environmental partnership association

the good grant making guide

An approach to the principles and processes of participative grantmaking for civil society organizations

The Good Grantmaking Guide: Approach, Principles and Processes of Participative Grantmaking for Civil Society Organizations

Editor: Veronika Móra
Co-Editor: Ana Canomanuel
Authors: Dominika Zaręba, Miroslav Kundrata, Anna Wozniak, Tomáš Růžička, Peter Medveď, Veronika Móra, László Potozky, Lubomira Kolcheva
Layout and design: Martin Gillár

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Publisher:
Environmental Partnership Association
Údolní 33, 602 00 Brno, Czech Republic
pship@nap.cz
www.environmentalpartnership.org

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content

preface

This booklet is designed for either public or private donors who might be considering launching small grant schemes for the benefit of civil society.

The purpose of this booklet is to share the experience of the foundations which are affiliated in the Environmental Partnership Association (EPA) in supporting sustainable development, social innovation and development projects which are initiated and leveraged by non-governmental organizations and local communities user-friendly grant calls. It aims at sharing and synthetizing the elements and cornerstones for a well arranged support mechanism, whereby the emphasis is on achieving real results and impact of supported activities.

This booklet is designed for either public or private donors who might be considering launching small grant schemes for the benefit of civil society. The experience is already available.

The content of the booklet shall serve as a practical guide, which inspires and helps create strategic grant programs, including defining the role of the grant maker (hereby referred to as an intermediary). It also includes recommended steps for the preparation and processing of a call for applications, considerations that should be taken into account when organizing an evaluation process, during contracting, monitoring and safeguarding transparency. Please, note that the Environmental Partnership Association is ready to provide further information and to share its best grant giving practices which have been attained throughout 25 years of experience.

Get inspired!

Michal Veselý
Environmental Partnership Association
regional coordinator

Veronika Móra
Ökotárs Alapítvány (Hungarian Environmental Partnership Foundation)
director

foreword: small grants and their role in the development of civil society

Everyone knows: spending money is easy—but spending money in an efficient manner is very difficult.

Though often small, grassroots initiatives contribute in a meaningful way to the protection of local regional natural and cultural heritage; they raise the profile of towns and villages, and also contribute to changing the attitudes of society in the way it approaches the management of its resources. When one adds up the efforts entire communities make, the work involved in systematizing local experiences, taking stock and identifying good practices, such small projects together create a ripple effect, delivering real change and making a difference in the context of global environmental and climate protection.

The Foundations affiliated in the Environmental Partnership Association (EPA)[1] have been supporting sustainable development activities initiated and leveraged by non-governmental organizations and local communities for more than two decades by using grant calls. The aim of the foundations is to encourage and empower local communities to plan for and carry out grassroots initiatives which promote good practice in local action.

We believe that a well prepared small grant competition—with individual grants ranging from a few hundred Euros to no more than 100,000—could be the most effective way for reaching out and empowering local communities.

Our grant programs come with a support package at every stage of the project—starting with planning activities, writing the proposal, all the way through to reporting on the work done and planning future actions. They give the opportunity to the grantholders to take part in a simple and straightforward application process, while at the same time offering the chance to learn how to apply for funds from mechanisms that are more demanding than those offered by the EPA foundations e.g. EU structural funds. In effect, they contribute to building a tri-sectoral partnership by activating citizens, representatives of NGOs, local authorities and businesses. The grant programs as well as other forms of support are reviewed and improved on an ongoing basis to ensure high quality and value for money. Grant programs are based on transparent, applicant-friendly, easy-to-understand and flexible rules.

By organizing and running small grant competitions, the EPA foundations:

- support and help kick-start practical civic initiatives aimed at putting sustainable development into practice on the local level
- help create mechanisms for funding initiatives and projects
- promote examples of good practice in the form of projects which are successful in engaging and inspiring local communities to act
- research the needs of local communities, including local NGOs and schools
- work together with local leaders and stakeholders to help them mobilize the resources necessary to act
- advise NGOs and other local organizations how to run projects effectively and efficiently
- coach individuals and organizations on how to write projects and manage them in an effective way
- represent a source of funding for launching environmental projects

Generally, giving funding opportunities through grants to grassroots initiatives can trigger the growth of local communities and their education in areas of public interest and concern. Engaging

1 Six foundations from the Czech Republic, Hungary, Poland, Romania, Slovakia and Bulgaria. More information at: www.environmentalpartnership.org

citizens to solve social problems in their environs and raise awareness towards them is one of the key tasks for non-governmental organizations, which contributes to achieving greater impact and ensure a change in attitude and greater community responsibility.

After more than two decades of experience managing various grant programs with an environmental focus, the Environmental Partnership foundations have developed processes and resources for a successful small grants program. This document aims at sharing and synthetizing the best elements and cornerstones for an ideal NGO-friendly support mechanism.

"This guide aims to be a resource."

Regardless of the area of focus, the principles for a small grants program are the same. This guide aims to be a resource for any donor intending to launch a grant program for NGOs, by outlining the most important horizontal points and concerns. It also advocates for the involvement of a skilled and experienced intermediary (or grantmaker) in the process, especially in the case of large donors.

In Central Europe, there are few support mechanisms and financial resources available for NGOs to implement their actions at the local and community level. There is a lack of instruments to support local initiatives which could help jump-start the process of solving many issues, especially in the form of 'soft' projects which educate and engage entire communities in the process. Meanwhile, the business sector, in a time of economic downturn, rarely decides to invest in such solutions. Therefore, it is of great importance to direct attention to and undertake activities aimed at creating support mechanisms at the national and EU level, i.e. small grant programs organized by specialized foundations, which make these funds available via re-granting. At the same time grants should also strengthen the capacity of NGOs and the effectiveness of their actions.

Unfortunately, this remains an undervalued mechanism for supporting grassroots, and it is very difficult to secure it, since re-granting is not an eligible cost in most publicly funded projects, but also because it requires specialized knowledge and skills. With this guide, the Environmental Partnership foundations would like to demonstrate that such experience is already available, and therefore should not be an obstacle for any public or private donor to launch small grant schemes for the benefit of civil society.

context: an introduction to granting for NGOs and its challenges

Summary

This chapter serves as a justification on why NGOs need a tailor-made financial support with a different approach than large infrastructural projects. It also points out the gaps in EU funding regarding the role of NGOs in defending freedom and democratic values, as well as the features of the current EU funding systems that limit their access for NGOs. Finally, it outlines the administrative benefits of a small regranting scheme.

A strong, vibrant and independent civil society is an essential component and asset of all democratic societies—in the 21st century all major international bodies and institutions recognize and agree with this. At the same time, there is often less awareness of the fact that civil society organizations—or the third sector—have noticeably different characteristics from other organizations. CSOs usually are organized in a bottom-up voluntary way, counting on the support of regular citizens committed to fulfilling a broadly defined societal mission. For this reason also, civil society is rather dynamic and very diverse: groups are continuously formed, transformed, and dissolved, they address one problem and than move on to another. Among many others, CSOs play a vital role in the promotion and application of democratic European values at the local and national level, in the development of good governance as well as in helping communities to organize themselves and in mobilizing them for the public good. CSOs also contribute to linking citizens at the European level, through generating and supporting participative processes and dialogue.

