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BMZ EVALUATION REPORTS 064

“Social Capacity Building” in Non-Governmental Development Cooperation

Summary Version of the Evaluation



Preface

Since 1963, the Federal Ministry for Economic Cooperation and Development (BMZ) has promoted “social capacity building” as part of its support for non-governmental development cooperation activities. Social capacity building is carried out by selected German specialist organisations – referred to as “social capacity building agencies” – who work with partner organisations in countries with which Germany cooperates. These agencies form the “Arbeitsgemeinschaft Sozialstrukturförderung”, a social improvement and capacity building network established in 1999. This network of agencies, currently numbering eight, has stayed largely the same since the Ministry started supporting their development activities. The agencies have specialist knowledge and many years of professional expertise, which is considered particularly useful for developing and building sustainable social structures, and for improving the living conditions of socially disadvantaged target groups. In the period between 1963 and 2010, the Federal Ministry for Economic Cooperation and Development (BMZ) provided 1.77 billion euros in funding for the work of the social capacity building agencies.

Whilst the first assessment of social capacity building in 2003 focused largely on project planning and management, the current independent evaluation also aims to assess the development effectiveness of such measures and to provide recommendations for their future design. In order to be able to judge the level of achievement of the non-governmental social capacity building agencies, their work was compared with that of other, “private” German NGOs. The “comparison group” also receives funding from the BMZ but on different terms, and it has similar goals and objectives, development approaches and professional experience as the group under review.

A team of evaluators from the Rambøll Management consultancy, headed by Lennart Raetzell, conducted the evaluation on the basis of nine country studies, which they completed in October 2011. Rita

Walraf and Frank Schwarzbeck were responsible for managing the evaluation process at the BMZ.

The views expressed in this report represent the opinion of the external consultants, and not necessarily those of the BMZ. At the end of this summary, readers can find the BMZ’s comments on the contents of the evaluation.

This evaluation summary is also available online at http://www.bmz.de/en/publications/type_of_publication/evaluation/index.html.

This summary should be cited as follows: Raetzell, L. et al. 2011. “Social Capacity Building” in Non-Governmental Development Cooperation. Evaluation reports 064. Bonn: Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung.

The full version of the evaluation (in German), the individual country reports and annexes can be ordered from the BMZ division for the evaluation of development cooperation at eval@bmz.bund.de.

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Executive Summary

1. BACKGROUND

Since 1963, the Federal Ministry for Economic Cooperation and Development (BMZ) has promoted “social capacity building” as part of its support for non-governmental development cooperation activities. Social capacity building is one of the oldest instruments of German development cooperation, the aim of which is to transfer the socio-political expertise and professional experience of German civil society organisations to developing countries. The objective is that this transfer will make a contribution towards building sustainable social structures which, in turn, improve the living conditions of socially disadvantaged groups.

Social capacity building is carried out by selected German specialist organisations – referred to as “social capacity building agencies”. These agencies form the “Arbeitsgemeinschaft Sozialstruktur-förderung” or “AGS” (social improvement and capacity building network), established in 1999:

- AWO International
- Education Trust of the German Trade Union Confederation (DGB-BW)
- Bremen Overseas Research and Development Association (BORDA)
- Deutscher Caritasverband (Caritas Germany)
- German Cooperative and Raiffeisen Confederation (DGRV)
- Institute for International Cooperation of the German Adult Education Association (dvv international)
- Kolping International

The Red Cross, another member of the AGS, has not been considered in this evaluation, as it was not active in social capacity building projects between 2003 and 2010, the period under review. In the period between 1963 and 2010, the Federal Ministry for Economic Cooperation and Development (BMZ) provided 1.77 billion euros in funding for social capacity building activities. This money helped to fund measures in more than 100 countries.

Under the current funding guidelines of 2002, social capacity building projects are generally fully subsidised out of BMZ funds, including a lump sum payment of up to 14 per cent for administration costs. Due to the projects’ long-term approach, funding generally covers three to four project phases, and for longer in cases where this is deemed justified (BMZ 2004). In contrast, the funding provided by the BMZ out of its budget line for “private organisations” will only cover up to a maximum of 75 per cent of the costs of such projects, and only for a one-phase term of up to four years. These organisations’ administration costs are only funded up to a limit of 4 per cent of the total.

The German government also uses social capacity building funds to support the networking and lobbying activities of both the social capacity building agencies and their partner organisations in developing countries. The funds are also used to cover the deployment of international advisors. This is not the case when the government provides support for the measures carried out by private organisations.

As the results of the first evaluation done in 2003 focused mainly on the planning and monitoring of social capacity building measures, the BMZ decided to commission a second evaluation in 2010. The aim of this later evaluation was to assess the effectiveness of social capacity building in terms of fostering development in the period between 2003 and 2010, also in comparison with selected measures implemented by private organisations. As such, it sought to establish accountability, show where learning opportunities for the players concerned exist and make recommendations on how social capacity building projects could be further enhanced.

