



Helping NGOs do more with their money

Mango and the British Council: strengthening the state-society relationship in Ethiopia through phase 1 of the Civil Society Support Programme (CSSP)



5 years

Programme length

(26 September 2011–25 September 2016)

>€38m

Size

Over a period of 3 years, Mango strengthened the capacity of 413 local organisations (of which 291 were classified as hard to reach), through 144 financial management training sessions and 656 mentoring support visits to CSOs.

Lessons learned

- Adapting training and mentoring to the local context is key to driving lasting change.
- Trust-based relationships are key to effective financial capacity development, and need not compromise a strong risk management focus.
- Activity-based budgeting drives value for money and reduces the risk of misuse of funds.
- To lead long-term impact, board members need to be involved and also trained.
- Embedding an integrated approach to leadership, governance and financial management is key to creating effective programmes that achieve good value for money.
- Strong financial accountability of civil society can help civil society increase its potential for wider influence with government.

Funders

- Irish Aid
- UK's Department for International Development (DFID)
- Royal Norwegian Embassy
- Embassy of Sweden
- Embassy of the Netherlands
- Canadian International Development Agency
- Denmark/DANIDA exited at the end of 2013

About CSSP

CSSP aimed to support local communities and Civil Society Organisations (CSOs) to collaborate more effectively with government, to stimulate development and reduce poverty in Ethiopia. It is widely credited for facilitating significant developments in the relationship between state and society that have enabled more CSOs to work on sensitive issues that directly impact development progress.

Spearheaded by the British Council and funded by a consortium of donors headed by Irish Aid, CSSP aimed to build coalitions that could achieve change by promoting CSO-government collaboration on specific issues, including ending discrimination against certain social castes; safe access to education for girls; combating forced migration; improving the lives of prisoners and their families; and strengthening policies and practice to protect vulnerable children. CSSP aimed to achieve this by:

- **Providing grants** to organisations working on these issues at local, regional and national levels.
- **Developing CSOs' capacity** in areas such as policy and issues-based research, communications and enhancing dialogue with government, and strengthening of organisational and management systems (including financial management).
- **Supporting coalition-building** between civil society, local government and other state agencies to improve service delivery and outcomes for marginalised segments of society.
- **Supporting gender equality** and addressing violence against women as a significant part of the overall strategy.

- **Implementing a robust monitoring and evaluation framework** to ensure learning was shared and assimilated.

The challenge and Mango's role

High levels of trust between CSOs, beneficiaries, government and donors would be critical to achieving the ambitious, large-scale changes that CSSP sought to implement. It was acknowledged from the start that developing CSOs' financial management capacity would serve the dual purpose of ensuring resources would be deployed efficiently, effectively and transparently which would, in turn, build CSOs' credibility in the eyes of beneficiaries, donors and state actors. This component of the programme presented significant challenges, notably:

- Grant-making on a large scale over a huge geographic area, combined with an aim to reach organisations working with the most vulnerable groups and communities who had limited capacity, and who had often not previously received grant funding.
- Regional and local partners needed to scale up their financial management capacity so that they could manage funds well from proposal to implementation stage and become financially sustainable beyond the life of the project.
- Financial management capacity development support needed to be adapted to a variety of local contexts across Ethiopia, including using Amharic and other languages, and professionals with knowledge of local practices, rules and regulations.
- Short timeframes, with a requirement to ensure grants were disbursed and that grantees could carry out activities that would support local communities to actively participate as coalition members.

1

Getting the basics right: essential skills

2

Managing strategy, risk and value for money

3

Working with donors

4

Working with partners

5

Building finance capacity

6

Financial management standards

- The British Council needed to demonstrate value for money to donors. They needed to develop strong financial management practice as grant makers, whilst implementing rigorous ongoing financial monitoring to ensure economy and reduce the risk of fraud or misuse of funds.

Approach

Mango and the British Council devised an holistic approach to support CSOs through a combination of financial management training, assessment and practical help delivered through 9 local finance mentors, and regular monitoring (including visits) by an international consultant from Mango. Features of this approach included:

- CSSP sourced suitably skilled national finance professionals to form a team of local mentors with help from Mango's international search service. Mango trained them to coach and mentor, and in how to assess the financial management capacity and associated risks for each grantee and monitor this over the lifetime of the grant. This ongoing assessment process was communicated and managed through a simple organisation-level tool and a summarised 'traffic light' report. This was updated after each mentor visit and was then aggregated with those of hundreds of other grantees, serving as a progress report and risk map of the whole grant programme.
- Mango trained the local finance mentors to deliver best practice financial management training for more than 2,279 participants on budgeting, accounting, reporting, internal controls, grant management and financial sustainability. They also used the financial management training tools and techniques to reinforce learning

and ensure it was being put into practice during their regular visits to grantees.

