Foreign aid NGOs optimistic for funding fix

Aid group chief says ‘tacit agreement’ reached with feds for new methods of funding.

CCIC president Julia Sánchez.

The head of a coalition of Canadian foreign aid groups says it has a “tacit agreement” with the federal government that would help groups gain new access to funding, after what they describe as years of drought.

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This comes as members of the foreign aid community say the government has started warming to them after years of chilly relations. But while they are talking more now, the funding problems still need to be worked out with the Department of Foreign Affairs, Trade and Development, they say.

*Based on our conversations with DFATD, both at the minister’s office level and with senior staff, I think we have an agreement, a tacit agreement, that DFATD needs to have a diversity of funding

mechanisms,” said Julia Sánchez, president of the Canadian Council for International Co-
operation, in a July 3 interview at her Rideau Street office.

Representatives of Canadian non-governmental organizations involved in international
development have complained for years about how the government pays for programs they work
on abroad. The government defends its new funding system as being based on merit, and
emphasizing that no organization is entitled to taxpayer funding.

Funding upheaval
The former Canadian International Development Agency overhauled how it funds Canadian NGOs
for foreign aid in 2010.

Previously, many used to suggest funding ideas to CIDA through its former Partnership branch,
work with bureaucrats to fine-tune their proposals to fit CIDA’s priorities, then submit them for
approval. Some organizations were funded continuously for decades, while facing CIDA
evaluations to ensure they weren’t squandering the money.

That all changed in 2010 when then-international co-operation minister Bev Oda brought in a new
call-for-proposals system. NGOs had to compete against each other periodically when the
government announced a call, to gain from the same pot of money to fund specific projects.

Government officials stressed that no group was entitled to taxpayer money. The new system
ensures money goes to the most-deserving proposals that can best deliver on the priorities of the
call, they said. Others said the new system is more objective than its predecessor, which was
vulnerable to criticism that some groups were receiving privileged access.

But groups have complained that the new application process is long and expensive with no
guarantee of approval. Ms. Sánchez said small NGOs with long-time funding relationships with the
government and relevant expertise but not enough resources to put together a top-notch
proposal may lose out to large groups with the money to prepare a great proposal but no strong
experience. There hasn’t been a set of major general calls since 2011.

A survey commissioned by CCIC and seven provincial and regional councils like it, conducted
earlier this year and completed by 138 aid groups, indicated that a “lack of any significant and
predictable funding...since 2011 is having a profound and detrimental impact on Canadian [civil
society organizations] capacity to deliver their programs on the ground—in terms of reduced staff,
partnerships and activities.”

Forty-four per cent of survey respondents had seen their total revenue drop since 2010, the
results indicated. Small and medium groups were disproportionately affected. More than half the
groups cited the loss of CIDA (now integrated into the Department of Foreign Affairs, Trade and
Development) funding as the main reason for the revenue decline.

Forty per cent of groups with a history of CIDA/DFATD funding reported they no longer had any.
Norm MacIsaac, executive director of the Montreal-based Léger Foundation and a CCIC board
member, said his organization’s long-term relationships with local NGOs in developing countries
have helped achieve results.

He said Léger’s project partners are helping to improve policies for the shelter and reintegration
of survivors of human trafficking and sexual exploitation, and they are even training police and
advising Facebook on these issues.

“None of this would be possible, though, through short-term one-off funding. It takes a long-term
approach, supporting, listening and evolving through partnership. If you want to achieve amazing
results, you have to ensure stable, predictable support,” he wrote in an email.

“Sadly, since 2011, we have increased expenditure on proposal-writing and our support has
suffered because of convoluted calls for proposals. We have continued to receive new funding
from DFATD since 2012, but only for short-term projects. There is much more we can achieve if we
can ensure longer-term support.”

Door opens to change
After years of complaints, Ms. Sánchez said the government appears to be listening. “I think there
is a common understanding that this is not optimal,” she said.

“It hasn’t been good for civil society, but it hasn’t allowed DFATD to do stuff the way that it’s been
used to doing stuff before.”

Mr. MacIsaac agreed that the government understands NGOs’ concerns.

“I think the minister understands that calls for proposals are not always the way to go, that long-
term work, not short-term Band-Aid solutions, is needed. And we are absolutely thrilled with his
openness and understanding. However, we need more than talk: we need action,” wrote Mr.
MacIsaac.

CCIC isn’t opposed to calls for proposals, said Ms. Sánchez. They’re useful for very specific
projects, for instance, when evaluators can compare apples to apples. But for less tangible
programs, like capacity-building projects that may take years to bear fruit, other funding options
are needed.

A CCIC working group is exploring how best to fund different projects, she said, which she hopes will report recommendations in the fall.

"The government looks forward to...the outcomes of the work done by the CCIC working group on funding mechanisms," wrote Nicolas Doire, a DFATD spokesperson, when asked whether his department is open to funding Canadian groups through more diverse ways.

He added, in his July 22 email response, that "Canada is committed to deliver real results while being accountable to recipients as well as Canadian taxpayers," and he defended the calls for proposals system for ensuring the most-deserving proposals get government money.

In the past five years, he said, development money to Canadian civil society groups has "remained stable" consisting of an average of 18 per cent of the budget of the former CIDA (current development branch of DFATD).

He also noted that calls for proposals aren’t the only way Canadian aid groups can apply for government funding. He referred to a DFATD webpage that noted the department accepts unsolicited proposals if they meet certain criteria.

All this comes as Mr. MacIsaac, Ms. Sánchez and others say they see the beginnings of a shift in relations with the federal government to more dialogue. While the Harper government used to only rarely consult foreign aid NGOs, Ms. Sánchez said the communications channels are now open. Mr. Paradis announced a few specific calls for proposals this spring and in June released a draft of a new policy on how the government works with civil society groups.

The draft commits to "providing predictable funding opportunities."

Both Ms. Sánchez and Brian Tomlinson, executive director of AidWatch Canada and the researcher who crunched the CCIC survey data, said they’d like to see that bulked up to speak to diverse funding mechanisms too. Both said they liked the wording of a statement Mr. Paradis made in April. It said the government intended to give "predictable, equitable and transparent funding opportunities through different modalities that support the diverse roles of civil society."

"There is stuff happening," Ms. Sánchez noted. "We need to see more concrete manifestations of this."

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