The evaluation was conducted both in Germany and in nine case study countries: Bosnia-Herzegovina, Burundi, Chile, India, Indonesia, Mexico, South Africa, Uganda and Vietnam. It analysed the social

capacity building measures implemented by all seven aforementioned organisations — on four continents and in widely varying regions.

In recent years, other NGOs have enquired again and again whether their projects, too, qualify for BMZ grants such as those available for social capacity building measures. That is why a number of private organisations were selected to act as a “comparison group” for the social capacity building agencies. This group consisted of Deutsche Welthungerhilfe, the Karl Kübel Foundation, Malteser International, Terre des Hommes Germany and the W.P. Schmitz Foundation. The criteria for selecting these NGOs and their programmes were first and foremost their aims and the groups they target, their professional experience and their multi-level approach.

2. KEY FINDINGS AND CONCLUSIONS

Social capacity building is highly relevant for German development cooperation and is much needed in developing countries, where it reaches target groups amongst the socially disadvantaged. The social capacity building agencies help their partner organisations champion the interests and concerns of the poor and the poorest of the poor in their countries.

The long-term nature of the measures, in particular, has contributed significantly towards their success and effectiveness in supporting development. When combined with the specific promotion of networking and lobbying activities, some social capacity building measures have even succeeded in impacting broader national development policies in the developing countries.

Nevertheless, the privileged status that social capacity building projects have enjoyed to date is no longer justified. In particular, the financing terms and the funding quotas – unchanged for many years – which the social capacity building agencies re-

ceive need to be reviewed and changed. The group of agencies currently benefiting from these terms, which has remained unchanged for many years, also needs to be reviewed. Also, the eligibility criteria for selection to this group are unclear.

The evaluation concludes that there are a number of other German NGOs which, together with their partner organisations in developing countries, could achieve comparable effects if granted the same funding conditions as apply for the current circle of social capacity building agencies. The success that the measures implemented by the comparison group have already had, in spite of receiving considerably more limited funding support, is evidence of this.

Although the funding guidelines of 2002 stipulate that social capacity building projects be fully subsidised out of BMZ funds, this is in fact no longer the case. The seven social capacity building agencies often accompany their actual projects with flanking measures that – depending on the implementing agency – make up between 30 and 90 per cent of the overall project and for which they raise funding from their partner organisations and/or third parties.

Indeed, other donor countries which have similar instruments of non-governmental development cooperation expect the NGOs they fund, and their partner organisations, to make their own financial contributions to a project. In countries such as Denmark, Finland, Norway and Sweden, who are very actively involved in development cooperation, these contributions range from 10 to 15 per cent. The reason given for only providing part of the funding is that the financial contributions, which an NGO and its partner have to make, help to underscore civil society ownership.

Strengths of social capacity building

Social capacity building’s relevance lies in its focus on improving social structures with a view to reducing poverty in developing countries. The diversity of the social capacity building agencies means that they have a variety of points of access, partners and approaches at local level. Their cooperation with locally active partners helps to give greater prominence to the needs and concerns of socially disadvantaged groups. To date, local and regional social capacity building measures have enjoyed particular success in this respect.

Social capacity building is effective in particular because the social capacity building agencies have been able to strengthen the structures of their partner organisations by transferring their specialist and management expertise. This is most evident in the areas of project management, accounting, monitoring and evaluation, and reporting. The agencies have also been able to help their partners gain access to national and international networks and develop new networks.

In most cases, social capacity building measures have had the effect of bolstering a self-help mentality in the groups at which they are targeted, thereby also improving their incomes. In India, for example, one partner organisation’s target group managed to achieve income growth of 60 to 80 per cent on average through income-generating projects and micro-credits.

Social capacity building has often helped partner organisations improve public awareness of their work, strengthen their lobbying activities and represent their target groups’ interests more effectively. As a result, it has been possible in several case countries to supply villages with water and energy.

Often, social capacity building measures have also helped to enhance access to social services. In Bosnia-Herzegovina, for example, measures of this

kind that were targeted at the elderly have helped to improve care for them at home, enhanced their access to the medicines they need, and provided them with higher-quality standards of care.

In some cases, social capacity building measures have even succeeded in having a development impact at a higher, national level. The long-term nature of these measures has been a major factor in achieving this. In Vietnam, for example, social capacity building advice has helped bring about the reform of legislation on equal rights, leading to the social integration of people with disabilities.

The social capacity building measures reviewed in the evaluation have proved highly sustainable. The positive changes that they have brought about in partner organisations and for the respective target groups, both on a local and a regional level, have, for the most part, become permanent processes and structures. Financial sustainability, however, has only been achieved in some instances so far. The social capacity building partner organisations assessed in the evaluation have managed to diversify where their funding comes from; however, only a few are now no longer dependent on donor funding.

