner? Bond has experience of managing similar projects, financed either by Bond itself, by its members, or through unrestricted or restricted funds, including major multi-year grants from the Big Lottery Fund, EC, the Bill and Melinda Gates Foundation (where Bond is currently part-way through a three-year project supported by a £1.1 million grant) and DFID (where Bond has previously received PPA funding and is currently managing a two-year grant of £542,521 focusing on NGO effectiveness and EU aid commitments and the MFF). DFID funding for Bond over the past five years has been as follows: <table><tr><td>2012/13:</td><td>£ 272,409</td></tr><tr><td>2011/12:</td><td>£ 271,112</td></tr><tr><td>2010/11:</td><td>£ 651,425</td></tr><tr><td>2009/10:</td><td>£ 558,599</td></tr><tr><td>2008/09:</td><td>£ 479,261</td></tr></table> Bond has existing programmes of work that can be built on and scaled up – to date these have been successful in delivering on their objectives and has a strong track record. Civil Society Action:	2012/13:	£ 272,409	2011/12:	£ 271,112	2010/11:	£ 651,425	2009/10:	£ 558,599	2008/09:	£ 479,261
2012/13:	£ 272,409									
2011/12:	£ 271,112									
2010/11:	£ 651,425									
2009/10:	£ 558,599									
2008/09:	£ 479,261									

Bond has a strong foundation for being able to both develop and co-ordinate effective coalitions of UK NGOs on EU aid and development policy and the post-2015 agenda, and ensure UK NGOs can play a leading role in supporting and invigorating the European and international coalitions that will be needed.

Bond's role in the EU CSO network CONCORD (which brings together over 1,800 NGOs organised through national-level networks or 'platforms' across all 27 EU Member States) means that it can leverage substantial and effective influence at EU level, especially so through its representation on the CONCORD governing Board; its agreed role within the Board as EU-wide lead on the post-2015 agenda, and its role as lead on EU aid, institutional reforms and EU budget;

Bond plays a key role as the national convenor and international co-ordinator for civil society work on the G8 and G20. Bond is an elected member of the Council of the International Forum of National NGO Platforms formed in 2008, a global development CSO alliance giving it access to, and relationships with, a wide range of civil society actors across developed and developing countries.

Bond has an established history of advancing UK Government thinking and positions through policy dialogue and enabling stronger partnership to achieve common goals on the MDGs, the post-2015 process, the EU, the G20 and other international processes (e.g. aid effectiveness). The DFID Europe Department already works with Bond as the key interlocutor with UK NGOs on the EU and development and the Bond Beyond 2015 group is a recognised interlocutor with HMG.

UK NGOs have demonstrated over the years their commitment to Bond as a suitable conduit to influence the EU, Council, Commission and the European Parliament to deliver positive policies and practice on international development. Bond has worked on issues around EU aid quantity and quality, the previous EU Financial Perspectives, the MDGs, and the EU institutional reforms.

Together with leading partners, Bond launched Beyond 2015, an international campaign to kick-start and accelerate the post-2015 planning process; it has established the Bond Beyond 2015 UK Group providing a platform for its members active in this agenda to work together; it is also an elected member of the *Beyond 2015* Executive Committee providing leadership to the international campaign.

The group has a good dialogue with the DFID/Cabinet Office Post-2015 team to share updates and advance thinking on the post-2015 process, and promotes regular events to give members and HMG representatives the opportunity to meet and debate what should come after the MDGs.

As the UK national platform, Bond has unrivalled links to UK civil society and can bring several organisations together to ensure coordinated action in the UK. Bond formed the Bond Beyond 2015 UK group to represent the international civil society Beyond 2015 campaign in the UK and coordinate the work of UK NGOs interested in this agenda. Bond Beyond 2015 UK is a very active and firmly established working group, with over 170 members from 85 different UK-based development organisations.

Effectiveness & Transparency:

Bond has a strong track record in supporting its members to engage with the issues of effectiveness and transparency. Structured discussions and work on the quality and effectiveness of NGO-led development work have been facilitated by Bond since 2006 and the BEP has been seeking common solutions and developing shared tools and approaches since 2009.

