



FINAL REPORT

# Understanding Donor Commitment to Strengthening Local Knowledge Organizations

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## Executive Summary

Building sustainable institutional capacity among independent policy research institutions in developing countries, or “southern think tanks” (STTs), as a contribution to global development requires encouraging more donors to provide more, higher quality funding and more general support than already supplied by the Think Tank Initiative (TTI). To assess progress toward this goal, this study identifies how to measure progress toward shifts in funding practices in this regard, including through clear, consistent information on what investments donors are making to support development research.

It does so in the context of a global landscape that is rapidly changing, in ways that increase both the demand for and the capacity of such institutions to provide impressive, influential work. Poverty persists, complex interconnected challenges compound, democracy deepens with difficulty, the Millennium Development Goals (MDGs) modernize, funding moves from the north to a more equal south — but deep divides remain. Thus traditional development problems must be addressed along with complex, interconnected global challenges, within local political contexts, in anticipation of the post-2015 MDGs, with a greater reliance on emerging donors and actors in the south, joined in new partnerships with those from the north.

Thus far donors are recognizing and responding to the first few shifts but not the latter ones. STTs are responding as well, but they remain confined by what traditional donors will fund. Grantees have not yet developed general success stories and winning arguments to increase the diversity, quantity and quality of their funding overall. Yet there is promise from the proven donor-recognized narrative of post-communist democratic development and from two emerging narratives: good governance based on transparency, accountability, anti-corruption and sound budget management in domestic resource mobilization from governments in the developing south, and southern policy and research input into shaping the post-2015 MDGs. The appeal and effectiveness of these narratives require expanded partnerships among southern and northern grantees and donors, in ways that will equalize their relationships even more.

Donors have begun to recognize and respond to these global changes. Major bilateral, multilateral and foundation donors increasingly publicly recognize in their overall priorities the need to address complex, interconnected challenges but not specifically the growing ability and value of STTs in providing the required research. Moreover, donors have not yet substantially reflected this new awareness and priority in their budgetary allocations for STTs. Nor have they aligned their financial data systems, reporting and accountability and effectiveness monitoring.

Grantees are also experiencing and responding to these changes. Most STTs receive a growing quantity of funding from increasingly diverse sources. This has improved their processes, capacity and products and brought beneficial impacts on others’ policy and actions in many ways. However, grantees are concerned about the quality of funding in regard to its low reliability, short length and limited flexibility. They remain constrained by the lack of sufficient funding to mobilize their growing capacity fully. They seek two improvements: more core funding and more mentorship from and collaboration with established research institutions to acquire the skills necessary to obtain grants, write proposals and advocate successfully. In all, there is a case for more varied, higher quantity and better quality funding to STTs. But it may well be inappropriate to insist on a tight definition of STTs as intended grantees and to concentrate funding on those considered “best in class” in a fixed global hierarchy.

Major gaps exist in the financial data systems of major donors, including the many that report through the Creditor Reporting System (CRS) of the Organisation for Economic Co-operation and Development (OECD), as well as the United Kingdom’s Department for International Development (DFID), the Bill and Melinda Gates Foundation and the William and Flora Hewlett Foundation. This makes it nearly impossible to track or even extrapolate funding to STTs with the needed comprehensiveness, reliability, detail and timeliness. It is thus extremely difficult to determine if donors’ declared objectives and priorities are reliably reflected in their funding. But the available data, and the difficulty of tracking and matching financial data to overall objectives, strongly suggest there is a considerable gap — even as funding to STTs has been increasing in recent years, as both grantees and donors in general report.

This lack of firm data makes it challenging for donors to assess the overall value and best use of such investments, and for grantees and all stakeholders, including the current TTI partners, to identify and make a convincing case to the most promising potential providers of more diversified, higher quantity and quality grants.

To help remedy these gaps, several steps are recommended to improve the quality of data on funding, to help identify STTs and support their professionalization, and to build the case that more diversified, ample, high-quality funding is appropriate now. These recommendations are offered first for short-term steps feasible for TTI partners to take and then for the medium and long terms, with more ambitious steps requiring the cooperation of others that could ultimately produce the desired new regime.

**The five priority recommendations are as follows:**

1. Conduct a comparative case study of the return of donors' investment in terms of policy impact.
2. Identify the ultimate and intermediate as well as initial grantees.
3. Launch a website for STTs to self-report their existence and basic data.
4. Develop three appealing new narratives for funding and match them to likely donors.
5. Add a southern partner to a prospective "TTI2" consortium.

## 1. Introduction

### The Problem

In order to build sustainable institutional capacity among independent policy research institutions in developing countries, or “southern think tanks (STTs),” as a contribution to global development, it is important to encourage additional global and in-country donors to provide funding in increased quantities and quality, including with more flexible and longer terms. This requires urging new donors to launch programs similar to the Think Tank Initiative (TTI) or change their funding of policy research, including providing more general support to STTs. To assess progress toward this goal, it is necessary to secure clear, consistent information on donors’ investments to support development research.

