

Ministry of Foreign Affairs

2. Co-financing System (MFS) 2007–2010

Background

In previous years, the Ministry of Foreign Affairs has supported Dutch civil society organisations with almost €500 million a year under co-financing and theme-based co-financing programmes. These two programmes were guided by separate policy frameworks. For the 2007–2010 grant period, the ministry decided to establish an integrated policy framework for a new co-financing system (MFS) in support of Dutch non-government organisations' (NGOs') interventions in developing countries. The aim of the MFS is to enhance the complementarity of Dutch development co-operation and to take into account the varying nature and scale of grant applications. In contrast to the previous co-funding programmes, no set percentage of the development budget will be reserved for the new MFS. The annual amount made available by the Dutch government over the 2007–2010 grant period is expected to be higher than €500 million and will depend on the number of high-quality proposals received. The ceiling for the entire grant period has been set at €2.11 billion; no organisation may receive more than 25% of the total grant.

The MFS is designed to assist both broad-based and theme-based Dutch NGOs which enjoy the support of the Dutch public and wish to work within the MFS policy framework. Dutch organisations are required to implement their programmes via community-based or service organisations in the South. The local partner organisations are expected to engage in strategic co-operation with civil society networks and alliances as well as government, businesses and international institutions, where it is deemed desirable and effective.

Types of Grant

Programme grants are designed to support single coherent development programmes of Dutch NGOs.

Grant Size

The minimum grant size is €100,000. All applications for grants in excess of €2.5 million will have to meet more stringent requirements regarding the quality of the organisation involved.

Own Contribution

Substantial own contributions are required. Individual grants under the MFS cannot amount to more than 75% of an organisation's total annual expenditure.

Funding Priorities

The overall policy aim of the MFS is to achieve sustainable poverty reduction in developing countries by strengthening civil society in the South. Preference will be given to organisations dedicated to achieving poverty reduction in a results-oriented way, often through a rights-based approach and with a desire to contribute to an equitable process of globalisation. Within this broad context, organisations may focus on one specific theme or address several at once. Organisations are required to select their own intervention strategy. If it is a multi-theme approach, the intervention strategies will have to be developed in an integrated manner.

With the MFS, the Dutch government aims to encourage NGOs to build upon their unique comparative advantages in fighting poverty and building capacities in the South. Dutch NGOs and their local partners are, therefore, not viewed as implementers of government policy, but as autonomous bodies which share the same view of poverty and sustainable poverty reduction and have a contribution to make in this area.

Since the Ministry of Foreign Affairs wants to improve the co-ordination between non-government and bilateral development programmes, the MFS policy framework particularly emphasises the issue of complementarity. Therefore, all applicant organisations will be asked to explicitly express their views on the importance of complementarity, partnerships and other forms of co-operation in their proposals. The MFS will comprise three intervention strategies:

- direct poverty reduction by improving the living conditions of poor people through a focus on service provision or by increasing the ability of individuals to meet their own basic needs;
- civil society building, which should involve strengthening pluralistic, democratic social structures and organisations to produce a more equal balance of power and to give marginalised groups a say in social, economic and political decision-making; and
- action to influence policy and thereby to change local, national and international policies, and to modify processes and structures that perpetuate or exacerbate poverty and inequality.

Organisations are expected to use research relevant to development as the basis for their choice of intervention strategies, and also for contextual analyses, quality assessment procedures and tools for measuring and interpreting results. At country level, national Poverty Reduction Strategies (PRSs) will have to be the reference point for the choice of intervention strategies.

Grant-making Criteria

The MFS is open to autonomous, not-for-profit NGOs established under Dutch law which enjoy the support of the Dutch public. The organisation's main objective must be structural poverty reduction in developing countries. The work of international NGOs based outside of the Netherlands, country-specific activities, emergency aid, technical assistance programmes, local authority co-operation, and research, are excluded from the MFS programme.

The MFS policy framework accommodates both broad-based organisations which address a number of themes and larger or smaller specialist organisations which concentrate on a single theme identified as a priority in Dutch development co-operation policy. Broader-based organisations have to cover at least three themes, with an integrated approach combining several relevant intervention strategies. They should work on several continents, in multiple countries on each continent and in a variety of thematic areas and sectors within those countries. Grant applications under the MFS will be subject to a comparative quality assessment based on criteria tailored to the size of the NGO.