Bond works with the PPA Learning Partnership, as a group of high profile NGOs interested in piloting and using the evaluation tools and approaches and acting as sector leaders on improving effectiveness. Collaboration and in-kind contributions from these sources have brought significant benefits to the programme thus far and significant future staff resource will be devoted to managing

and ensuring the best use of these contributions to advance the outputs of the programme. Greater opportunities for, and efficiency in, this collaboration will be afforded by Bond's new on-line social media hub for Bond members and associates, *MyBond*, set to be launched in early 2013.

Bond's legitimacy across the UK NGO sector and beyond, its track record, its existing relationship with DFID and its grantees, and its ability to scale up existing work all contribute to it being a strong organisation to deliver programmes aimed at improving UK NGO sector's effectiveness, transparency and contribution to EU and International policy debates.

DFID have experience of working with Bond in the areas relevant to this programme and previous performance has been strong; Bond scored an overall A+ in its last annual review. In particular, performance relating to effectiveness objectives were rated A++.

Moreover, The assessment of financial risk and fraud is low. Bond have managed grants from DFID for several years with no history of mismanagement. Due diligence completed in 2011 contained no Critical or High risk areas. Award of a further grant will be subject to a further assessment to be carried out by KPMG on our behalf.

Why a strategic grant?

As Bond is a not for profit organisation, funding will be provided through an Accountable Grant arrangement, in line with current Blue Book processes.

B. What assurance has been obtained on capability and capacity to deliver?

Due Diligence

DFID already has a strategic grant agreement with Bond. As part of the approval process for this grant, DFID commissioned a full due diligence assessment^{xci} of Bond through KPMG, which was undertaken in 2011. The assessment found no critical or high priority financial or operating weaknesses, however it did make some recommendations. Bond provided DFID with an update on recommendations from this assessment in August 2012 outlining the actions they had taken to meet the recommendations.

The existing due diligence assessment for Bond was completed 20 months ago. There have been changes to the management structure since then. This grant is also significantly higher in value than the previous grant. CSD has asked KPMG to complete a further assessment to provide assurance to DFID that both the governance structure and financial capabilities of the organisation meet our requirements if the business case is approved. KPMG has confirmed that this type of light touch assessment can be completed very quickly after Business Case approval.

Procurement Capability

Bond's procurement capability was assessed as part of the due diligence assessment. KPMG assessed procurement to be a medium priority as, although Bond appeared to follow appropriate procurement policies in practice, this was not documented. Bond has since put in place a procurement policy and have committed to obtaining three quotes for the purchase of fixed assets over £500 and all other purchases over £1000. For purchases between £500 and £1000 a price survey of two suppliers is permissible.

Past experience

DFID have experience of working with Bond in the areas relevant to this programme and previous performance has been strong; Bond scored an overall A+ in its last annual review. In particular, performance relating to effectiveness objectives were rated A++.

C. Is there an opportunity to negotiate on anticipated costs?

Some negotiation of costs took place prior to Bond submitting a proposal to DFID. Further negotiation is highly unlikely as the majority of the programme's costs are driven by salaries of Bond staff members. Bond were also asked to reconsider reducing the 7% indirect costs to 5% but confirmed this would not be possible.

Financial Case

A. Who are the recipients of all proposed payments?

Bond

B. What are the costs to be incurred directly by DFID?

The total financial costs to DFID will be £2,708,107. Bonds budget proposal fully outline costs including sufficient provision for managing, monitoring and evaluating the project. There are no tax implications for DFID as Bond are a registered charity.

C. What are the costs to be incurred by third party organisations?

The total cost of the programme will be £4,130,573, of which DFID will contribute £2,708,107. Bond will contribute the additional £1,422,466.

So far, Bond has identified the following additional sources of income:

Comic relief	£40k
BIG	£50k
Member contributions	£40k
Earned income	£150k
Gates (Year 1)	£467k
TOTAL	£747k

Bond has to find another £675k to fund the programme in years 2 & 3. The organisations' target in year 1 is to secure £500k per annum to be delivered in years 2 and 3 (total £1m) which will more than cover the shortfall. Bond has approached the Gates Foundation and will be approaching other donors and large Bond members.