"Civil society is rather dynamic and very diverse."

The most visible part of the broader civil society concept is composed by legally registered structures (NGOs) with defined internal rules, professional leadership and employed staff. NGOs are the voice of civil society, usually becoming partners of national governments, businesses and international organizations. To efficiently reach local communities, NGOs need the recognition and financing of the EU and the member states.

Being nonprofit by definition and often working in areas or with groups the market doesn't value, their incomes must rely heavily on public sources or private philanthropy. At the same time funding targeted at NGOs should take into account the particularities of the NGO sector, such as:

- limited capacity in terms of human resources and expertise (e.g. accounting, management, law, PR, etc.) which are essential to implement large-scale projects
- lack of a stable income which would allow to apply to and implement projects
- limited financial resources which would allow to access to funding that require high levels of pre- and co-financing
- lack of international and cross-sectoral contacts limiting their capability to engage in consortia
- a frequent lack of resources to develop transparent procedures, key for building the trust of the public and of donors

Therefore, NGO funding programs should be tailor-made in order to be effective.

- NGOs activities are predominantly "soft": working with human capital, rather than building infrastructure.
- Human development bears fruit in the longer term and social impact is not easily measured in qualitative terms. Most public institutions are often better prepared to finance and manage infrastructure projects which are easier to measure. However, social development projects are essential to achieve sustainable societies—roads are just not enough.
- Different social problems can be solved at different scales: the diversity of NGOs makes it possible by using a mixture of approaches. Smaller organizations can efficiently (and

patiently) work at the very local level or with very specific target groups, often neglected by larger institutions.
- NGOs are well-positioned to reveal unseen and unanswered social problems, often with the involvement of those affected: NGOs can be important social innovators if given the space and encouragement.
- NGOs are usually flexible and can introduce and test new approaches: this is very useful in times of social crisis but also for young democracies and economies of transition, where old approaches are no longer useful.

Because of its weaker administrative capacities (as opposed to public or for-profit structures), funding civil society can be seen as a "risky business". However, the provision of intensive technical assistance before, during and after the project implementation can efficiently solve this.

NGOs need assistance mainly in the form of mentoring to develop their skills and capabilities, which can contribute to their long-term self-sufficiency, but also on engaging *pro bono* services and learning from the business sector, improving good governance and accountability, communication, participation and advocacy.

"Funding civil society can be seen as a risky business."

NGOs need support to improve their organizational capacity, to be able to diversify their methods in terms of legal capacities, fundraising, use of digital innovations and communication.

All of this requires human resources, attention and commitment from the donor agency/organization.

The problems of extending support to NGOs can be overcome by engaging independent civil society based intermediaries in the process. As argued in this guide, engaging intermediaries would decrease the administrative burden of the funder/donor, but also contribute to improving the public image and acceptance of such grant programs. The grantmaking approach described is human resource intensive, and the level and quality of the the assistance provided depends on the professionalism of the staff.

By providing a detailed "how-to" description of efficient small-scale grantmaking we aim to demonstrate that the necessary know-how and experience is already available, and the outsourcing of funding programs is a viable alternative.

"Necessary knowhow and experience is already available, and the outsourcing of funding programs is a viable alternative."

1 | strategic grantmaking approach

Summary

This chapter describes the different considerations to take into account when creating a strategic grant program, including preconditions and key characteristics that will allow to get the best out of the funded project in terms of social impact and scalability, but also taking into account the long term sustainability of the civil society organization involved.

The first precondition for designing effective funding or grantmaking programs is to have a clear view of the social goal and change one wants to achieve. Societal problems tend to have complex causes and symptoms, therefore, a broad and in-depth understanding of these, coupled with a clear vision for the future prior to launching any program is essential.

"There can be many ways and means to achieve the same objective – but in most case there are no quick fixes."

Before the funder starts shaping its program, a few basic questions need to be answered:

- *Is there a need/problem?*
- *Is my grant program the best tool to address it?*
- *Are there potential recipients who can contribute to problem solving?*
- *Will the grant program empower their capacity and sustainability?*
- *Is there a perspective to continue grant program long-term?*
- *Are the allocated resources adequate to the need?*

There can be many ways and means to achieve the same objective or to address the same problem—but in most case there are no "quick fixes".

Therefore, **the objective of any funding program aiming to address societal issues must be defined very carefully, possibly with the involvement of stakeholders at all stages**, so that it makes clear what the desired outcomes are, yet leaving enough room to accommodate the various approaches, tools and activities to reach them.

Any social goal is best achieved through a mix of different interventions—thus, a strategic grantmaking approach is required and should be based on both responsive and proactive characteristics. A strategic grantmaking program has a clearly defined set of **goals, priorities and outcomes that are broad enough** to capture long term social aspirations through the mobilization of the very diverse actors of the non-profit sector, and therefore:

- supports both short and long term goals
- uses a healthy mix of grant types such as size (small, medium and large) and thematic areas
- has a clear focus, but at the same time when new challenges, opportunities or resources arise it is flexible enough for renewal and reorientation

One of the key characteristics of such a program is the **multi-annual funding approach**. Such an approach can bring a lot of benefits to both funders and grantees. It is demonstrated that it has a direct effect on NGOs' effectiveness, capacity, and impact. It helps the grantees to operate in a less stressful way and enhances organizational capacity building. But most importantly, it **allows for gradual building or upscaling of projects**: an idea can be piloted in one location using a small seed grant, and if it proves to be worth it, it can be expanded to a bigger scale—by drawing lessons and conclusions it can finally be turned into a consolidated working method. At the same time, such an approach contributes to the sustainability of the works and the organization, including the reduction of staff fluctuation, and allows the improvement of planning and implementation processes.

Strategic grantmaking also means drawing programs tailored to the grantees needs as well as providing equitable opportunities. A strategic grantmaking program can respond both to varied thematic needs and also cover the needs of both larger and smaller (including grassroots) organizations. As a result, a much bigger number of organizations can find their niche, and at the same time the competition for funding becomes more equitable, offering chances also to smaller, and even grassroots organizations, to obtain funding for their aims and projects.

Strategic grantmaking programs **use small, medium and large grants, and cover several thematic areas** that can enhance and bring societal changes. Should the characteristics of the target group justify it, a portion of the allocated funding can be set aside to serve only the purposes of specific types of projects or beneficiaries.

The project grants can also be coupled with **flexible funding instruments** which can help to adapt to external changes or respond to new challenges on the course of implementation, e.g. a rolling open call, which can provide a little additional support if and when justified. In the case of grant lines designed for smaller organizations, the procedures, the funding guides, the application and reporting requirements can be also simplified and tailored according to the applicants' capacities.