Assessment criteria relating to the characteristics and quality of the applicant include:

- the scale of the applicant's public support base in the Netherlands;
- the history of the organisation's mission and its relationship to sustainable poverty reduction;
- its intervention strategy, operational objectives and intended results;
- the nature and quality of the organisation's relationships with third parties;
- the impact and sustainability of the applicant's past results;
- the extent to which the internal structure of the organisation and its corporate culture contribute to efficient service provision;
- the quality of the organisation's staff policies and policies on the use of innovation to boost efficiency;
- the quality of existing monitoring, evaluation and quality management; and
- the quality of financial and other management.

The following criteria relate to the content and quality of the application and vary according to the scale and nature of the grant requested:

- Relevance to development: contribution to a) poverty reduction based on the three intervention strategies and four key concepts of complementarity, partnership, innovation and public participation, and b) the thematic priorities of Dutch development co-operation (if the application relates to a specific theme)
- Quality of the strategic analysis
- Strategic policy with regard to local partners
- Translation of the proposal into operational objectives, intended results, proposed activities and resources
- Translation of the intended results, where useful, into a SMART approach (Specific, Measurable, Acceptable to stakeholders, Realistic and Timetable in a feasible way)
- Innovative elements of the proposal in the following areas: added value in terms of poverty reduction, relationship to strategy, quality of risk analysis, and use of policy research
- Impact on public participation and the public support base
- Efficient use of resources
- Incorporation of procedures for quality management, planning, monitoring and evaluation, and learning from experience
- Sustainability of the intervention and contribution to the sustainable development of the partner organisation

Guidelines

The Ministry of Foreign Affairs has published a 'Policy Framework for the Co-financing System (MFS) 2007–2010', which is available on the ministry's website: http://www.minbuza.nl/nl/ontwikkelings-samenwerking/subsidies,medefinancieringsstelsel_xmfsx_2007_2010

Project Duration

The maximum length of the grant period is four years.

Deadline

For the 2007–2010 grant period, the deadline for applications was 22 April 2006. Current theme-based organisations with a grant extending into the new period will be given the opportunity to submit a supplementary application for the grant period up to 2010.

Application Forms

The Ministry of Foreign Affairs has not published specific application forms for this scheme.

Application and Procedures

Grant decisions for the MFS will be made every four years by the Minister for Foreign Affairs, assisted by an independent advisory committee which will assess the proposed operational plans for the entire grant period. In the course of the grant period, successive annual plans will also have to be approved by the ministry.

Throughout the grant period, intensive policy dialogue will be an important part of the relationship between the MFS organisations and the Ministry of Foreign Affairs.

Language

English and Dutch

Tips

Civil society organisations which did not apply for the MFS 2007–2010 can also contact the National Committee for International Co-operation and Sustainable Development (NCDO), which is an independent Dutch organisation offering small grants for developing projects in the South through its KPA front office.

Contact:

NCDO

Phone: + 31 (20) 56 68 87 55

Email: subsidielijn@ncdo.nl

Website: www.ncdo.nl

Local civil society organisations in the South or other NGOs which want to submit country-specific grant applications to the Dutch government should discuss their proposals with the Dutch embassy in the relevant country.

NAME OF GRANT PROGRAMME

Co-financing System (MFS) 2007–2010

NAME

Nederlands Ministerie van den Buitenlandse Zaken

NAME IN ENGLISH

Dutch Ministry of Foreign Affairs

ACRONYM

None

DEPARTMENT

Civil Society Section

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COUNTRY INDEX**PARTNER COUNTRIES**

Afghanistan
Albania
Armenia
Bangladesh
Benin
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Bosnia-Herzegovina
Burkina Faso
Cape Verde
Colombia
Egypt
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Ethiopia
Georgia
Ghana
Guatemala
Indonesia
Kenya
Macedonia
Mali
Moldova
Mozambique
Mongolia
Nicaragua
Palestinian Territories
Pakistan
Rwanda
Senegal
South Africa
Sri Lanka
Suriname
Tanzania
Uganda
Vietnam
Yemen
Zambia

OTHER COUNTRIES

Any