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Application for a new Multi Year Cooperation Agreement between Norwegian Church Aid and Norad for 2011 – 2015

1. Introduction

Please find enclosed the application for a new multi-year cooperation agreement 2011 – 2015 between Norwegian Church Aid (NCA) and Norad. We have included the following documents:

1. The program document for a new multi year cooperation agreement with Norad for the period 2011 – 2015
2. NCA Preliminary Budget 2011 (and onwards to 2015)
    - Preliminary Budget: For International Cooperation
    - Preliminary Budget: Thematic and Geographic Summaries

We have also included the following background documents in this application:

3. NCA Policy Document (Prinsippdokument)
4. NCA Global Strategy Plan, 2011 – 2015
5. NCA Country Programme plans
6. NCA Concept Notes
7. Annexes:
    - NCA Accountability Framework
    - Plan for Geographic Concentration
    - Description of NCA Global Partners
    - Selected Output Indicators
    - Overview of Thematic Programs by Country and Region
    - CSO Development Effectiveness Principles

2. New Global Strategy 2011 - 2015

The new Global Strategy (GLS) 2011 – 2015 was approved by the NCA Board the 5th of May 2010. The new Global Strategy for 2011 – 2015 is a continuation of NCAs well established approach in combination with new elements to address identified needs for improvement.

In the new global strategy you will find that the following elements are a continuation of NCA's approach and work methods:

- Partner-based development work
- Integrated approach; Long term development, advocacy and emergency response
- Priority to church- and faith based actors

The new Global Strategy is also a renewal of our approach, key elements being:

- Increased geographic and thematic focus
- Development of the organization within the framework of the new ACT Alliance
- Further development of one integrated organization

The new plan represents the overall framework for NCAs work in the coming 5 year period. The document is enclosed for Norads information, see attachment 5.

NCAs new Country Programme Plans represents the implementation and contextualization of the new Global Strategy at country level, see attachment 6, for Concept Notes, - describing our plans in countries with limited NCA presence and scope, see attachment 7.

3. Organizational Performance Review of Norwegian Church Aid

Reference is made to the report from COWI "*Organizational Performance review of Norwegian Church Aid, by Arne Dahlen and Lill-Ann Bjaarstad Medina",* and the meeting in Norad on the 13th October where this report was presented to NCA.

We appreciate the findings and conclusions from this work – as they have been presented to us - and we recognize the need to address the identified areas of improvement. We consider the recommendations to be well in line with our own observations and assessments, and welcome the analysis of the report as a useful tool in our strive to improve . We are particularly encouraged with certain findings of the team, such as:

"In its findings, assessments and conclusions, the review team has found that NCA demonstrates notable capabilities in strategic thinking, demonstrating capacity, creativity and good spirit in working continuously on improving its policy formulations to serve development goals. NCA is characterized by the central management not being afraid taking new roads and trying out new working methods and modes of communication. NCA is exposed to new trends and modes of operation though international faith based networks, advocacy work and broad involvement in aid operations in long-term development, humanitarian assistance and advocacy, often being incorporated in its own strategic development".

"The rethinking and concentration of NCA's thematic priorities in the Global Strategy (GLS) 2011-15 seems in general adequate in relation to the NCA competence and comparative advantages as a development actor".

"NCA is a robust organization with well developed systems and procedures of most management purposes".

These assessments will assist us in the implementation process of the new strategic plan and in particular with the follow-up of some of the more demanding decisions we have made with regard to reducing the number of partners and thematic and geographical consentration.

We are looking forward to receive the final report from Norad with Norad's own recommendations.

4. NCA's strategy versus Norad's principles for support to the civil society in the south

From NCA's perspective there is a high degree of correlation between NCAs new global strategy plan and *"Norad's six principles for support civil society in the south, May 2009"*. These six principles *"include democratization; the inherent value of civil society; its value as a development actor; factors that promote development; results; and anti-corruption. The principles strengthen the demand for documenting added value of the co-operation between Norwegian actors and their southern partners. A key goal is to enable southern civil society actors to take the lead in these partnerships"* (the Principles, page 2).