The organizational strengthening of grantees is another important feature of strategic grantmaking, bearing in mind that over the last two decades grantmaking in Central-Europe has mostly been about project related funding. General purpose support grants were and are awarded very rarely and only by few funders. This fact did not allow the improvement of organizational and financial sustainability of the NGOs. A strategic grantmaking approach deals with this issue as well. One of the best ways of strengthening the capacity of NGOs is to allow applicants to use a certain percentage (e.g. up to 30%) of the total eligible costs of a project for organizational development objectives. Funds allocated for this purpose can be used by grantees for different institutional development objectives such as measuring organizational performance, organizational strategy development and implementation, increasing the transparency and visibility of the organization, developing fundraising strategies, etc.

Naturally, the complex and flexible nature of the strategic grantmaking approach is not without difficulties either—**the two main problems the funder needs to face are the risk of failure and the difficulties in measuring impact**.

"The organizational strengthening of grantees is another important feature of strategic grantmaking."

The risk of failure can be mitigated through a number of measures, including appropriate prior problem analysis, good quality evaluation, capacity building, building trust and communication between the grantmaker and the grantee, however, cannot be completely eliminated. When new ideas, methods and approaches are supported, some will inevitable fail, in spite of the best intention, goodwill and efforts (due to, among others, the lack of responsiveness from the target group, excessive efforts needed from the grantee, changes in the external environment, etc.)—the donor must be aware of this risk, and be able to **tolerate a certain** (maybe pre-set) **level of risk**. In our experience, a failure of approximately 3—4% of the projects can be considered normal.

Measuring the real impact of "soft" interventions and project is a much-debated issue worldwide, not only for NGOs but also researchers and the academic community. NGOs themselves can rarely measure their success beyond the level of simple **quantitative** output indicators—they most often neither have the tools nor the capacity to follow up on outcomes and impacts beyond the end of a given project. Commonplace, but societal change starts in people's heads: in their thinking, attitudes and actions—therefore the measurement of impacts must focus on these **qualitative aspects**. This means employing the toolbox of sociology and social psychology (e.g. survey, interviews, focus groups)—ideally also when some time after the end of the projects has elapsed so as to be able to differentiate between transient and more permanent changes. Most funding programs allocate neither time nor resources to these exercises, which could really prove the usefulness or effectiveness of any given strategic grantmaking program.

2 | characteristics of the intermediary

Summary

This chapter describes role of the intermediary in the management of resources for NGOs as well as the key characteristics that this role should fulfill.

Some factors make NGOs different from other organizations, such as academic institutions or the public and private sector, when it comes to project implementation. On one hand, their limited institutional and administrative capacities and their lack of regular income can hinder their access to funding, as well as securing pre and co-financing. On the other hand, their structure puts them closer to society, and makes them more credible when promoting democratic values.

> ***“Qualified grantmaking organizations can significantly contribute to a higher efficiency of the supported projects.”***

We believe on the importance of respecting these differences when it comes to providing financial aid to these entities. In the management of resources designated for NGOs, a key role should be given to qualified grantmaking organizations (intermediaries) that can significantly contribute to a higher efficiency and smoother implementation of the supported projects. Intermediaries should have specific competences, experience and knowledge, including experience in grant management for the civil society. Equally important, the intermediaries should be trusted and respected by the NGOs, should have genuine interest in development of the civil society and should share the democratic values promoted by the civil society. Intermediaries can either be single organizations (e.g. foundations) or consortiums of these.

The ideal intermediary should possess the following characteristics and qualities:

a) Independence

- autonomous from any national, regional or local government institutions and political parties
- able to ensure that financial support is distributed according to the focus and quality of the NGO projects, and be able to avoid any direct or indirect political considerations
- typically, may operate as some form of the civil society organization, e.g. foundation

b) Knowledge

- knowledgeable about the NGO sector, understand its needs, and be capable of responding to these needs with active and trusting relationships
- extend to all parts of the NGO sector, including grass roots, regional and national groups
- capable of involving stakeholders, to proactively identify initiatives with the potential to generate broader effects in addressing social issues
- understanding of national laws, rules and procedures that apply to the sector as well as to the management of public money

c) Management capacity

- have experience and profound understanding of running programs and projects that involve re-granting
- ensure clear and transparent assessment processes for grants
- have experience in developing manuals and accounting systems that reflect the size of the grant and yet protect small NGOs from unreasonable demands
- have systems for implementing good communication, publicity tools, events, etc.

- ensure efficient reporting, financial monitoring and payment systems
- ensure monitoring and evaluation procedures that encourage self-evaluation of grantees
- ensure that smaller NGOs without access to additional resources are not disadvantaged
- are powered by devoted staff that have a deep understanding of and experience with civic organizations

d) Capacity building

- able to provide outreach work and support to projects throughout the project cycle, including training on application writing and submission, implementation, reporting, and opportunities for experience sharing between funded projects, as well as monitoring, encouraging learning transfer and contributing to strengthening the civic society

e) Good governance

- adhere to and demonstrate in their work the principles of good governance, sustainable development, gender equality and equal opportunities
- take every reasonable measure to prevent a conflict of interest situation from occurring
- have or develop an ethical code of conduct

But above all, the intermediary should work on the premise that the success of the supported projects is a common interest, not just the grantee's sole responsibility. Therefore, the intermediary should strive to build a horizontal, partnership-based relation with the applicants and grantees rather than a hierarchical, top-down one. This has several benefits, not least that it encourages an atmosphere of trust and openness, as well as honest communication, which is one of the best tools to prevent failure or the misuse of the funds. When grantees can be confident of the intermediary's helping approach and cooperation, they will signal and discuss problems early, when they can still be managed and solved together rather than when it would be already too late.

"The intermediary should work on the premise that the success of the supported projects is a common interest."

As shown by many surveys, grantees prefer the personal style of an intermediary as opposed to the large bureaucracies. If the project finds an "owner" in the intermediary, someone who knows the project and is easily accessible, this means a key incentive for grantees and it will smooth implementation and reporting.

3 | calls and the application process

Summary

This chapter describes the steps for the preparation of a call for applications and recommendations for the process.

The preparation of the call for proposals is a key moment for the intermediary and should be prepared well in advance. It must be very clear from the beginning what can be achieved with the resources available. A term for references for the program must be prepared, usually in the form of a call for proposals.

The call for proposals must include:

- a definition of the goal of the program
- the resources allocated to the program
- the maximum and minimum support available per project
- the structure of the proposal and the budget
- the eligible recipients and eligible costs
- the evaluation process and criteria
- the reporting conditions

The document must be **clear, simple and short**, in order to avoid any misunderstanding. In our experience, the document must not exceed 20 pages and all the relevant information should be included in the same document without additional guidelines or notifications (even for the complex grantmaking programs involving public funds).

The communication about the call must clearly indicate what kind of organizations, activities and costs are eligible to be funded. Such limitations must take into account the specific circumstances of the targeted organization and be justified. For example, even if the list of eligible activities can rarely be exhaustive (or it will limit the potential of new ideas), it is more appropriate to define rather the non-eligible activities. We don't advise writing the call for proposals following the example of a real or hypothetical "model project".

