

Statement of the Federal Ministry for Economic Cooperation and Development and Engagement Global/bengo on the results and recommendations from the

Evaluation of MSP-funding in the title private executing agencies

19th November 2022

Since 2016, the German Federal Ministry for Economic Cooperation and Development (BMZ) has been funding civil society-initiated multi-stakeholder partnerships (MSP) under the funding title for private German executing agencies (PT)¹ in order to establish effective partnerships for sustainable development in line with Sustainable Development Goal (SDG) 17 of the 2030 Agenda.

The evaluation of MSP funding in the PT title was conducted between July and December 2021. The objective of the study was to evaluate the results of the MSP funding instrument in Germany and in the partner countries. By analyzing lessons learned, recommendations for further development and improvement of the MSP funding instrument were formulated. The evaluation explicitly did not aim to assess individual MSP projects. Government-initiated MSP were also not the subject of the evaluation.

13 MSP projects of German non-governmental organizations (NGOs) in the period from 2016 to 2020 as well as the consultations on these projects were examined in terms of content. For MAP, impact orientation places special demands on conception, role clarification, process control, and implementation based on division of labor. Therefore, support measures for application, implementation and verification of MSP projects in the PT title are carried out by Engagement Global/bengo (EG/bengo). For further MSP-specific accompanying measures, EG/bengo also cooperates with external service providers. This serves to increase the quality of the projects in terms of project planning and implementation, process design/supervision and the achievement of transformative impacts in compliance with the OECD DAC criteria.

Projects under the PT funding title are usually implemented independently by NGOs based in Germany in cooperation with local implementation agencies and partner organizations in the partner countries. In addition to the establishment of new MSPs, the PT title also funds projects that enable civil society participation in existing MSPs, some of which are government-initiated, and thus contribute to the implementation of these MSPs (e.g. in the framework of the Alliance for Sustainable Textiles, Forum for Sustainable Cocoa or the Partnership for Sustainable Orange Juice). In this respect, although this evaluation focuses on MSPs from the PT funding title, it also comes into contact at various points with government-initiated MSPs, which are usually coordinated by a secretariat based at the Gesellschaft für Internationale Zusammenarbeit (GIZ).

The findings and recommendations of the study/evaluation are summarized below.

¹ For coherence with translations of other official documents, the term „private German executing agencies” is used in this document as a synonym for “civil society organizations” or “non governmental organizations”.

1. Results of the evaluation

1.1 Relevance

Overall, the relevance of the MSP instrument is rated as high. The process-based approach with systemic approaches is a relevant approach for very complex projects and actor constellations. The relevance of the PT MSP results from the better anchoring of civil society in society and the resulting negotiating power, as well as the need to strengthen civil society actors so that they can better assume their role.

1.2 Effectiveness

After three years of MSP, concrete processes of change in the countries at the micro level can already be demonstrated only in individual cases. The achievement of objectives at the meso and, in some cases, macro levels is somewhat better, but in most cases has not yet been fully achieved after a three-year period. Nevertheless, a majority of the stakeholders consider the MAP in which they are involved to be successful or are satisfied with the success achieved so far.

The project reports do not systematically show at which point or in which phase of the MSP development process the cooperation partners are exactly. There are also only isolated reports on the quality of the process, although the process-based approach is a central element of a MSP. It is therefore difficult to conduct a more in-depth analysis of the status of implementation in the MSP process in relation to the achievement of objectives.

1.3 Efficiency

As in the case of effectiveness/objective achievement, concrete changes in the target groups are not yet demonstrable in part because MSP processes are lengthy. Against this background, the results from the questionnaire appear plausible. Establishing a benchmark for MSP is difficult because MSP projects take a new approach to development cooperation and aim to have far-reaching transformative impacts at the societal level. The efficiency of a MSP cannot be directly compared with other projects at this point in time. In the case of MSPs, there is also the fact that all the different actors contribute their own resources (personnel, time, finances), which are not systematically recorded.

