



## Funds

### Advisory service

#### The challenge

Imagine you want to stimulate innovation in international development cooperation and create environments in which new ideas can flourish and mature. Or, you would like boost development at the sub-national level. Local actors know their local matters best but often lack the necessary resources to put their solutions into practice. You might not know them yet but nevertheless plan to strengthen their implementation capacities by providing targeted support.

Whereas fully fledged technical assistance programs are usually meticulously planned, funds might offer more flexibility: They allow saving and harmonizing resources outside of annual budget cycles, and making them accessible to various, not yet identified partners. Through a call for proposals you can reach out to a large number of potential implementers and after selecting the most promising project ideas deliver customized support – be it advisory services, material goods or grant funding. Since the individual projects are managed, monitored and implemented according to their own results scheme, greater responsibility is given to the implementers.

Complementary to other methods in technical and financial assistance, funds can stand alone or be embedded into larger programs at national, regional or global scale. Yet, there is a variety of different models you can choose from and designing, setting up and running a fund is a demanding task. Having clarity what funds can and cannot achieve, which purposes they fit for, and which roles different stakeholders may play is fundamental to make best use of the method.

#### Our approach

To unlock a fund's full potential, we combine our proven technical and methodological expertise with strong

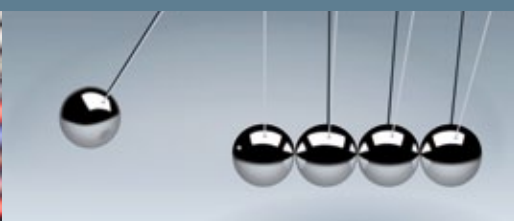
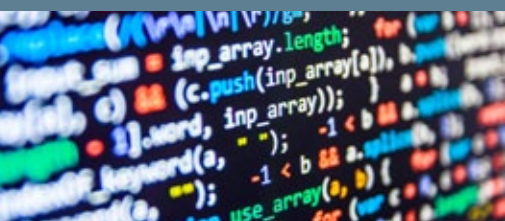
managerial and financial know-how. Guided by the five success factors of our management model Capacity WORKS, we jointly explore a fund's core design elements: strategy, cooperation, governance, processes and learning. We assist you in formulating the fund's goal and by analysing the cooperation system it will operate in. We especially emphasize on inclusive governance structures and transparent processes that last longer than our specific intervention. Last but not least we always commit to capacity building: Being actively involved in the fund's design as well as its strategic steering and daily operations, your partners will be empowered to gradually take over.

#### Our services

We have longstanding experience in designing, establishing and managing technical assistance funds, and we can support you in a variety of other fund-related challenges.

#### Design, set up and management of funds

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and others, we set up and run funds. Starting from scratch, we ensure a comprehensive methodological approach, suitable design and smooth operations. Jointly, we develop a governance model that reflects the underlying conditions and define processes that fit your purpose. We ensure suitable risk management schemes and financial and operational sustainability. Whenever appropriate, we also help identify additional funding sources. We facilitate meetings of the governance bodies, establish criteria for the selection of project proposals and steer the approval process. We coordinate the various stakeholders, assist eligible beneficiaries in submitting promising proposals and accompany implementers over the whole project cycle. We introduce M&E systems, promote learning, arrange audits, report to the clients and possibly prepare for sunset or handing over to partners.



### Advice and services to funds

In other cases, we render specific services to existing funds, and support them in becoming more effective and efficient. For instance, we advise on the fund's strategic orientation and objectives as well as its organizational set-up and governance. We establish IT-based accounting systems and develop standards for procurement, grant making, tendering and contracting. Or we act as procurement/fiscal agent on behalf of a fund, help develop a HR strategy, set up professional communication and public relations. If, in the long run, a fund needs a strategic reorientation, we bring in our expertise in organizational development and reform processes. Together with our partners, we assess upcoming capacity development needs and tailor a strategy that makes the staff fit for new challenges. With longstanding, trustful partner relations around the globe, we are well-positioned to develop and implement projects.

### Advice to clients and partners in dealing with funds

In recent years, global funds such as the Green Climate Fund (GCF) or the Global Fund to Fight Aids, Malaria and Tuberculosis (the Global Fund) have become major sources of financing for development. We help eligible partners get ready to access these and implement own projects. In the field of climate finance, for instance, we closely collaborate with the secretariats of the major facilities and assist partner institutions in becoming accredited as national implementing entity. We further advise BMZ in taking design and governance decisions.

### The benefits

Funds are a powerful method to make development interventions more effective and bring proven solutions to scale. While you harness the positive impact of your investment, we ensure high quality through transparency, accountability and solid risk management.

Funds invest in projects that generate a social return and are thus much more than mere financial facilities. Like in a laboratory, a number of individual projects are implemented in parallel. Thereby, impact is achieved at both, the project and the fund level.

By laying a broader basis for implementation, funds also contribute to make development assistance more horizontal and participatory. Strengthening the capacities of local implementers, funds diversify cooperation networks within a country or sector and multiply delivery channels.

### An example from the field

On behalf of the BMZ, we implement the Regional Fund for Triangular Cooperation in Latin America and the Caribbean since 2010 (total volume: EUR 21,150,000). The objective of the fund is to strengthen public policies through triangular cooperation (projects).

Eligible projects, jointly planned and implemented, involve at least one Latin American or Caribbean 'South provider' and Germany, as well as a third partner (beneficiary). The proposals need to contain a clear outline of the added value for the three partners but there are no thematic priorities. Each side brings a specified and quantified contribution (in kind or cash). The German contribution is based on the amount of the contribution of the South provider. The 20 participating countries have launched more than 40 individual triangular projects on various themes (as of 01/2017). In Tunisia, for example, Costa Rica and Germany are promoting sustainable tourism. Partners involved can participate in trainings on planning, implementing, monitoring and evaluating triangular cooperation. A training network encourages participants to stay in touch after the completion of the course. Regularly, the fund organizes regional conferences to foster policy dialogue on triangular cooperation

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