- Mango's specialist consultant also provided ongoing support to the local mentor team via remote review of assessment reports, regular Skype calls and regular face-to-face visits during which they observed and developed their training and mentoring practice. This mentor development process provided quality assurance and increased their effectiveness.
- By building a high performing team of local finance mentors, Mango also aimed to create the opportunity for them to build a sustainable business model for CSO capacity development beyond the life of the programme.

Outcomes

- Grantees used activity-based budgeting to improve their planning and efficiency to achieve the intended outcomes. This led to accurate and realistic financial planning, monitoring and reporting.
- Grantees defined clear financial management roles and responsibilities for all staff, as well as fostering stronger integration between programme and finance teams. This improved the quality of planning and monitoring, leading to more effective programmes.
- The management and board members of grantees improved their decision-making practices, basing them on high-quality financial reports. Most grantees demonstrated a better understanding of the 'bigger picture' and strategic financial management considerations.
- Many grantees have developed a reputation for sound financial management, enabling them to attract more funding and improve their relationship with government.

Key innovations and drivers of impact

- **Local, relevant support based on effective relationships:** Mango selected, trained and supported local mentors to deliver best practice financial management training and advice tailored to the needs and context of the Ethiopian participants. Effective use of soft skills by the mentors and Mango consultant allowed open and honest dialogue about capacity issues and how to accelerate capacity development.
- **Adaptation of best practice training and financial management tools:** Mango's approach of training the mentors to deliver our tried and tested activity-based financial management training enabled a rapid and sustained increase in the capacity of a large number of CSOs. The training enabled grantees to be confident in applying key skills and financial management tools, which were then reinforced through regular mentor visits.
- **Combining positive trust-based mentoring with intensive and detailed risk management:** The separation of the finance mentors from the main CSSP grant monitoring and compliance team allowed trust to be developed with the grantee which enhanced the achievement of improving financial management. This did not prevent the mentors acting as an early warning for the grant team when they suspected cause for further investigation.



Helping NGOs do more with their money

/// What we are receiving regarding financial management capacity development has more value to us than the grant received from CSSP and is very important for our sustainability. The Programme & Financial Management system assessment conducted by the CSSP team was highly beneficial to our organisation in terms of identifying our weakness, limitation and strong suits. The findings of the assessment have spotted major and minor areas to be strengthened. The assessment was constructive and the oral and official feedback received from the Capacity Development Team served as good input to our organisational development. And also the mentoring process was found to be friendly and supportive. All this generally improved our organisation financial management system. ///

Menelik Anbesse, Project Coordinator, Ethiopian Muslims Relief & Development Association EMERDA (CSO)

/// From the outset, CSSP has adopted a rigorous monitoring approach to civil society partners in receipt of CSSP financial resources – coupled with practical support and capacity development to strengthen CSOs' financial management and accountability. This approach, combined with the 'closer to the ground' presence of the regional business unit (RBU) teams and the explicit focus on hard-to-reach people, demonstrates to government and the public that CSSP is serious about financial accountability. This contributes towards building trust between civil society and the government at different levels. Finance Mentors have developed, on the whole, strong and highly valued relationships with CSO partners. Smaller organisations in particular have come to see their Finance Mentors as part of their team, contributing to improvements beyond financial management. Finance Mentors themselves think that this is because they are part of CSSP: they understand the 'CSSP's principles, they believe in them, and they take this commitment into their working relationships with partners. To use the phrase of one mentor: 'We have organisational citizenship'. Moreover, other CSSP teams have enhanced their financial capacities because of the Mango training they received. This has helped to strengthen CSSP's support to CSO partners in grant making, monitoring and controlling practices; further demonstrating CSSP's financial accountability to the government and other development partners. ///

Kedir Musema, Results & Central Area Manager, Civil Society Support Programme

+44(0) 1865 423 818

enquiries@mango.org.uk

www.mango.org.uk

Mango is a registered charity no.1081406 and a limited company registered in England and Wales no. 3986178
Photographs: CSSP