1.4 Effects (Impact)

In most cases, the impact descriptions in the documents are fragmentary and rarely elaborated in a differentiated and structured manner. Only in some reports the connections between the contribution of the MSP and the impacts achieved become clear. Also, the private executing agencies only give an excerpt in their reporting of where the MSP process currently stands and what changes have already been achieved. This also includes a systematic observation and presentation of the effects that can be seen among the individual actors. In addition, an explanation of the significance of the recorded impact for the MSP is often missing. The effects intended within the framework of a MSP must be thought of in the long term.

In order not to lose the compass in the lengthy and complex MSP processes, it would be helpful to define milestones for all targeted effects and then to regularly adjust, develop and monitor them in the ongoing phase. It is important to look not only at the intended effects but also at the extended and unintended effects, and not only at the desired effects but also at the undesired effects, and to keep an eye on these so that countermeasures can be taken if necessary.

In addition to the intended effects, MSPs trigger a process of awareness-raising and a change of perspective, which can contribute to changing the attitudes and actions of the actors beyond the direct influence of the MSPs.

Here, direct attribution (impact attribution) is not possible and yet, in terms of impact expectations for MSP projects (transformative change), it would make sense to also capture impacts at the level of awareness and behavior change.

1.5 Sustainability

The MSP approach, in its basic holistic conception, is designed for transformative change. By taking complex systems into account and involving all relevant actors - some of whom may be in conflict - and actively shaping negotiation processes among them, social change processes can be influenced and initiated at various levels. The democratic procedure based on the consensus principle in dialogue platforms takes a long time, but where the actors succeed in agreeing on groundbreaking target agreements and moving forward together, there is a chance of sustainable change.

The establishment of sustainable MSP structures and the initiation of sustainable processes that continue to exist and have an impact even after the funding of the private agencies ends is a high demand that takes time and could only be implemented to a limited extent in the short durations of the MSP processes to date.

The fact that 66.04 percent of the stakeholders surveyed in the questionnaire stated that they believed that MSP and its structures would continue to exist in full or in part after the funding phase suggests that where sufficient commitment has been built up and the stakeholders see added value for themselves, a certain degree of sustainability will also be achieved.

1.6 Success factors

Key success factors are the right and relevant stakeholders with commitment. In addition, MSP must be managed well and professionally, so that roles and responsibilities are clarified and transparent procedures enable trust to be built up among the stakeholders. The business community in particular is interested in timely and concrete results, but at the same time this group of actors also shows very different levels of commitment and motivation to participate in the MSP. The private executing and the local implementation agency (target group) should be experienced in coordinating very complex contexts with different actors and, if possible, be able to build on existing networks and projects. All stakeholder groups unanimously emphasized the importance of the active involvement of relevant government stakeholders in the MSP.

1.7 Process design

The timing of the application for a MSP in the PT title is difficult to reconcile with the sometimes lengthy and burdensome preparatory initial process phases. It is unrealistic to assume that private executing agencies have sufficient resources of their own to build a MSP container without project funding to the point where shared stakeholder goal formulations are incorporated into the application process.

The process design as outlined in the application only partially corresponds to an ideal process design for MSP as presented in the Dialogic Change Model.

Only a solidly designed and well-managed process will lead to processes of negotiation and agreement, which in turn are prerequisites for transformative change. Therefore, process quality itself must be an objective of any MSP and must be backed up with indicators accordingly.

1.8 Monitoring

The focus on accountability of EG/bengo and BMZ means that process monitoring, which is very central to MSPs, also takes place but is not part of the reporting to EG/bengo. Process monitoring is not included in the instruments of EG/bengo. Thus, from the perspective of the funders, the impression could be created that process monitoring is less important than accountability.

Thus, accountability and process monitoring are not considered together. This makes it difficult to gain a holistic overview of the implementation status and change processes already achieved. In addition, it remains unclear how far a MSP has progressed in its process when it comes to preparing final reports and assessing follow-up projects.