The maximum amount of a grant as well as the total amount available for grants is standard information nowadays for helping an applicant to best assess its chances and the effectivity of the project preparation. Setting **minimum and maximum grant amounts** (and rates) is **always somewhat arbitrary**. The upper ceiling encourages applicants to budget their costs close to this (regardless of the actual needs)—it is sometimes better not to set maximums at all, but rather define an average grant amount foreseen. At the same time, this complicates the evaluation process in terms of analyzing the cost-effectiveness of the budget plans.

> ***"It must be very clear from the beginning what can be achieved with the resources available."***

The application form itself should be designed with the aim of understanding the idea of a project seeking funding and also as the baseline for checking the outcomes of the project later in the reporting process. **An application form should be self-descriptive, easy to understand, and should be focused on the project and its aims**. Broader questions might be necessary only in cases when the applications are evaluated by experts with limited experience on the project topic (this might be the case when the call is relatively broad and we do not know in advance what type of projects will apply) and thus putting the project in a context would be necessary.

The budget is always a special section of the application form and should be designed with particular care. Using electronic spreadsheets with pre-designed cells with automatic calculations and in-built checks makes the form friendly for the applicant. Also, making justification possible to a single budget line by an applicant is a big help for evaluators who can better understand the logic of the budget and the project itself.

The documentation that needs to be submitted with the application depends on the activity to be supported. For example, when granting nature management activities, an agreement with a landowner could be necessary. In other cases, the intermediary may not need much.

It is always wise to ask the question: what do we need this for? And is it necessary we get it? In many cases a URL link might be enough for a certain document (e.g. an annual report). Other information may be found by the intermediary in public databases (e.g. registration status), therefore it would only create unnecessary administrative burdens for the applicants to ask for those. Other documents are only needed once a decision about a grant is made and a contract is about to be signed, e.g. bank confirmation of the applicant's bank account. (Although we have not found any problems such as misusing accounts since the beginning of our experience.)

Application deadlines can very clearly be set if an **on-line, electronic system** is used, which also has many more benefits, and in the 21st century should be strongly encouraged. There are many tools available to develop such systems. Again, on-line application forms should be simple and easy-to-use to the greatest extent possible, avoid the need to download special programs, and make use of in-built controls, checklists and similar tools that assist the applicants, the managers and the evaluators. Also, the intermediary should be flexible enough to accommodate problems stemming from bugs or technical matters on the applicants' side (e.g. allowing submissions beyond the deadline in case of justified problems).

"It is always wise to ask the question: what do we need this for?"

The Environmental Partnership Foundations have developed on-line grant management tools, such as the Czech GRANTYS that has been tested in many simple calls for proposals, as well as in complex and sophisticated grant schemes, such as for the EEA Grants. The GRANTYS system processed over 20,000 applications during the period 2009—2015 (of which 6,200 were awarded), and has been used also by other grantmakers in the Czech Republic such as Česká spořitelna (Erste Bank) or Foundation for Civil Society Development (NROS). The GRANTYS software enables on-line management for the whole grant procedure: on-line application, evaluation of grant proposals by the grant committee members (with different levels of secure access), storing the interim reports and the results achieved during implementation, filtering various statistic data about projects, including geographical distribution, connecting narrative reporting, financial reporting and the accounting system of the grantmaker, etc.

An **alternative mode** of managing the applications is through a **two-step process**, where the interested organizations only need to submit a short project concept first (consisting of answers to no more than 5 questions and without a detailed budget), and then those selected during the first-phase evaluation are allowed to submit their full proposals. This procedure has several benefits:

- it is simpler for both applicants and evaluators: it is easier for the applicant to write it, and simpler for the evaluator to easily filter the most fitting candidates
- can be coupled with stronger capacity building activities helping successful first-phase applicants to develop better, clearer and more comprehensive proposals through training and consultation provided between the two phases

"The GRANTYS system processed over 20,000 applications during the period 2009—2015."

The main drawback is the time necessary to carry out a two-step process: in our experience, even with a very tight schedule, it takes no less than half a year from launching the call to the final grant decision. (We also believe that there should be competition in the second phase too, i.e. one and half to twice as many applicants should be approved to the second phase than the number of grantees foreseen, as it may turn out that ideas found promising in the first phase do not stand up to closer scrutiny.) Altogether, it is considered a useful tool, when large number of proposals can be expected, or when the target group is known to have weak capacities to formulate appropriate project proposals.

Whichever process is used, the application period is one of the busiest in the life of any intermediary. For us, **personal contact with grantees has always been a core value**. We believe that although it is necessary to have all the paperwork "in order" it is equally important to have human contact and understand the issues that the applicants (and the grantees) are struggling with. For the development of a strong civil society it is necessary to establish ties between intermediary and the grantees and not to have just a formal relationship. Grantees always welcome interest in the work they do. A personal approach materialized in phone calls or a field visit is often rewarding to applicants. It leads to a better understanding of the role of a grantmaker for the applicant, and a better understanding of the issues the applicant is working with for the grantmaker. Naturally, throughout the process equal treatment must be guaranteed, the intermediary must be accessible and open to all (potential) applicants and grantees.

Nevertheless, a personal approach is not just about communication but also about flexibility and the ability of the intermediary to discuss and allow changes in a project during the realization period. If the results don't change, why not allow changes in some of the activities and the budget? Each project is different and there is no single answer. It is up to the knowledge of a grantmaker and its staff to assess the proposed changes and confront them with the project aims.

4 | evaluation and selection process

Summary

This chapter describes considerations which should be taken into account when organizing an evaluation process.

The evaluation and selection of successful applicants is naturally the most critical point in any funding or grantmaking program, and it must be guided by the following key principles: (1) **equal access and fair competition**, (2) **objectivity and unbiasedness**, (3) **transparency**. That is, all applications and applicants must be treated equally, be evaluated on their merits and weaknesses alone, and the process must be clear and understandable from the very beginning for all parties involved. There are various models and approaches for organizing evaluation—the merits and drawbacks of each could be discussed endlessly, however, in our view there is no "ideal" system.

At the same time the following considerations can help organize a system that conforms with the above principles:

a) While subjectivity during the process should be avoided as much as possible, it must be recognized and admitted that it cannot be completely excluded. This is especially the case with projects of "soft" development, aiming to change human thinking or behavior—as are the vast majority of NGO proposals. Besides the problems of measuring (and verifying) such impact, there are also different and disagreeing schools of thought as to how specific social issues should be addressed and solved best, further complicating evaluation.

b) In acknowledgement of the above difficulties, funders sometime try to decrease the level of subjectivity by designing highly complex evaluation systems, relying on sophisticated sets of criteria and many steps of verification. In our experience, such measures do not improve the robustness of the evaluation, but—on the other hand—put unnecessary additional burdens on all parties concerned, and also take a lot of time. **7—10 criteria on a 0—3 or maximum 0—5 scale** are sufficient in most cases of small grant programs benefitting NGOs.

c) One of the main reasons for this, lies in the diversity of applications; if the funder considers NGOs as agents of social change, and sets its priorities accordingly, a broad variety of approaches and methodologies can appear among the proposals. Therefore, evaluation criteria must be defined in such a way as to **be broad enough to be applicable to all, but still capable of differentiating** among the projects in a meaningful way. Broadly speaking, the evaluation criteria boil down to the three key aspects (1) whether these project's goal fits the funder's objectives (2) whether the planned activities are likely to achieve the goals (3) whether it presents the "best value" for money. All others are optional extras.