We believe NCA is well positioned to meet these requirements and expectations from Norad. NCA's new global strategy underlines democratic organizations and processes including local ownership of the development process. The significant contribution of the civil society is key in NCAs approach. Norad is also familiar with NCA systematic and open work with anti-corruption in the organization. We have also received positive feedback from Norad on NCA focus and documentation of results in the reporting to Norad the last 2- 3 years. The focus on documenting results is further developed in the new global strategy, where we as one mechanism introduce 12 global indicators to quantify output one indicator selected for each of the 12 global thematic program.

5. NCAs Comparative Advantages

Describing NCA's comparative advantages, we underline the following aspect of the work and approach of NCA (ref. GLS, chapter 1.4.)

- Integrated and right-based approach to development
- Long-term uninterrupted commitment
- Flexibility and ability to respond to high risk situations and contexts
- Our ability to reflect and learn from practice
- Member of the global ACT Alliance
- A global voice for justice

6. Building the ACT Alliance

ACT Alliance – Action by Churches Together - is one of the biggest aid and development alliances in the world. It has a global membership of 105 member organizations with 70% members from developing countries. The alliance

members work in 140 countries with a global budget of $1.6 billion a year and 33,000 staff and volunteers. With decades of experience, most ACT Alliance members are from globally poor countries, working at grass roots level and immersed in the culture of the places they are based. Norwegian Church Aid is a committed member of ACT Alliance, has one elected representative in the Governing Board. NCA is an active member in several working groups.

7. Organizational Development

NCA will continue to be a Norwegian organisastion with a global outreach within the ACT Alliance. A key element in NCA new Global Strategy Plan is to focus more on the development of NCA as "one organization". NCA has traditionally been a decentralized organization with focus on contextualized and locally adapted programmes, offices and solutions.

While we will continue to build on our experience in the many different contexts where we operate, NCA is now in a process where we are focusing much more on the development of one global (and streamlined) organization. This is an attempt to professionalize the organization even more, but has also to do with the need for documenting results on a global level, and to improve both with regard to quality and a high standard of our deliveries to the right-holders, learning more efficiently across countries, regions and the different practical experiences.

We are presently working with the following different processes as part of this overall project:

- Implementation of Maconomy as NCA's global project- and accounting system for the whole organization. The Head Office and nearly 50% of NCA representations now are using this system. This "roll out process" will continue in 2011. NCA will focus on quality assurance and capacity building of staff as an integrated part of this roll out and will allocate resources for this.
- Implementation of Public 360 as a global filing / archive system. Was implemented in the Head Office pr. May 2010, and we are now in a global rollout process.
- Common workspace / Intranet: NCAs different representations are using the same data platform, make common intranet possible and improve internal communication.
- Development of a global human resources policy: Development of a global policy for NCA's human resources. More global management of these strateg ic resources.
- Further development of NCA's Routines and Guidelines: This is the collection of the organizations standard procedures and formats. There is however a need for simplification of some of the chapters and procedures.
- Competence Management: NCA is implementing a global web based competence management system. NCA will produce different competence modules that will be published in a E-Learning Management System. NCA will give priority to the development of modules in the following areas:
    - Standards for effective development work; e.g. gender, do no harm

- Thematic Competence; ref. Global Thematic Programmes
- Methods and approaches; e.g. LFA, RBA, Integrated Approach

- Development of NCA's 12 thematic programmes into 12 global programmes with result indicators.

8. Focused growth

One key recommendation from the *Organization Performance Review* carried out by CMI in 2006, was the need for much more focus in NCA's work. NCA has been working very systematic during the last agreement period to follow up this recommendation. Our assessment is also that increased focus is a necessary prerequisite for further development of the quality in our work.