D. Does the project involve financial aid to governments? If so, please define the arrangements in detail.

N/A

E. Is the required funding available through current resource allocation or via a bid from contingency? Will it be funded through capital/programme/admin?

All costs will be funded from programme funds. Funding is available from current resource allocations for 2013/14 and 2014/15. Resource allocations have not been made beyond this, funding will be required until 2015/16.

F. What is the profile of estimated costs? How will you work to ensure accurate forecasting?

Annual profile of DFID spending is:

2013/14	£695,964.00
2014/15	£1,021,606.00
2015/16	£990,536.00

Bond has agreed to provide an initial quarterly estimate of budget breakdown. The quarterly estimate will allow an initial budget profile and forecast to be loaded. The Departmental Finance Officer in CSD will work with the Bond Finance team to ensure that forecasts are updated regularly in advance to

reflect expected expenditure profiles.

G. What is the assessment of financial risk and fraud?

The assessment of financial risk and fraud is low. Bond has managed grants from DFID for several years with no history of mismanagement. Due diligence completed in 2011 contained no Critical or High risk areas. Award of a further grant will be subject to a further assessment to be carried out by KPMG on our behalf.

H. How will expenditure be monitored, reported and accounted for?

DFID will make payments to Bond on a quarterly basis. All fund requests will include a detailed breakdown by budget line of estimated and actual expenditure incurred on a quarterly basis. Annual Audited Accounts to be supplied by Bond within 4 months of year end. Accounts must show receipt of Grant payments separately. Any unspent funds will be returned to DFID at the end of the project.

I. Are there any accounting considerations arising from the project?

No – funding will be provided through a standard DFID Accountable Grant Agreement.

Management Case

A. What are the Management Arrangements for implementing the intervention?

Bond will lead the management and implementation of this programme of work as whole but in close collaboration with the other UK NGO networks – the Network of International Development Organisation in Scotland (NIDOS), the Coalition of Aid and Development Agencies in Northern Ireland (CADA-NI) and the Wales International Development Hub (WIDH).

Overall strategic management of the programme, and accountability to DFID for delivery against milestones and targets, will be provided by Bond's Chief Executive. Operational management of programme delivery will be led by the newly-created role of Director of Effectiveness and Learning and the Director of Policy and Advocacy. Financial management and reporting will be provided by Bond's Director of Finance and Operations (also a qualified chartered accountant). In Scotland the programme will be led by the NIDOS Coordinator.

Bond Effectiveness & Transparency Team	
Director of Effectiveness & Learning	Lead and develop the programme; management of team and budget – including external associates; senior level NGO member and stakeholder engagement; senior lead in consultancy and support for NGOs; quality control – including of external associates.
Organisational Effectiveness Manager	Internal evaluation and impact tracking of the programme coupled with project management, including the managing of the delivery of effectiveness services and consultancy
Senior Effectiveness Consultant / Project Manager (x2)	Programme development and delivery; relationship management with NGOs and other stakeholders; project management for support / consultancy provision to specific NGO 'clients', including management of any external associates; Tool development.
Effectiveness / Transparency Advisor	Provide effectiveness and transparency support services and consultancy to NGOs; tool rollout and promotion.
Effectiveness Leadership Officer	Disseminate learning and engage NGO leaders on future effectiveness
Effectiveness Programme Assistant	Support for delivery of the programme
Web & Online editor	Digital outreach for the programme, including IATI visualisation
Communications Advisor	Media, events, web development expertise and implementation for the programme
Learning & Training Manager	Development and roll out of the effectiveness training and development programme
Internships	Supporting the programme
Chief Executive	Strategic leadership and senior level engagement, both UK and internationally
Joint Civil Society Action; EU / Post 2015	
Director of Policy and Advocacy	Lead and develop the programme; management of team and budget; senior level policy and NGO / stakeholder engagement & convening;
Policy Manager	Programme development and delivery; relationship management /convening with NGOs

	and other stakeholders; International civil society liaison; Management of events; Policy analysis and producing publications / resources
EU Policy Advisor	EU development policy expertise; Coordination and production of joint NGO resources and events; liaison with NGO counterparts in other EU member states
Communications Advisor	Media, events, web development expertise and implementation for the programme
Policy / post-2015 Assistant	Support for delivery of the programme; special focus on Beyond 2015 NGO working group
Post 2015 Campaign Adviser	Public engagement and opinion former and international campaign liaison
International Advocacy Adviser	Lead liaison with Bond counterparts in the EU and internationally.
Internships	Supporting the programme
Chief Executive	Strategic leadership and senior level engagement, both UK and internationally