"Well-grounded, careful evaluation takes time."

d) The diversity of NGOs manifests not only in the different approaches they may have to solving a particular social problem, but also in terms of their size, circumstances and level of professionalism. Therefore, the **playing field should be levelled to guarantee fair competition**—the most important expected results (indicators) as evaluation criteria should be proportional to the capabilities of the given applicant.

In our experience the best-working approach to minimize subjectivity and guarantee fairness is to work with a **relative high number**

of evaluators (5—7) and enable them to discuss their assessment in person until consensus is reached. While scoring is a useful tool which helps simplify the selection process (through making a ranking or shortlist of proposals to be discussed), it can also obscure the finer aspects stemming from individual differences. Therefore, in our view expert discussion of each proposal is the indispensable core component of the selection process. In this way, differing approaches can be taken into account, and the most important considerations be agreed upon. It is also important that evaluators would see and assess at least the majority of or if possible all proposals competing in the same pool, in order to be able to have a complete picture and establish the baseline against which each application can be compared (however, in the case of a large number—several hundred—of applications, time constraints can make it impractical).

Naturally, much depends on the expertise of the evaluators; they shouldn't only be professionals in the given area (be it human rights, environment, social services, etc.), but they also must have experience and a good overview of the specificities of the NGO sector in their countries/regions. This can best be achieved through **prior personal engagement** (not just academic knowledge)—which, in turn, raises the issue of excluding conflicts of interest. This requires careful attention on the side of the intermediary. At the same time, in our experience the intermediary's staff can also provide useful insights into the evaluation process, therefore the best results can be hoped from a balanced mix of external and internal assessors (i.e. ⅔:⅓ proportion).

In the case of NGOs there is often a gap between the impact of the actual work the organization is carrying out, and its capability to present it in a written proposal. This is especially the case with groups working in less developed, often rural areas, led by local, lay persons. Therefore, evaluating their plans purely on the basis of the written proposal can at times be misleading, as these can give a much poorer impression compared to what is actually happening in reality and the impacts it is having.

An important role of the intermediary here is to use its knowledge and familiarity with the sector in general and with the applicants in particular. Should this be lacking, "pre-monitoring" i.e. site visit to reconnoiter the NGO and the environment it works in, and feeding this information into the evaluation process could provide a solution for a more balanced evaluation taking **the weaknesses of written presentation** into account. This also increases the honesty of the process. (Nevertheless, such pre-monitoring is a time consuming exercise which may be difficult to carry out especially in cases when a large number of applications must be dealt with.)

Generally, time is a critical limiting factor in the evaluation process—naturally, applicants would like to see results as soon as possible, and also ever-changing external circumstances justify speedy selection. On the other hand, a well-grounded, careful evaluation takes time (considering the need to gather additional information, and time for discussion)—this trade-off is sometimes difficult to resolve. In our experience, if more than approximately 100 applications need to be assessed in one pool, a minimum 3months evaluation period would be ideal, but in reality it is rarely possible to take that long.

Last but not least, the evaluation of proposals should also **be part of a learning process** from the point of view of the applicants. The lack of support should not be seen as a failure, but an opportunity to learn from mistakes, and to strengthen weak points. This can only happen if rejected applicants receive meaningful justification, highlighting the need to develop further. Individual written justification of the results also serves the transparency of the process. In addition, as experience shows, the opportunity for personal consultations beyond written notifications is much appreciated by unsuccessful applicants—it improves the chances of learning on the one hand (and can thereby contribute to gradual upscaling, too—see above), but also decreases disappointment felt over the "failure" on the other. Since there are inevitably "losers" in any grantmaking system, such measures are also necessary to enhance overall acceptance and trust in the process.

5 | contracting process

Summary

This chapter describes the process of creating, discussing and signing a grant agreement between the grantee and the intermediary, including the minimum requirements as well as other important considerations.

The preparation and signing of the grant agreements is another important stage in the grantmaking process. It determines the main principles and rules between the grantmaking organization and the recipient (NGO) which dress up the intentions and ideas for intervention through civic activism into formal arrangements that are binding for both parties. Thus, it can be considered as a tool for effective civic activism within a clear legal framework, which ensures that there is no abuse with the financial support provided and that the project is not an isolated set of activities, but part of a bigger social intervention.

The minimum set of information and requirements that a good grant agreement should have are:

- **scope of the contract**—project objectives, activities, deliverables and financial framework (i.e. project budget and schedule)
- **deadlines**—starting and end date for performing all tasks and activities, and respectively bringing about the desired social/environmental/institutional/etc. changes and outcomes
- applicable **legal framework** for financial and accounting management systems, subcontracting, ensuring transparency, prevention of involvement of partisan activities with project funding, procedures for dispute resolution, etc.
- visualization and information for the public
- **reporting requirements** (including information about proof of performance and impact achieved, by various hardcopy or electronic means)
- information on authorized project monitoring agents and procedures
- a mechanism for making amendments to the contract aimed at providing flexibility to react to a changing environment by enabling responses
- annexes that provide more detailed information about specific aspects of the contractual obligations
- contact details

Considering there is not a universal grant agreement that could be applied in any grant program (meeting optimally both the donor's and the grantee's needs and concerns), an ideal agreement can be reached if project-specific negotiations take place. It is a contract which is based on the premise of reasonable **sharing of risks between the grantee and the intermediary, equal treatment** and support for improving the capacity of the grantee.

"An ideal agreement can be reached if project-specific negotiations take place."

Donors tend to use grantmaking contracts that contain solid legal mechanisms stipulating how a grantee will be prosecuted against in cases of malperformance (regardless of the reasons for it—i.e. intentional abuse of contract terms or unintentional one, due to capacity problems, i.e. lack of knowledge and/or adequate management skills and experience). While this approach demonstrates a good practice of safeguarding the donor's financial and program interests for achieving change and social and environmental impact, it **overlooks the need to attend to the capacity, experience and culture of the grantee** and its community environs (i.e. operational social surroundings). These are crucial not only for creating open, trust-based, and encouraging relations between the donor and grantee from the start, but also for a conducive environment of empowering civic organizations, raising their capacity, and eventually contributing towards their better public standing in terms of visibility, credibility and professional expertise.

Investment in a dialogue with the grantee at the pre-funding, pre-contracting stage is a factor for reducing risks and grantee underperformance as far as the intermediary is concerned. This would enable both parties to get to know each other, build trust, identify existing limitations in the organizational capacity or necessary individual responses in a project, and arrive at possible resolutions through customized contract clauses.