The new global strategy underline the continued need for more focus; both thematic and geographic:

- The new global strategy introduces the concept of 12 global thematic programs. All future programmatic work of NCA should be within this frame. This is a clear thematic focusing of future programmatic activities.
- During the last cooperation agreement period with Norad, NCA has reduced the number of operating countries from 64 to approximately 40. NCA has decided to reduce the total number of operating countries down to 30 by the end of 2015.
- In line with the aim of focusing our work there will also be a reduction of number of partners over the coming years. The new Global Strategy Plan outlines clearer selection criteria for cooperation with partners and these will be further specified.

NCA new strategy for the next five years is therefore characterized by a "focused growth". We have an ambition to intensify and further develop our development work, but this will be done within a clear thematic and geographic frame.

9. Humanitarian Accountability Project (HAP)

NCA has joined the Humanitarian Accountability Partnership (HAP). www.hapinternational.org These standards will contribute to quality assuring our accountability to rights-holders, host communities, partner and other stakeholders including our donors. In 2010 HAP has done baseline analysis of NCA and our goal is to get a HAP certification of our work in 2011. This will then last for three year based on some minimal standards and a development plan. We then have to be re-certified every three years and show improvement. The overall goal is to have all NCA offices working fully according to the HAP standards during the coming plan period.

10. Budget: Volume and profile

In this application to Norad, we enclose the total budget for NCA International Cooperation (Bistandsbudsjettet) for 2011, for Norad to see the totality of what NCA is planning to do in the coming year, independent of funding source.

NCA welcomes the integration of funding from different sources and/or budget lines from the government fiscal budget into the yearly allocation letter from Norad. This contributes to more efficient application and reporting processes. We welcome and appreciate this development!

From NCA's side we will underline the strategic importance of the stable and predictable funding from Norad to the organization over the years. Norad contributed in 2009 with approximately 20% of the funding to NCA budget for International Cooperation. .However, it is from our side very important to underline that the funding from Norad is much more important than "a 20% contribution" than the total budget may indicate The funding from Norad appear as a long term core funding to NCA and NCA's programmatic activities. Norad is a stable, predictable, professional and critically important donor to NCA.

NCA has decided the following indicative profile of the budget for International Cooperation for the 2011 – 2015, exemplified by the budget for 2011:

Budget Norad Application 2011

Application Cooperation Agreement	Project support	Adm. 8%	Total
Global Grants (siv.sam.bev. 90/10)	166 666 667	13 333 333	**180 000 000**
FGM Grant	5 994 000	479 520	**6 473 520**
Indigenous People Grant	3 470 000	277 600	**3 747 600**
Peace and Development in Northern-Mali	4 880 000	390 400	**5 270 400**
Total Application Cooperation Agreement	**181 010 667**	**14 480 853**	**195 491 520**
Application Oil for Development	**Project support**	**Adm. 8%**	**Total**
Angola	806 000	64 480	**870 480**
Mauretania	800 000	64 000	**864 000**
Total Application Oil for Development	**1 606 000**	**128 480**	**1 734 480**
Application Strategic Partnership	**Project support**	**Adm. 8%**	**Total**
Angola	9 259 000	740 720	**9 999 720**
Eritrea	9 259 260	740 741	**10 000 001**
Tanzania	13 662 963	1 093 037	**14 756 000**
Zambia	7 453 704	596 296	**8 050 000**
Malawi	7 769 000	621 520	**8 390 520**
Vietnam	3 763 000	301 040	**4 064 040**
Total Application Strategic Partnership	**51 166 927**	**4 093 354**	**55 260 281**
Total Application 2011	**233 783 594**	**18 702 688**	**252 486 282**

We have decided to increase the amount that we apply for from the global grant in this application for 2011 to NOK 180.000.000 The background is that the general funding from Norad has been relatively stable during the cooperation agreement period 2005 – 2010. We have organized our budget in such a way that it should be possible for Norad to fund this application from different thematic budget lines in the development budget, not only the global grant.