### Purpose and Organization of the Study

This project thus seeks to help determine how to measure progress toward shifts in funding practices to STTs. First, it identifies key changes in the global landscape and their implications for present, projected and possible funding. Second, it examines the strategic objectives of donors and their reported disbursement patterns and implementation monitoring when they fund STTs. Third, it surveys grantees’ experiences with donor funding to determine the actual quality and impact of that funding on their processes, capacity and products. Fourth, it assesses major donors’ financial data and the way their actual recorded and reported data correspond to their declared strategic objectives and the data and experience reported by grantees. The study concludes with recommendations about how TTI should continue to influence the global landscape that would support resources for developing country research, through priority actions in the short, medium and long terms.

## 2. The Global Development Landscape

This section assesses key changes in the global landscape for STTs and their implications for present, projected and possible funding. It focuses on changes that help level the playing field for STTs with independent development policy think tanks based in the north, and how these changes might affect donors’ funding decisions.<sup>1</sup>

### Central Global Changes

Today’s global development landscape is affected by eight changes arising on both the demand side and the supply side.

The first change, coming from the demand side, is persisting, shifting poverty across the global south. Poverty persists, despite the rapid rise of newly rich, emerging countries and the many people lifted out of poverty as a result. This persistence is due to the impact of the recent global financial crisis, the particular continuing challenges of failing, fragile and conflict-affected states in most regions, the impact of natural disasters and the presence of many poor people. Indeed, a global majority of poor people now live in middle-income countries, some of which are being “graduated” by official bilateral donors out of the recipient ranks. The number of poor will increase as global population growth is ever more driven by the south and its poorest states and poorest people (despite demographic transitions in countries such as Korea and China).

The second change is the rise of compounding, complex, interconnected challenges to economic, social and political systems, as natural and human processes combine into new chronic stresses and sudden shocks, notably those involving climate change, the natural environment, food and health.

The third change is deepening, difficult democratization as the movement toward more politically open countries continues, as seen in the Arab Spring and Myanmar, even if in a non-linear and non-guaranteed way.

<sup>1</sup> This analysis draws on the project team’s knowledge of global challenges, drawn inter alia from ongoing work on global governance with a focus on development and health, their review of relevant literature and major donors’ objectives, the electronic survey conducted for this study, follow-up phone conversations and field interviews in Washington DC in January 2013 and New York City in February 2013.

The fourth change is the fast approaching due date of 2015 to meet the many unmet MDGs and the simultaneous new need to shape a successor set of goals. The latter will probably come as a broader set of economic, social and political goals with an enhanced horizontally interrelated approach rather than single silo approach.

The fifth change, now in the supply of resources available to meet these rising demands, is growing austerity among the governments of the north. The global financial crisis, aging populations with growing health and pension needs, and skepticism about the value of aid lead many traditional bilateral donors to reduce overall official development assistance (ODA) and stress aid effectiveness more.

The sixth change is rising resources from the south. This comes as leading emerging economies of the Group of Twenty (G20), such as Korea and Mexico, join the OECD or its Development Assistance Committee (DAC), as the BRICS of Brazil, Russia, India, China and South Africa mount bilateral programs and a south-south development bank of their own, as domestic resource mobilization strengthens and as wealthy individuals from the south become philanthropists too.

The seventh change is the emergence of more equal partnerships between north and south. This occurs in multilateral organizations such as the World Bank and the International Monetary Fund, in new plurilateral summit-level institutions such as the G20 with its Seoul Development Consensus and its Development Working Group, and in new partnerships such as the one on aid effectiveness between the OECD and the United Nations Development Programme (UNDP).

The eighth change is the deepening difficulty of bridging durable divides between north and south. These divides are now less about the quantity, quality and conditionality of funding and more about basic conceptions of the economic development enterprise, and about priorities such as gender and political practices often favoured by the north.

#### **Implications for the Sources and Quality of Funding**

These changes have several, multifaceted and cumulatively important implications for the sources, quantity and quality of

funding available for STTs.

The first is the growing need to solve the traditional problems of persistent poverty along with and in the context of compounding, interconnected, complex challenges such as climate change. This increases the potential demand for multidisciplinary, independent, social-scientific, policy-oriented work by STTs on the locally sensitive front lines and addressing several policy areas at the same time. The need for local knowledge should level the playing field for southern and northern think tanks, especially with regard to assessing the impacts, adaptation and resilience of the poor in the south.

