

## Tailor-made monitoring of Dutch NGDOs

### Dutch Ministry of Foreign Affairs factsheet

The Dutch Ministry of Foreign Affairs has signed contracts with 58 non-governmental development organisations (NGDOs) for the period from 2007 to 2010 under the new Joint Financing System (MFS/JFS). These contracts are worth €2.5 billion, making the Netherlands one of the world's largest donors to NGDOs. The Ministry has taken on board past criticisms of its monitoring system and has now adopted a tailor-made approach to NDGOs. The new monitoring system has two equally important objectives: a clear picture of the NGDOs' results and a strong learning capacity within the development cooperation sector. The new system is characterised by tailor-made indicators, a reduction in the administrative burden, better policy dialogue and mutual accountability.

#### Tailor-made indicators

To date, NGDO annual reports have often consisted of extensive descriptions of activities. Under the new system, NGDOs no longer report on specific activities. Instead, they formulate key indicators and targets at four levels: input, output, outcome and sustainability (impact is evaluated afterwards, not monitored during the contract). NGDOs propose indicators (both qualitative and quantitative), on which they wish to be monitored during the four-year grant period, in a draft monitoring protocol. The Ministry discusses the draft monitoring protocol with the NGDO and makes a decision. Indicators and targets are proposed for a four-year period, but organisations are encouraged to think carefully about them during this period. They can propose changes and share positive and negative experiences with the Ministry and their peers. The tailor-made indicators are designed to create insight into desired results and provide a basis for learning why some programmes succeed in obtaining their objectives while others do not.

#### Reducing the administrative burden

One of Dutch government's priorities is to reduce the administrative burden for the taxpayer and organisations. In response, the Ministry of Foreign Affairs has developed this tailor-made system for NGDOs. There are various ways in which this system will reduce the administrative burden, particularly in the long run. Firstly, the terminology conforms to international standards, ensuring that NGDOs can use the same indicators for other donors. Secondly, organisations are no longer required to report in detail on their activities. Reports will be shorter and have a greater focus on results achieved and lessons learned. Lastly, the Ministry no longer prescribes indicators and sets targets such as fixed overhead percentages. Instead, it encourages organisations to use their own quality assurance systems and propose their own management indicators.

#### Better policy dialogue

The external evaluation that prompted this new monitoring system noted that many officials did not respond to the annual reports of the NGDOs they financed, were unaware of their strengths and weaknesses and certainly did not use the NGDOs' experiences to formulate new policies. An integral part of the new tailor-made monitoring system is the tailor-made policy dialogue. This means that the Ministry will hold regular dialogues with each individual organisation about the work it is doing. In addition, the Ministry and NGDOs will jointly organise annual thematic dialogues in which NGDOs working on the same theme will exchange new insights and develop new ways of working together. The Ministry will also work with Partos (the umbrella association for Dutch NGOs in the international development cooperation sector) and the academic world to organise an annual broad dialogue with NGDOs on cross-cutting issues. Lastly, the Ministry has committed itself to hold annual meetings in all its 36 bilateral partner countries between Dutch embassies, Dutch NGDOs and their partners, with the aim of enhancing synergy within the sector.

#### Mutual accountability

One of the criticisms of NGDOs used to be the frequent changeover of account managers at the Ministry. The Ministry has now committed itself to ensure that NGDOs will have the same account manager for at least 2 years, and has made additional agreements on response times and the number of field visits to be made. Policy dialogues are an integral part of the new tailor-made monitoring system. An external evaluation will assess whether the Ministry has fulfilled its commitments and whether the new tailor-made monitoring system has lived up to its expectations.