We have also followed up the tradition from last period and included funding to earmarked programs and projects such as FGM, Indigenous Peoples and northern Mali in this application. The total amount here is NOK 15.491.520 Funds from the Oil for Development grant is also included. The total amount here is NOK 1.734.480 This earmarked funding is in addition to the funding from the global grant.

Funding from six different Norwegian Embassies under the strategic partnership concept is also included in this application. This is: Angola, Eritrea, Tanzania, Zambia, Malawi and Vietnam. The total sum here is NOK 55.260.281

We are aware that we are expected to send applications and budgets to Norad on a yearly basis within the frame of a multi year cooperation agreement. We apply for NOK 180.000.000 from the global grant ("sivilsamfunnsbevilgningen") for the period 2011 – 2015.

The majority of the funding in this application will go to programs and projects within the twelve thematic programs as described earlier in this application, ref. the enclosed Program Document and the different Country Plans and Concept Notes.

In addition to this we would like to underline that we also will use part of the funding from Norad to the following projects and activities:

Funds to NCA's information program in Norway has traditionally been included in the program agreement between Norad and NCA. During 2005 – 2010, this amount was NOK 3.000.000 on a yearly basis during the whole agreement period. We want to increase this amount in the application for the coming program agreement period. We consider information and communication of NCA's international work as extremely important in order to present results to the broader audience than our own constituency.

NCA has also included (part of) the funding of NCA's representations abroad in the budget for international cooperation and as part of the application to Norad, in accordance with practice from the last period. The representations are of outmost importance for NCA's work for several reasons;

- NCAs strategy is to work through local partners and build the civil society
- There is a need for monitoring and follow up partners and programs through the representations.
- Local offices is a precondition for NCA integrated approach
- Quality assurance of program and projects

See the encl. Program Document, Chapter 5.2. for additional information.

We have also included certain key positions in the HO into this budget, as we also did in the last agreement period. We have budgeted for 8 thematic advisors at the HO in the budget for international cooperation. They are key positions in the implementation and quality assurance of the new global strategy, and in particular for the representations abroad. These 8 thematic positions will be key to the implementionof the different global thematic programs in the organizations and will be an important strategic resource for the different representations and country programs. The focus will be quality assurance, cross

organizational learning and thematic guidance vis a vis representations and partners.

The global thematic programs is a fairly new concept in NCA, ref. Program Document Chapter 4. This is one of the new concepts that NCA will give priority to in the coming agreement period. The increase of the funding to NCA will mainly go to program, projects and activities within the Global Thematic Programs.
The key motivations for further developing our thematic work into 12 Global Thematic Programs are:

- To reap the benefits of better synergies of similar interventions being carried out in the different country programs.
- To do fewer interventions better and thereby ensure we have the capacity to reflect on best practice, introduce standards and work creatively with partners to improve the quality of our work with both rights holders and duty bearers.
- To establish a common focus on some key expected results – from country level to global level – and thereby:
    - ensure better results for rights holders
    - further develop good multi-stakeholder accountability
    - achieve better documentation and communication of the good results we know we are already achieving, but which often get lost in reporting
- Further develop NCA and partners competencies into distinct and visible "products" – which can more effectively mobilize new resources for the ACT Alliance and work in priority countries.

We refer to the meeting in Norad on the 6th October on the new agreement format between Norad and NCA, where Norad informed NCA that the frame for the new agreement period will be a cooperation agreement and not a core support agreement. Norad was however open for a discussion with NCA on how to include issues from the core support concept into the cooperation agreement format. Our main concern in this discussion is that NCA in the new agreement period can avoid a system where we are paying back unused funds to Norad on a yearly basis, but that we can do so at the end of the agreement period pr. 31.12.2015.

10. Conclusion

We hope Norad finds this application interesting and in line with Norad principles and priorities for support to civil society organizations, and that Norad share NCAs ambitions for this coming agreement period. Please do not hesitate to contact us if there is any need for further clarification.

Sincerely yours

Atle Sommerfeldt
General Secretary

Anne Kristin Sydnes
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