Agreements should be designed not only with a regulatory objective, but also with educational, learning objectives for the grantee, so as to build up a culture of respect for negotiated terms and timely delivery and communication to/with the intermediary. This is especially important for smaller or less experienced NGOs. That is why it is also the task of a good intermediary to explain the reasoning behind certain contract clauses so that the NGO partners learn and develop better organizational and project management skills. This type of donor-grantee relation is more of a collaboration than a regulation, although no compromise in the binding requirements should be made.

The agreement should be designed in a way that it could be used as a **learning guide** for the grantee, and not as a text understandable only for legal experts. It should be **clear and easy to use**, even for first time grantees—with references or guidelines on issues that raise questions in the course of the project implementation. Grant agreement language should be very comprehensible and explicit to the grantee, with no hidden regulatory objectives. When the intermediary's intent is to be a supporter, mentor, an understanding partner to the grantee, the ease of cooperation will be ensured.

"Investment in a dialogue with the grantee at the pre-funding, pre-contracting stage is a factor for reducing risks and grantee underperformance."

A well-intended and outcome-oriented intermediary is concerned about the capacity building of the funded organizations and of sustaining open and good relations with the grantee throughout the project. It is recommended that meetings and training sessions on the discussion of the contract clauses take place from the early start between the project management staff and the intermediary.

Experience accumulated through grantmaking to various NGOs with diverse backgrounds has proven that optimal results are achieved when the contracting stage provides time and deliberation for project-specific needs and the operational environment/structure of the grantee, should these require special consideration.

A good grant agreement should also have reasonable and flexible mechanisms to react to a changing environment. Should the project outcomes and the operational environment change or occur in a way that needs a reaction by the grantee, **the intermediary should be able to respond** to this **in a timely and effective way**. Therefore, it is important to include contract clauses that regulate when and how changes to the contract can be requested and should be justified and negotiated, including information on technical aspects, i.e. how such changes should be documented through the intermediary's project management. Online project management platforms or software have proven to be more efficient since they ensure electronic submission and approval, which is easily documented, transparent and fast to perform for both parties.

Customized intermediary response, tailored to specific needs through individual contract clauses, however, should not be a goal in its own right, but an intermediary **disposition and good practice**, to be applied only when an identified assessment of a need is in place. The intermediaries should therefore respond to cases which require individual approach, but not be inefficiently overtaken by complex and overly demanding grantee expectations for individual responses. A balance should be achieved from an early start.

The grant agreement should also serve as a reference schedule for monitoring project progress and outcomes that enables timely checks and controls by the intermediary. And—should a need arise—for taking corrective actions.

It may be the case that some NGO projects could address a very specific, (social) innovation-related idea, or species/habitat conservation aspect, which deserves its own treatment, so as to find relevant legal formulation in the agreement and ensure smooth implementation. Thus it is important for intermediaries not to recourse to a uniform contract format (though of course templates provide a good starting point), but remain open and put in place a **customized approach**, when an assessment of such need is made. The intermediary should have a professional legal advisor/team of advisors that would consult such cases and coin the necessary changes. Administrative time for ensuring such negotiation schedule should be planned and provided. If needed, case/project-based annexes could also be added as per specific project content and plans.

6 | monitoring as technical assistance

Summary

This chapter describes the monitoring process not only as an indispensable element of the grant making process, but also as a tool for sustaining relationships and channels for learning and exchange between the intermediary and the grantee.

Monitoring should be an indispensable element of the grant making process. It should underline all project stages, starting at the point of project evaluation and approval (prior to the grant decision) until project end. There are several types of monitoring during the project:

- **Pre-monitoring**—it takes place at the stage of project approval. It is needed in order to validate the project evaluation results and feed in (additional) information from direct contacts and/or visits that validate or refute concerns about the information presented in the project proposal, its justification and potential impact. Ideally, a pre-monitoring visit by an authorized representative of the intermediary staff precedes the formal final decision for funding and grant agreement. It aims to attest the organizational capacity, the availability of human resources capable to take the project through to a successful outcome and the truthfulness of presented organizational, institutional and community situation and needs. Pre-monitoring enables an assessment of capacity development needs of the potential grantee. Of course, when handling a large amount (several hundred) of grant proposals, individually contracting all of them is a time- and capacity-consuming effort. In such cases, the assessors/evaluators can point out the proposals, which—based on the written content—carry higher risks, and thus, the intermediary staff can concentrate their efforts on them.
- **Project monitoring**—this takes place in the course of project implementation and could be scheduled to align with the major project milestones and deliverables, or be planned at reasonable periods to check and assess the project progress, outreach and impact, as well as organizational and team learning process and needs of the grantee and its partners. Ideally, all grantees should be visited in their own environs at least once during the implementation.
- **Follow-up monitoring**—revisiting the grantee in a given time period after the project is closed, so as to learn about the sustainability of the outcomes and the 'afterlife' of the project, as part of the program-level evaluation as well as assessing the needs for a potential future continuation.

"Monitoring should be an indispensable element of the grant making process."

Monitoring can take place with different methods. Through review of documentation, reports and proofs of performance, but also through direct contact (site visits, meetings, conference calls) with the project participants and the management teams. These should be used to analyze the effectiveness of the team and activities, assets if and how well the project outputs and outcomes are achieved, and if any corrective actions should be taken to improve the outreach of the project. Critical issues may require an immediate face-to-face meeting in the form of extraordinary monitoring. A good governance practice is achieved through this formal aspect of the monitoring process. However, in order to foster an optimal environment for the project implementation by the grantee, the monitoring must be seen not only as a formal tool of control, but also as a **tool for sustaining relationships and channels for learning and exchange between the intermediary and the grantee**.

Monitoring should be a learning process for the grantee and it needs to occur in a safe, mutually trusting and friendly environment. Over the years, this has been demonstrated in projects managed by the members of the Environmental Partnership Association. Contacts shall be maintained regularly, the intermediary should be accessible to the grantee and encourage communication. Openness is thus achieved and it reduces risks from restricted information flows, limited contacts and delays in addressing project problems, should such occur. Monitoring has become a process of nurturing a relationship of trust between the donor and the grantee.

A **collaborative monitoring process** reduces and redistributes risks in the project implementation and helps create greater confidence of the grantee in project management, improving its organizational capacity.

> ***"Monitoring should be a learning process for the grantee."***

Monitoring of projects tackling specific environmental or community issues could and should also involve experts with a narrow specialization to assess the project outcomes. Specific feedback as requested and/or discussed at a monitoring site visit could be provided to the grantee, introducing ideas and information that could potentially improve project deliverables and impact.

Monitoring should also be used as a tool for identifying networking and exchange potential. An intermediary's practice of supporting and enhancing networking among like-minded and working grantees, i.e. in the same or related areas, or grantees that could connect to look for synergies and value added to their projects, across geographic regions within a country or countries. This usually increases the program impact (see also the chapter on non-financial support).

Monitoring visits could also be used by the intermediary to get insights not only of the actual state of the project from the immediate stakeholders and implementing NGO team, but also to tap into local needs from a policy/community/media perspective. This could inform their knowledge and ideas about fine-tuning of the current or future grant programs.

7 | safeguarding transparency

Summary

This chapter describes the elements that make the grant process open and transparent. It also considers the case of irregularities or misuse of the grant agreement.

