In the Demand for Good Governance (DFGG) project in Cambodia, it was agreed at project appraisal that grants to non-state actors would be selected through an independent, multi-stakeholder grant making committee. After three rounds of grants – and the commitment of $3.2 million to non-state actors for social accountability activities – it is useful to reflect on the relevance and effectiveness of this selection mechanism. This note presents a brief summary of the objectives of the grant making committee, how it was set up, how it worked in practice, and the strengths and weaknesses of the approach.

The grants provided to civil society under the non-state actors component of the DFGG project, implemented by The Asia Foundation, were intended to reach a broad set of civil society actors through an open and competitive process. Expressions of interest were sought through a concept note stage, which were screened for eligibility and handed over to a grant making committee for deliberation. Full proposals were requested from a shortlist and reviewed in detail by a “grant making committee”. The main role of the Grant Making Committee (GMC) was to review concept notes and applications, interview applicants, and select grantees to undertake activities that would support the objectives and principles of the DFGG project.

The GMC in the DFGG project consisted of eleven Cambodian nationals (membership increased by two during project implementation). Eight of the members of the GMC had a background in civil society and three were government representatives. Neither the implementing agency nor the World Bank sat on the committee. The members of the GMC were nominated by a search committee composed of representatives of the Royal Government of Cambodia, the World Bank, The Asia Foundation, and Cambodian civil society and were approved by the Deputy Prime Minister, the Minister of Interior. The committee purposefully included members with a background in the DFGG project focus areas, such as decentralization and local services, natural resource management, public finance, media, and labor relations.

The process was also supported by a grievance redress mechanism. This system of handling complaints enabled applicants to file complaints to the managing agency, The Asia Foundation, if they had legitimate concerns about the grant making process.

What worked?

Structure and membership: The membership of an independent grant making committee can strengthen legitimacy among key stakeholders. The participation of government officials in the GMC (from the Ministry of Interior and the Ministry of Economy and Finance) over the three grant rounds was an important building block in creating acceptance, trust and ownership of the non-state component, and the grant activities that went on to implementation. At the same time, the presence of non-state members contributed to the legitimacy and status of the component with non-state actors. Non-state applicants saw the non-state membership/majority as an intrinsic guarantee that the grant...
selection process was independent and the decision-making was transparent.

**Independence:** The GMC was highly independent in establishing its own internal working procedures. The decision-making process of the GMC was not predefined, but rather it was formulated by the GMC itself.

**Consensus:** On the whole, the process was highly consensus driven (though this was not without exception). The consensus-based approach was also key to the acceptability of GMC decisions among state and non-state GMC members.

**Profile and awareness:** The integrity of the selection process was well-established and well-received by most, not only due to the mix of state and non-state members in the GMC but also because the committee was high profile. This was reinforced by efforts to build awareness of the goal – the integrity of the GMC was clearly emphasized, disclosed and communicated to all members and applicants.

**What didn’t work?**

**Potential risk of conflict of interest.** The comfort provided by a high-profile and well-respected membership was, at the same time, a contributing factor to one of the key weaknesses of the GMC. Several of the GMC members had a large network within civil society and long standing connections to many of the applicants. Since the GMC required members with in-depth understanding of the Cambodian civil society, this was difficult to avoid. In hindsight the legitimacy provided by this membership profile combined with the large size of the committee, meant that the overall perception remained positive, despite the potential risks of conflict of interest. Nevertheless, during the selection of 44 grants from over 300 applications, it is inevitable that there would be some discontent among applicants. One complaint was filed and investigated during the first grants round, specifically concerning the issue of GMC membership and connections. It was investigated by the overall implementing agency following pre-agreed complaint handling procedures and the findings communicated with the complainant.

Perhaps the main challenge faced by the project concerned the quality and relevance of the proposals selected by the GMC and the degree to which the activities proposed were focused on achieving a social accountability objective. A number of factors affected the degree to which this was achieved:

**The workload.** Civil society interest in the grants was higher than anticipated (approximately 225 concept notes were received in total for medium and large grants, but only 15 percent of the applications went on to receive grants). In practice, unpaid GMC members were asked to review over one hundred proposals for each round, affecting the time available for review of each proposal and, inevitably, the quality of some of the decisions made.

**Skills and knowledge.** Given that social accountability is still relatively new to Cambodia, a committee made up of the leaders of civil society and government representatives could not be expected to have the same in-depth knowledge on social accountability and understanding of implementation as international social accountability specialists. Although the NSAC Secretariat (in TAF) provided support – through ongoing dialogue and capacity building of the GMC members – these efforts only partly countered capacity limitations. On reflection, the first round of small grants included proposals with inadequately defined results. This proved difficult for the managing implementing agency to correct in the short timeframes for implementation.

**Implementers or decision-makers?** Unsurprisingly, civil society members of the grant making committee with an interest in, and knowledge about social accountability had a strong interest in receiving and implementing grants. This led to changes in the membership of the grant making committee as civil society representatives stepped down from decision-making to allow their organizations to apply for grants. This not only educated stakeholders in the concept of conflict of interest, but also revealed the dilemma key members and leaders of civil society face – should they graduate into unfunded, but influential, decision-making roles, or continue as implementers in funded, recipient roles?

The model adopted in the DFGG project in Cambodia – which assigned the role of grant selection to an independent grant making committee made up of both state and non-state representatives – created legitimacy and acceptance of decisions within government and civil society structures. In a context where there is distrust between stakeholders, this model addresses a fundamental risk. However, there are also trade-offs regarding the quality of the selection process and as a consequence, the ability for the overall implementing agency to achieve the intended results. Risks can increase with the level of complexity of the decisions and the workload of the GMC. When the need to ensure legitimacy is less pronounced, alternative decision-making arrangements might be considered to introduce higher levels of skills and knowledge. The regional social accountability networks (such as ANSA-EAP) can provide vehicles for indentifying experts from neighboring countries that have the skills and knowledge in social accountability and are also independent.

The DFGG Learning Note Series provides quick summaries of the lessons learned in the DFGG project implementing agencies, obtained from progress reports, meetings, workshops and World Bank Implementation Support. It is intended that the end evaluations of each component will provide further reflection on these issues.

DFGG Learning Note 2 reflects lessons learned in the non-state actor’s component. It is based on lessons provided by the Asia Foundation in the 2011 Annual Progress Report.

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