1.9. Consulting, support and qualification measures.

The advisory services focus primarily on the initial phase of a MSP and take into account mainly the private executing agency in Germany. The separation into northern and southern executing agencies and the channeling of title funding through the northern executing agency gives it a stronger role than the southern executing agency. This contradicts the basic idea of a MSP that all relevant stakeholders proceed together. Jointly acquiring MSP knowledge and fostering MSP-specific governance skills among all relevant stakeholders promotes MSP ownership and acceptance. This is particularly important on the ground in partner countries, as this is ideally where governance should take place in the medium term.

A MSP is characterized by an agile, dynamic and process-like character. The control of complex processes is very demanding and should also be managed jointly by an entire group. No two processes are the same and must be considered context-specifically. The systematic and regular process support and consulting frequently called for by the interview partners is therefore plausible and sensible. In process consulting, it is even more important than in basic consulting that all relevant actors on site are involved.

1.10. Identification of consulting needs

There is room for improvement both in the identification of consulting needs and in the coordination of the involved granting bodies and implementing organizations of support measures.

In the initial phase, the prerequisites and existing competencies of the private executing agency in Germany are systematically examined.

However, this does not include the needs of the local implementation agency. In the current process, EG/bengo does not foresee any mechanisms to systematically ascertain whether and on which topics there may be a need for advice.

Consultations that take place during the implementation of the MSP project are carried out on request, and it does not seem to be clear to all what is offered or could be requested at all.

The coordination processes between EG/bengo and GIZ on support measures (government-initiated MSP whose NGOs also receive MSP funding through EG/bengo - esp. supply chain MSP) are not convincing. Only sporadically do actors from civil society-initiated MSPs also participate in capacity development measures of GIZ. There is room for improvement in coordination and planning.

2 Conclusions and recommendations for action

The MSP in the title private executing agencies are a relevant instrument to bring about transformative changes in complex contexts. The impact potentials as well as the already achieved impacts show an added value compared to conventional projects as well as to government-initiated MSPs.

- I. **Therefore, it is recommended to continue the funding of MSP under the title private executing agencies taking into account the following recommendations.**
- II. In the impact logic of MSP, the process progress and the quality of the process of a MSP should play a central role.

- This should take the form of a Theory of Change with enough openness to agile processes and developments in the project. **It is recommended to formulate process goals and indicators for each MSP.** Long-term goals should be divided into process steps and underpinned by milestones. These milestones should be jointly defined and formulated by the MSP stake holders prior to each subsequent process step.
- III. MSPs work on many levels and in many areas and bring about transformative changes. In order to better map the areas of impact and the impact influence of MSP, **it is recommended to also observe and record extended impacts among all groups of actors** e.g. changes within the business enterprises, which have at least partly resulted from the influence of the MSP dialogue processes).
 - IV. The instruments available to development cooperation from different projects (a wide variety of projects, MSP, etc.) complement each other in terms of strengths and weaknesses. **It is recommended to think more systematically about the available instruments and to use MSP and projects as complementary approaches next to each other or building on each other.**
 - V. Since impacts are long-term, MSP projects must also be thought of in long-term terms. This is challenging because the funding instruments impose tight time limits. **It is recommended to make use of the existing scope for as flexible an approach as possible.**
 - VI. Some MSPs aim not only at immediate changes in the partner country but also at changes in Germany, which then indirectly have an impact on the framework conditions in the partner countries and thus influence the situation of the target groups in the long term. The involvement of partners in the Global South is important in both cases, but the role of the partners differs greatly, resulting in different levels of partner involvement. The evaluation finds that all of the different MSP approaches have merit as they respond to a wide range of issues. **It is recommended that this range of different MSPs be maintained in the future.**
 - VII. In order to better reflect the MSP principle of jointly developing objectives and strategies at eye level, and also to increase the viability and relevance of the MAP application under the PT funding title, **it is recommended to explore alternative funding possibilities for a MAP preparatory phase** to allow a two-stage procedure ((1) Open-ended preparatory phase, (2) MSP under the PT title). A two-stage procedure also allows for a predetermined breaking point for the MSP if the prospects of success with this instrument are too low after the preparatory phase. If this recommendation is implemented, the criteria for the MSP application should be reviewed in a second step to reflect the changed initial situation.
 - VIII. **It is recommended to systematically collect and offer consulting services for all relevant actors from the very beginning** in order to generate common experience and to avoid a North-South power gap (offering competence building beyond pT in Germany, integration of all actors, integration of expertise in the countries). This should be done taking into account the diversity of the MSPs (size, areas of impact, etc.) as well as the different experience horizons and competencies of the actors (established executing agencies, new executing agencies, etc.).
 - IX. It should be ensured that all MSPs conduct regular process monitoring. In addition, results from process monitoring should be presented in reports and be traceable. Local expertise should be considered. **It is recommended that all MSPs conduct structured and systematic participatory process monitoring in the field and that the results be presented in the reports.**