Any operational system or measure should adhere to the principles of good governance, transparency and accountability; these key principles are guaranteed by open information regarding processes, criteria and projects, and by clear and transparent assessments and decision-taking processes. The intermediary, as well as all those taking part in the decision process must operate in an open and accountable manner:

- the selection criteria must be specific and published in the open calls
- the composition of the evaluation/selection committee(s) must ensure that due attention is paid to possible areas of conflict of interest
- the selection procedures must provide equal treatment of all applicants
- decisions must be communicated to applicants with a reasoned opinion for refusal of funding
- data on supported grants should be publicly available, including not only amounts, but also contacts (which can also help networking among NGOs) and summary information

A well-structured and user-friendly program webpage has a central role in safeguarding transparency, just as open and regular communication with the target groups. At the same time a balance must be found between openness and the integrity of the application and evaluation process. Evaluators must be able to work in a safe environment, free from external influence and pressure. Therefore, it can be debated and decided on a case-by-case basis whether revealing the names of evaluators is beneficial from the point of increasing transparency or rather has a detrimental effect on the process. The same goes for publishing detailed data of non-successful applicants, which while adding to transparency, can also have a deterring for the organizations concerned ("name and shame").

During the course of project implementation, the intermediary must make every effort possible to prevent and detect the cases of irregularities or misuse, and to reduce their impact. The following measures could be undertaken to prevent irregularities:

- unambiguous rules for the eligibility of expenses and well understandable reporting format
- regular submission (i.e. every 4—6 months) of reports including lists of project expenses for ongoing checking and control
- immediate reaction on questionable items or problems occurring
- conducting regular on-the-spot monitoring visits based on risk assessment and random samples according the monitoring plan
- regular, ongoing individual consultations with the grantees during the project implementation in case of questions related to project activities or expenses
- financial visiting audits and desk financial audit

"A well-structured and user-friendly program webpage has a central role in safeguarding transparency."

In our experience, most irregularities in NGO grant programs do not stem from willful misuse (these are very rare), but rather from simple administrative and capacity limitations or the lack of or misunderstanding of the rules (let us refer back to the fact that NGOs are managed by lay persons mostly). The more complicated and extensive the rules are, the bigger is the chance to fail them—project implementation should place as little administrative burden on the NGOs as possible. As with everything else, rules should serve the purpose of achieving success and results with the project—they should be weighed against this criterion. Most irregularities coming from the misinterpretation of administrative shortcomings can be prevented through regular communication with the grantee.

If, despite these efforts, an irregularity does occur, measures should be incremental and proportional, taking into account the reason why it was committed, the effort the grantee takes to reverse or mitigate the consequences, and, last but not least the amount of funding concerned. If the irregularity does not stem from willful misuse, the grantmaker's primary goal should be to help the grantee to achieve eventual success.

"Most irregularities in NGO grant programs do not stem from willful misuse, but rather from simple administrative and capacity limitations."

Taking these aspects into account, the intermediary can, in case of a detected irregularity:

- warn the grantee, and explain to him/her the nature of the irregularity and how it can be prevented from occurring again (in writing), as well as closely monitor consequent behavior
- allow the project to continue but apply a proportionate financial correction. The amount of the financial correction will be assessed on the basis of the individual files and be equal to the amount of expenditure wrongly charged to the program
- cancel the project and request reimbursement of all or part of the already paid project grant—especially in the case of non-performance of the committed tasks

If the irregularity does stem from willful misuse, e.g. the grantee falsifies documents, intentionally submits untrue information or commits an offence, naturally the case must be investigated thoroughly, and besides withdrawal of the grant, appropriate legal steps must be taken by the intermediary.

8 | non-financial support

Summary

Non-financial support is as important for the development of the civil society as the money given through the grant program. This chapter enumerates a series of activities that could complement grant programs through capacity building assistance.

During the course of the grantmaking process, non-financial, technical assistance provided to potential applicants and grantees is almost as important as giving money. Besides improving and developing the capacities of the NGOs concerned, it also makes the implementation of the funded projects easier.

Such capacity building assistance should ideally consist of the following activities:

- providing a help desk, dedicated seminars/workshops and coaching for the applicants during the preparatory/application phase of a grantmaking program
- methodological support related to planning, monitoring and reporting of projects for the grantees during the period of contracting
- technical assistance during project implementation (at the grantmaker's office or via phone, e-mail or extraordinary site visits based on request—see also above)
- dedicated training sessions and assistance to strengthen NGOs covering issues such as strategic thinking, project management, etc.
- training sessions and assistance on visibility and public relations for NGOs
- program closing thematic workshops or conferences with the purpose of evaluation, enhancing networking and for coalition building around different topics

During the preparatory phase, immediately after launching a call for proposals, special attention must be paid to the capacity development and coaching of potential applicants, and later, the potential grantees. A central tool of this is maintaining a helpdesk for interested organizations, where potential applicants can submit their questions. The helpdesk should be easily accessible via all means of modern communication (not only e-mail), and answers and replies should be given immediately or in maximum 72 hours in the case of questions that need extra clarification (legal, etc.). The running hours of the help desk should also take the characteristics of the target NGOs into account (e.g. in case of organizations primarily managed by volunteers, calls during the weekend should also be allowed). Besides, the answers on the most relevant and frequent questions can usually be published on the program's website page.

"Technical assistance provided to potential applicants and grantees is almost as important as giving money."

In addition to the helpdesk, during the first weeks after launching the calls for proposals information sessions should be organized in the main regions of the country. These are fully open sessions in order to ensure a wide access to potential applicants located in the respective regions or in the neighboring areas. Through these sessions the grantmaking programs are presented and participants are invited to address questions related to application procedures, or related to any sort of clarification needed regarding the respective call. It is also important that these sessions are interpretative in nature, and go beyond simply reiterating what is written in the call text, but provide effective help in understanding the requirements. They should also include basic training on project planning and management (the project cycle).

Linked to these info sessions, thematic workshops may be organized around larger topics such as sustainable development, for example. These workshops represent an opportunity to present, discuss and share common needs, tools and ideas related to the addressed domain, in order to increase the motivation of participants to develop good proposals for innovative projects. These workshops fulfill another important function as well, by being a good opportunity for initiating valuable partnerships between organizations that are sharing the same values and interest. In many cases as a positive outcome, very interesting and successful partnerships are initiated even between experienced and relatively beginner NGOs as a follow-up to these events.

If a program has more than one round of funding, through the information sessions a comprehensive analysis of the first round and the lessons learnt are presented and discussed as well.

"Throughout the project implementation period permanent assistance must available through phone or e-mail for grantees."

During contracting, it is useful to organize workshops at the initial stages of the projects' implementation. Through these, grantees are provided with information and advice regarding the procedures and rules to be followed during project implementation. Requirements regarding the principles and mandatory steps of the procurement procedures can also be explained and discussed (if relevant in the given program). At the same time monitoring procedures and reporting requirements can be presented as well.