DFID's share of funds will be claimed quarterly in advance. A detailed statement of expenditure and/or projected expenditure will signed off by Bond's finance officer and will accompany each request for payment. Requests for payment will be processed in line with DFID's existing payment performance targets.

DFID's Civil Society Department will be Bond's DFID counterpart. An A2 SDA and A2L Finance/Compliance Manager will manage the grant with further input as required from A2 Results Adviser and B1D Economist.

The A2 SDA will act as the Programme Manager, duties will include;

1. Regular technical level meetings with Bond
2. Assessing Annual Reviews and providing feedback
3. Agreeing Evaluations TORs (with support from the Results Adviser)
4. Agreeing the logframe and any changes made to it (with support from the Results Adviser)
5. Regular Strategic level meetings
6. Leading on ministerial and other briefings on Bond
7. Six monthly monitoring meetings.

The A2L will support the Programme Manager as required and will be responsible for administration in areas related to payment processing, financial compliance and system updates.

Performance will be assessed as set out in the section on M&E below.

B. What are the risks and how these will be managed?

Risk	Risk rating	Mitigation
Economic crisis - globally and in Europe - does not deepen to the extent as to destroy political will on aid and development.	Medium	Approach already predicated on a difficult context – and focusing on areas / countries where greatest impact needed or possible; monitor economic and political developments and adjust / re-prioritise focus as needed.
Continued desire from UK NGOs to maintain a focus on EU aid levels to 2015 and beyond and EU development policy and to prioritise influencing EU decision makers.	Low	Engage key member NGOs in annual planning to secure clear commitments year-to-year; regular dialogue to monitor any changing of priorities; ensure close relations with Brussels-

		based networks for key development NGOs (e.g. Oxfam International, Action Aid International, CIDSE and AproDev). Regular feedback to organisations on impact of work to promote substantive engagement.
Continued desire from European partners and CONCORD to continue focus and work programme on EU aid levels to 2015 and beyond.	Low	Maintain good relations with key member national platforms to sustain national-level support for pan-EU work; Sustain influential role within CONCORD to ensure commitment is sustained. Regular feedback as above
International civil society continues to value the contribution of UK NGOs including through Bond at the EU and international levels.	Low	Ensure close and sensitive liaison with international counterparts; provide 'service' and assistance to whole alliance to achieve international objectives; ensure overly 'UK-centric' lines and approaches are moderated by Bond before presentation at international level.
A critical mass of UK NGOs prioritises international influencing in the post-2015 process with partners.	Low	Sustain strong Beyond 2015 Working Group; good communication back into member NGOs at all levels to show value of joint working and results. Offer multiple opportunities for UK NGOs to engage and recognise value of joint effort.
The UN Special Event in September 2013 improves the prospects for a post-2015 framework, and launches a single, unified process where issues of sustainable development, poverty and injustice are fully integrated.		Special effort devoted to pre-Special event work, particularly around engagement with critical partners and the unified process message
New development framework agreed in September 2015 (or, if not, negotiations roll-over into 2016 with opportunities to still influence).		Sustained work to ensure it does up to 2015; re-adjust strategy if not

Risk	Risk rating	Mitigation
The UK NGO networks (Bond, NIDOS, WIDH and CADA) don't continue to work effectively together in partnership.	Low	Regular UK networks meetings to ensure dialogue and discussion, surface any issues and solve any problems.
UK NGOs do not continue to engage with work on effectiveness and transparency and do not continue to input time and expertise in developing, piloting and using tools.	Low	Past experience leads Bond to believe that there is substantial and on-going appetite amongst UK NGOs for these programmes of work. However, we will continue to build strong relationships with NGOs to ensure a constant pool of people willing to input and pilot.