Weaknesses of social capacity building

The privileged status that social capacity building has so far enjoyed as an instrument within German non-governmental development cooperation is no longer justified. The evaluation results conclude that the exclusivity of the long-standing circle of social capacity building agencies is no longer justifiable. Other German NGOs, among them the five organisations used for comparison, also possess similar know-how, expertise and professionalism and, under the same funding conditions, would be in a position to achieve similar effects and impacts. Social capacity building is an important instrument of German non-governmental development cooper-

ation. However, current activities are not tapping the full potential on offer within Germany’s civil society for improving social structures in developing countries. As an instrument, social capacity building would become even more effective if the circle of selected social capacity building agencies were widened.

The 2002 funding guidelines provide that the BMZ fully fund social capacity building measures. In practice, many social capacity building programmes are accompanied by flanking measures, for which funds are raised from other bilateral and multilateral donors, the governments of the developing countries, the private sector or the implementing agencies’ partner organisations.

If the social capacity building agencies had to bear some of the costs of funding the development measures for which they request and receive subsidies from the BMZ, their sense of ownership in these projects would be enhanced. In other donor countries, it is standard practice for NGOs to bear a share of the cost of non-governmental development instruments – as shown by the Scandinavian countries. Such practice not only proves civil society organisations’ commitment to engage in international development – as shown amongst other things by their ability to mobilise funds – but also increases the amount of money available for non-governmental development activities as a whole.

A further increase in the effectiveness of social capacity building could be achieved through raising the profile of “capacity development” within the lobbying and networking activities in this field. This would also have a positive influence on the degree to which the target groups can influence overarching development policies.

The evaluation also established that there are weaknesses in the management of social capacity building. So far, the BMZ has taken only very limited action in this respect.

3. RECOMMENDATIONS

The following recommendations put forward ideas on how to further develop social capacity building and its effectiveness.

1. Programmes that promote improved social structures in developing countries and are implemented by qualified civil society actors should be carried on. The long-term nature of promotional measures should also be maintained so that they can have an influence on overarching development policies.
2. The implementation of social capacity building measures should be made subject to a tendering and selection process with transparent requirement criteria, which NGOs have to meet to qualify. Such a tendering and selection process, in which a larger number of NGOs compete for subsidies for their social capacity building projects, would mean that the BMZ could choose from amongst a greater number of project bids. Such competition could improve the quality and effectiveness of the social capacity building measures selected by the BMZ.
3. The BMZ should introduce a provision for social capacity building measures, which requires the social capacity building agencies to fund part of the project costs themselves. Such a requirement would correlate to the agencies’ current practice of mobilising funding from other sources for measures accompanying their social capacity building projects. It would also help to prove civil society organisations’ commitment to development by showing their willingness to make their own financial contributions, and would increase the amount of funding available for social capacity building overall. Such a requirement should be introduced in stages, in order to make it easier for social capacity building agencies to mobilise the funds they will need.

4. Networking and lobbying work related to social capacity building is an important instrument for influencing overarching development policies. It should therefore be more clearly emphasised as a specific characteristic of social capacity building.
5. The BMZ should develop and introduce a results-based management instrument aimed at strengthening the focus of all social capacity building agencies on common goals.
6. The agencies should intensify their coordination with each other in order to bring about greater potential for synergy. The BMZ should make greater use of its moderating role in this respect.
7. Where social capacity building activities overlap with government development activities, the parties involved should work together more closely. Where this happens, the BMZ should play a key coordinating role.

BMZ’s comments

The BMZ regards the evaluation as a sound basis on which it can further develop the instrument of social capacity building. Considerable effort (with nine case countries) was put into the evaluation, and the social capacity building agencies under review were heavily involved in the process.

Overall, the result of the evaluation is positive. The social capacity building agencies and the organisations participating in the comparison group were shown to be carrying out effective development work. Together with their partner organisations, both groups have achieved impacts at the micro and meso levels, whilst some of their social capacity building measures have even had an effect at macro level. The work of both groups has also proved sustainable in key target categories. The evaluation’s findings very clearly underpin the BMZ’s intention of strengthening its collaboration with civil society actors. They also confirm that a sizeable number of civil society agencies that are affiliated neither to

the Churches nor to the political foundations are able to carry out such work effectively and professionally. A further positive outcome is the evaluation’s recommendation that social capacity building measures being carried out within German non-governmental development cooperation continue to receive long-term support.

However, the evaluation also highlights the need to develop social capacity building activities further. Therefore it will serve the BMZ as a useful starting point for broad discussion of the content and concept of the instrument of civil-society-driven development cooperation, with a view to shaping it for the future.

For the BMZ, the evaluation is thus a spur to go beyond the development instrument of social capacity building and take the first step towards developing, with the participation of civil society actors, criteria to define activities that build (social) structures.

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