Throughout the project implementation period, permanent assistance must available through phone or e-mail for grantees. At the same time meetings can be organized upon request. The intermediary should have qualified staff which can provide specific thematic or managerial assistance regarding problems or issues raised by grantees.

When the intermediary's capacities and resources allow, ideally, the above essential technical assistance should be supplemented with **specialized workshops and training sessions** available for grantees, covering the following subjects:

- Project management, especially for smaller and less experienced organizations, mainly during the beginning of their project implementation. These training sessions could go deeper into the subject than the workshops organized during the application period, and also provide an opportunity for project implementers to present their projects and by that, cooperation and networking is enhanced.
- Financial management for the grantee's staff, focusing on financial management, internal control systems, planning and reporting.
- Strengthening visibility and promotion of NGOs: a dedicated training course on PR and organizational image management for interested organizations, with the aim of helping them deliver their messages to their target groups and the general public more efficiently. They can also include or be complemented by interactive workshops of blogging and video making.

- Fundraising training sessions to help the NGOs to engage and cultivate a circle of donors and reach out to new constituencies, including the use of crowdsourcing tools.
- Advocacy workshops to improve the NGOs, capability and knowhow on speaking up on behalf of their target group, using their rights, building relations with decision makers, and carrying out watchdog activities.
- Measuring impact and sustainability to provide the grantees with tools to understand what the real impacts of their projects are (beyond simple output indicators), and building on these, become able to evaluate their projects and work.

This list is of course far from exhaustive—in order to become professional, NGOs need a wide range of skills and capacities, but in our experience these are the areas where most assistance is needed and where an intermediary can achieve the most significant changes, in order to reach its overall goal: to create a strong, vibrant and democratic civil society of our countries in Europe.

use of terms—thesaurus

Civil society: The aggregate of individuals and organizations that manifest the will and interest of citizens, independent from the government.

CSO/NGO: Civil Society Organisation/Non-governmental organisation—groups that are are organized voluntarily, are not profit seeking by nature, usually serving some public interest and independent from the state and other governmental organisations, usually funded by donations and grants and some of them run primarily by volunteers.

Funder (synonym: donor): Individual or organization financing part of all of a projects' cost in the form of a grant, an investment or a loan.

Grantee (synonyms: beneficiary, project promoter): Eligible recipient of a grant.

Grantmaker: Organisation administering both its own and other donors' funds, by distributing them in the form of grants to third parties.

Volunteer: Person providing services without financial remuneration, to the benefit of another person, group or organisation.

Capacity development: Conceptual approach targeted to non-governmental organizatios with the aim of enhancing their abilities to achieve measurable and sustainable results in their work.

Fundraising: Process of gathering voluntary contributions of money or other resources, by requesting donations from individuals, businesses, charitable foundations, or governmental agencies.

Watchdog: Guardian (usually an NGO) that monitors the behaviour or practices of politicians, governments and public bodies.

abstract

The goal of “**The Good Grantmaking Guide**” is to collect and describe the key elements which make financial support to small projects run by civil society organizations efficient and successful. The authors, members of the Environmental Partnership Association, argue that tailor-made funding to CSOs is an important tool for achieving social change, but it also requires a differentiated approach. The key points listed in the guide can be useful for both private and public donors committed to achieving development in our societies.

- The funding programs should be designed with **long-term, sector-wide capacity development goals** in mind, with an opportunity to revisit and adapt to circumstances, accessible also to smaller organizations lacking international contacts and networks. There should be room for participation and feedback both during program development and evaluation.
- The call for proposals should **define the societal goals to be achieved** (instead of listing eligible activities), with adequate, qualitative points of evaluation. The call should be concise, but include all necessary information in one document as much as possible.
- A mixture of grant types, sizes, periods and procedures (one and two-step), making the support suited to various beneficiaries achieves maximum efficiency. Grant calls can also be complemented by flexible, small-scale support instruments enabling response to quickly changing environments.
- User-friendly online grant application and managements systems, which also enable the applicants to monitor the fate of their proposal in the process in real time, with simple registration, and with a minimum amount of additional material needed should be employed to further facilitate access.
- The grantmaker’s key guiding principle should be that success is a joint interest for all parties concerned. Therefore, it should strive to build trust, mutual cooperation and partnership with the applicants and grantees (instead of a top-down relationship) and engage in dialogue. The **grantmaker should have a “human face”**, as well as easily accessible contacts who can readily provide technical assistance and answer concerns.
- An integral element of this approach, which also enhances smooth implementation, is personal, field learning and knowhow exchange between grantmaker and grantee (beyond pure site audits), both before, during and after giving support—the time and energy needed for this cannot be spared.
- Substantive feedback to the applicants after a professional evaluation process further supports learning and development.
- Continuous monitoring and communication during project implementation is effective in preventing problems, or once they occured helps find good solutions and alternatives, thereby avoiding failure. The grantmaker must be flexible to accommodate changes and novelties. Monitoring should be more than just ‘paperwork’ and administration.
- Time and resources need to be allocated to measure success—both during, but even more importantly after the program has ended in order to be able assess and evaluate change—the main goal of providing funding in the first place.

Poland—Fundusz Partnerstwa
www.ffp.org.pl

Czech Republic—Nadace Partnerství
www.nadacepartnerstvi.cz

Slovakia—Nadácia Ekopolis
www.ekopolis.sk

Hungary—Ökotárs Alapítvány
www.okotars.hu

Romania—Fundatia Pentru Parteneriat
www.repf.ro

Bulgaria—Fondaciya EkoObshtnost
www.bepf-bg.org

www.environmentalpartnership.org

environmental partnership association

The Environmental Partnership Association (EPA) is one of the largest European organisations specialized in grantmaking for sustainable development. Our team consisting of more than 80 employees are located in 6 EU member countries including Brussels, provide grant giving expertise as well as offering professional services for sustainability to both private as well as public entities.

The EPA started back in the nineties stemming from the tradition of US foundations such as the German Marshall Fund, the C.S. Mott Foundation and the Rockefeller Brothers Fund. It has continued the practice of NGO-friendly support mechanism and result oriented grantmaking since that time. Members of the EPA in individual countries have administered Swiss–EU Block Grants and Iceland, Lichtenstein, Norway grants for NGOs. The EPA is also an active member of the European Environmental Funders Group of the European Foundation Centre.

The EPA also developed the grantmaking on-line tool GRANTYS for ease of communication with grantees; it also acts as a tool for project evaluation and administration. GRANTYS is successfully used not only by EPA itself but also by several other private foundations and corporate donors.

- Are you a donor looking for inspiration?
- Are you seeking advice on how to design a grant program?
- Would you like to get the best out of the funded project in terms of social impact and scalability, but also taking into account the long term sustainability of the civil society organization involved?
- Are you looking for a modern on-line solution for your grantmaking?
- Do you need assistance with developing proper criteria for your grants in order to fulfil your philanthropic goals?
- Or are you looking for an experienced grantmaker who can assist you with efficient and targeted distribution of your grant money?

Contact the Environmental Partnership Association headquarters or a member foundation in your country at your convenience!