Donors, such as DFID, Comic Relief and Big Lottery Fund, do not continue with their financial commitments to this work;	Medium	The stated objective to make this programme of work financially self-sufficient over the next three years is designed to mitigate against this risk.
Donors do not continue to engage in the content of the discussions on effectiveness and transparency and input their time and expertise.	Low	We will continue to build strong relationships with donors to ensure on-going engagement and input, and demonstrate the difference they are making.
It is not technically possible to build an NGO Information Platform that provides useful and relevant information that NGOs will utilise; An insufficient number of NGOs publish to IATI so there is not enough data to make aggregated sector information relevant.	Low	Discussion with DFID and learning from its experience of building the Aid Information Platform, plus discussions with the technical consultants who built the DFID platform, lead Bond to believe that this is possible, although there is plenty of further scoping and exploration of the more detailed proposition.
Bond will not be able to build new partnerships that add value to our current work.	Low	Bond has substantial experience of building relationships and partnerships but will ensure that it conduct extensive scoping and research and develop a detailed engagement plan.
Bond will not be able to ensure the business model to deliver this work is increasingly sustainable; NGOs, and other stakeholders, are not willing to pay for Bond services.	Medium	Bond's successful paid-for training programme provides a solid precedent for extending our commercial offer. However, Bond will need to conduct deep and wide consultation, scoping and business planning in order to ensure that the pricing levels are appropriate and that we are able to grow the business side at a slow but steady rate to ensure long-term sustainability. Appointment of new Effectiveness Manager with appropriate skills
NGO leaders do not make time to examine their future strategies and ensure they are fit for purpose.	Medium	Bond will deliver a planned communication and engagement strategy to maximise take up in these discussions and changes.
A majority of UK NGOs do not publish data to the IATI standard and fail to understand the importance of going beyond the DFID minimum requirements.	Medium	Bond is working on a business case for IATI which uses evidence to strengthen the benefits to NGOs of publishing to IATI which Bond will use to drive publisher numbers; Building the NGO Information Platform will also provide an incentive for NGOs to publish data to IATI because non-publishers will miss out on profile; The benefits of going beyond the DFID requirements are discussed in detail at all Bond IATI training workshops.

C. What conditions apply (for financial aid only)?

N/A

D. How will progress and results be monitored, measured and evaluated?

DFID has a clear ambition to secure maximum value for money in aid through rigorous independent evaluation and an unremitting focus on results. CSD also aims to be, 'a dynamic repository of evidence and experience for making results-based decisions, that both responds to and shapes the sector, DFID and government and ultimately contributes to the reduction of global poverty'.

CSD is putting in place a department-wide theory of change and corresponding evaluation, learning and evidence strategy. The strategy aims to embed high quality and strategic understanding about CSD's area of work across DFID and the civil society sector. This holistic strategy will ensure that CSD is working across a common framework, and can support DFID and the sector efficiently and coherently.

In parallel, CSD will seek to address contextual challenges and support the sector's capacity to use better tools as produced by Bond; in particular, to improve the ability of civil society grant holders to collect quality data on which we can build our evidence base. CSD and Comic Relief have funded Bond to take this work forward, focusing on the Improve it framework and associated 'Common Indicators Project'. Bond has also developed the 'NGO Evidence Principles'. These will be used by civil society to set a common standard for the quality of evidence^{xcii}. The principles are currently being piloted by the sector and DFID and reports point to the validity and usability of these principles. If successful, these principles will improve the standard of evidence generated by civil society.

In relation to the current SGA, and as demonstrated through the management of the previous DFID grants, Bond has sound systems, constantly monitoring progress towards outcomes with clear reporting channels. Monitoring and evaluation uses theory based approaches and encompasses qualitative and quantitative data collection and analysis such as:

Feedback from DFID/other UK Government departments on the effectiveness of Bond facilitated/-led work;

Feedback from Bond members and UK partners via surveys, interviews and other mechanisms (on external impacts and the value of Bond's leadership, and services and support to them) (annual);

Feedback from CONCORD/EU NGO National Platforms, key NGOs in Europe and policy-makers on Bond's role at a European and international level (annual);

Member engagement tracking (on breadth and depth of participation).