- X. To ensure that MSPs have sufficient expertise for process support and monitoring as well as conflict management during implementation, each MSP should have a budget for external support measures, which can then be used individually according to the respective needs. Local expertise should be considered. **It is recommended to ensure that each MSP has access to a budget for support measures in order to adjust these Tailor Made to their individual needs.**
- XI. The coordination of EG/ bengo/ GIZ and BMZ on support services of MSPs should be improved especially where there are overlaps (supply chain MSPs). Synergy effects should be better exploited here. **It is recommended that EG/ bengo and GIZ jointly conduct systematic coordination on support services for MSP actors and exchange of lessons learned from MSP processes.**
- XII Political flanking by BMZ (e.g. in bilateral government negotiations or consultations) strengthens MSP processes and is more pronounced for government-initiated MSP than for civil society-initiated MSP. **It is recommended to systematically consider political flanking also for civil society-initiated MSPs where the MSP actors consider this to be purposeful and important.**

3 Statement

The German Federal Ministry for Economic Cooperation and Development and Engagement Global/bengo welcome the report submitted by FAKT Consult for Management, Training and Technologies (FAKT) on the "Evaluation/Study of MSP funding in the title private executing agencies".

Regarding the first phase of MSP funding in the title private executing agencies (2016 to 2020), the study has highlighted relevant findings. Content and methodological advice are an important contribution for the further development of the instrument in cooperation with the private executing agencies, BMZ, GIZ and external service providers.

The recommendations reflect relevant findings and challenges identified by Engagement Global/bengo in planning and implementing as well as advising and monitoring MSP projects. Some of the findings have already been incorporated or adapted in the consultation of planned MSP projects.

The topics are further developed in close coordination with BMZ, GIZ and external service providers, with the involvement of the private German executing agencies. The main components are:

Maintain diversity

The topics, approaches and contexts of the MSP projects in the title private executing agencies are very diverse. In order to be able to achieve transformative impacts in the long term, dialogic MSP processes in the context of implementing the SDGs start from different initial situations and must be adapted to them, for example in their specific constellation of actors. This diversity should be further enabled.

Promoting civil society potential

Civil society actors (NGOs) have a far-reaching impact on the respective societies through bottom-up approaches based on many years of experience with their local partners and networks in the partner countries, as they have the potential to anchor themselves in society through the partner organizations. MSP processes improve the networking of civil society actors with other groups of actors (companies and duty bearers).

In order to promote the civil society potential in a MSP, preparatory measures for MSPs are important.

Joint process planning, support and monitoring should be carried out with the involvement of local expertise.

Cooperation on equal terms

In a MSP, a consensus orientated cooperation among actors on equal terms is relevant as a factor for success. In order to avoid reinforcing the North-South power imbalance among the cooperation partners, concepts and methods must be found to ensure that the central actors are involved on as equal terms as possible.

Cooperation on equal terms with local implementing agencies and other partners in MSP projects will increase the participation and effectiveness of civil society - both in Germany and in the partner countries.