Bond has recently undertaken a major review and development process to further improve its internal, organisation-wide performance management and KPI system, initiated by Bond's new Chief Executive, with pro-bono support from international management consultants Accenture. Important elements of this work were:

to ensure that project specific indicators and milestones such as those set out in the log-frame are closely integrated into internal organisation-wide performance management systems and a new organisational KPI dashboard to provide clearer and more prompt information tracking progress against

targets for the Management team and, as appropriate, the Board – together with a quarterly in-depth review of progress against plan by the Management team using this dashboard; and

Identifying further improvements in performance metrics and indicators (especially better quantitative ones) specifically for better monitoring outputs and outcomes on Bond's coalition-based policy and influencing work.

This new approach will centre on a new KPI dashboard and quarterly internal performance review management system which will be implemented from the start of the Financial Year 2013-14, when this project would start. Key indicators, milestones and targets set out in the log-frame for this programme will be explicitly incorporated within this new organisational performance management system. Any further proposed improvements for measuring and monitoring outputs and outcomes of the DFID-funded programme which come out of the implementation of this new performance management system will be discussed with DFID at the start of the project and, by agreement between DFID and Bond, incorporated into the project's performance and evaluation systems and, where needed, incorporated into the log-frame.

In addition, the next phase of the Bond Effectiveness Programme will develop an NGO sector-wide framework of common indicators and agreed assessment methods to improve the rigour and consistency of how NGOs measure and demonstrate effectiveness, including policy dialogue and building public support for development, through the relevant element of the Bond Improve It Framework. When this is more fully developed and online, Bond proposes that this be used as an assessment tool for this element of the programme on joint NGO work on EU development policy and the post-2015 development framework; perhaps in Year 2 of the programme.

As outlined earlier, Bond will commission case studies to test the chain of impact from adopting new tools and approaches, to improved data tracking of outputs and outcomes, to results and recommendations, through to *changed practice and impact on the ground*.

Bond always undertakes external, independent evaluations of projects financed by external grants. Bond also makes available its research and learning through websites, meetings, events and other channels. In the lifetime of the project, Bond will ensure the dissemination of learning on both elements of the project.

Strategic Grant Agreement M&E requirements includes the establishment of baselines, indicators, measurable milestones and sources of data to track these. They are all set out in the logframe. A first logframe has been developed. The first step of the grant, once the BC has been approved, will be a thorough in depth session with CSD's Results Adviser to make any necessary final adjustments to the logframe ahead of starting implementation. The Results Adviser has agreed the current logframe on the basis that an early meeting will occur to sign off a slightly amended version which reflects any developments that may have occurred during the BC approval process.

The initial logframe meeting will also discuss Climate and Environment Measures, as outlined in the Climate and Environment Appraisal. A DFID Climate and Environment adviser will join the meeting.

Bond will be asked to submit Annual Reviews to DFID and a final evaluation will be undertaken in year 3. Terms of reference should be agreed with DFID. Annual reviews will be based on a template provided by CSD and will be comprehensive documents to ensure sound and rigorous monitoring data is collected.

6 Monthly monitoring meetings will occur between Bond and DFID.

Logframe

Quest No of logframe for this intervention:

- ⁱ The Millennium Development Goals Report 2012. United Nations, New York 2012
- ⁱⁱ World Bank, *The Millennium Development Goals and the Road to 2015*, 2010 <http://www.worldbank.org/mdg/>
- ⁱⁱⁱ UN (2012) The Millennium Development Goals Report. NY, 2012. P. 3
- ^{iv} Paris Declaration on Aid Effectiveness, 2005; Accra Agenda for Action, 2008
<http://www.oecd.org/dac/aideffectiveness/43911948.pdf>
- ^v DFID (31 May 2012) Business Plan 2012-2015
- ^{vi} Busan Partnership for Effective Development Cooperation 2011 <http://www.oecd.org/dac/aideffectiveness/49650173.pdf>
- ^{vii} As evidenced, for example, in its high scoring in the 2012 Aid Transparency Index "Some organisations have made big improvements in 2012. DFID has increased its score substantially, rising from 5th (out of 58) in 2011 to 1st in 2012. GAVI has leapt from 35th to 13th. This is largely due to the publication of high quality, current activity data to the IATI Registry." Publish What You Fund, *2012 Aid Transparency Index*, 2012 <http://www.publishwhatyoufund.org/index/2012-index/executive-summary/>
- ^{viii} CONCORD, *AidWatch report 2012*, p 8, <http://www.concordeurope.org/101-aidwatch-report-2012>
- ^{ix} Bond and UKAN, *Reaching 0.7%*, http://www.bond.org.uk/data/files/Bond_UK_Aid_Network_AID_messaging_publication_-_June_2012.pdf
- ^x CONCORD, *AidWatch report 2012*, <http://www.concordeurope.org/101-aidwatch-report-2012>
- ^{xi} Gaventa, J and Barrett, G (2010) 'So what difference does it make? Mapping the outcomes of citizen engagement' IDS Research Summary of IDS Working Paper 347, Brighton IDS
- ^{xii} SRP 2012
- ^{xiii} Yearbook of International Organisations
- ^{xiv} OECD DAC, October 2012, Partnering with Civil Society: 12 Lessons from DAC Peer Reviews
- ^{xv} (ref: portfolio refresh review).
- ^{xvi} Demonstrated by, for example, DFID requirements to demonstrate value for money in funding applications, an increased focus on results for DFID grantees and the need for DFID grantees to publish data to the IATI standard.
- ^{xvii} Portfolio refresh
- ^{xviii} International Development Organisations in Scotland
- ^{xix} Coalition of Aid And Development Agencies in Northern Ireland
- ^{xx} CSD, Portfolio Review Refresh, December 2012
- ^{xxi} Busan Partnership for Effective Development Cooperation 2011 <http://www.oecd.org/dac/aideffectiveness/49650173.pdf>
- Principles for CSO Development Effectiveness [The Istanbul Principles], 2010 http://www.cso-effectiveness.org/IMG/pdf/final_istanbul_cso_development_effectiveness_principles_footnote_december_2010-2.pdf
- ^{xxii} "Guided by these Istanbul principles, CSOs are committed to take pro-active actions to improve and be fully accountable for their development practices." Principles for CSO Development Effectiveness [The Istanbul Principles], 2010 http://www.cso-effectiveness.org/IMG/pdf/final_istanbul_cso_development_effectiveness_principles_footnote_december_2010-2.pdf
- ^{xxiii} As demonstrated by a 2012 survey of Bond, NIDOS and CADA members which found that only 3% of NGOs surveyed were systematically reporting outcomes against stated indicators and targets/milestones at strategic plan level
- ^{xxiv} DFID, *Multilateral Aid Review: Assessment of European Commission Budget* (February 2011), <http://www.dfid.gov.uk/Documents/publications1/mar/ecbudg.pdf>
- ^{xxv} OECD, *DAC Peer Review of the European Union 2012*, <http://www.oecd.org/dac/peerreviewsofdacmembers/50155818.pdf>
- ^{xxvi} ICAI, December 2012, Report 17, DFID's Oversight of the EU Aid to Low-Income Countries
- ^{xxvii} Brenda Killen, November 2011 DAC Busan Background Paper; How Much Does Aid Effectiveness Improve Development Outcomes? Lessons from Recent Practice www.oecd.org/dac/effectiveness/48458806.pdf
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^{lxxxviii} Based on 55% (£1.36bn) of the total expenditure (£2.47bn) of full Bond members' (excluding networks, trusts and foundations) in 2012-13, based on Annual Reports published in the 2010-11 financial year, with take up of the programme assumed to be distributed evenly across the members by size (giving a total of 160 organisations). Excludes any take up by NIDOS, WIDH or CADA members.

^{lxxxix} Using the standard UK discount rate of 3.5%

^{xc} Interim Guidance on Discount Rates, L Alan Winters, September 2011.

^{xcj} The full due diligence assessment focuses on seven key areas: Governance; financial; programmatic; systems, processes & procedures; environmental risk management; value for money; and measuring results and impact.

^{xcii} <http://www.bond.org.uk/pages/the-ngo-evidence-principles.html>