Northern donors do recognize the need for larger, more innovative, cross-sectoral, integrated funding, as the analysis of donor objectives below shows. This recognition is confirmed by the increasing quantity of funding, from more diverse sources, reported by grantees. However, donors still fund largely according to multiple, traditionally defined, specific silos, with new complex problems added, and still according to substantive silo-specific goals. Furthermore, some of the largest foundations most committed to STTs argue that it is more important to get the existing, specific, siloed job done, through simple proven interventions to be scaled up, rather than to shift too early and heavily to address new complex global challenges in innovative STT-guided ways.

New southern donors, from bilateral, multilateral and especially philanthropic sources, still mostly focus on traditional humanitarian problems in a service-delivery way, or on mercantilist advantage through infrastructure and other traditional instruments, rather than on the new complex challenges through creative policy research.

STT grantees have substantially recognized the new context and character of global challenges and the new research required in response. Indeed, there is a large, varied, geographically distributed array of STTs that are responding in multifaceted and largely integrated ways. However, these STTs still depend on doing projects on their traditional subjects of core competence and reputation, funded by their traditional donors, in order to maintain a basic funding stream for survival and continuity, in the face of the still limited length and flexibility of grants.

STT grantees have not yet developed a new narrative, based on global complexity, with accompanying winning arguments and success stories that have moved donors to increase the diversity, quantity and quality of funding. The exceptions are more idiosyncratic rather than representative of a general trend. They are offset by grantees' reluctance to engage in what they regard as secondary subjects for economic development (such as gender or political institution building), despite their priority for donors, and by the mismatch between the grantees' focus on economic growth overall and the donors' category of "development" and priorities on particular parts.

The second implication of changes in the global development landscape is the need for STTs, even small, specialized ones, to work on several policy subjects simultaneously, with full awareness of the policy and political contexts in which the research is conducted and the influence the results are intended to have. This is especially so where the disruptive dynamics of democratization are rapidly transforming the policy context, while creating urgent, major new demands for the research of independent policy think tanks, especially those of new generations of researchers. It is even more the case for STTs that work in fragile, failing and conflict-affected states, where the conventional demands for transparency and accountability defined in the north may well be impossible or unwise to fulfill. In what might be called the democratization-accountability paradox, some of the most influential work of STTs might not be reported until much later, as premature disclosure could harm the prospects of success. There is a particular need to create and support think tanks in long closed, very poor, conflict-ridden states such as Myanmar and Mali, recognizing that this will be difficult and that visible impacts may take a long time to emerge.

Donor recognition of the political context and the democratization dynamic in particular is often high. Indeed, major foundations such as the Ford Foundation and the Open Society Foundations deliberately focus on assisting the poorest, most vulnerable and politically dispossessed peoples, in their direct community assistance, advocacy and associated policy research through STTs. However, donors remain reluctant to take the risks of developing STT capacity in conflict-ridden locations where the results will be, at best, visible only in the long term.

At first glance, grantees' recognition and response are also high, judging by the growing number, capacity, quality and influence of STTs that have emerged over the past decade or two in newly democratizing countries. This increase is led by institutions focused on democratic development in central and eastern Europe and now Eurasia, especially those supported by risk-intense foundations. From here there is a long list of success stories and winning arguments with a consistent post-Cold War democratization narrative and theme. However, few STTs and supporting donors have emerged to address, in closed, conflict-ridden countries, the policy challenges where the payoff will come in the distant future.

The third implication is the need to move from single-silo, conventionally categorized research to intersecting innovative research as the momentum of the post-2015 MDGs process takes hold. It promises to define the development research and funding agenda the way the initial MDGs did. On the currently reasonable assumption that the post-2015 MDGs will contain the unmet existing goals but add sustainable development and political, rule-of-law and institutional ones, the implication is that the new agenda will be more open to and integrated with complex interconnected challenges and with the political context in which development takes place.

However, many donors from both north and south do not appear to have recognized this emerging post-2015 MDG agenda so have not yet reconfigured their priorities and funding accordingly. Such a shift will be difficult for foundations and other large donors that still wish to focus on a few single subjects such as health or food and to search for catalytic "silver bullet" solutions (such as bed nets to prevent malaria or the eradication of polio or guinea worm), or even the simple, straightforward, proven interventions that dominated the approach of the Group of Eight (G8) to maternal, newborn and child health in 2010. The accountability mechanisms created at the G8 and the UN in 2010 to ensure delivery of these MDG silos will reinforce this resistance.

Some grantees are responding well to the new need for knowledge that this crosscutting, creative approach requires, especially those able to initiate the work they do. However, most are affected by the constraints noted above, particularly the paucity of funding opportunities from donors should a

STT wish to shift. There appear to be few if any donors funding or grantees working in any significant way on research relating to the close, compounding connection between climate change and human health.

The fourth implication, arising primarily from the shift from old northern donors to new southern ones, is a greater conservatism and selectivity in support for STTs from donors in both the old north and the new south. Northern austerity and its accompanying demand for accountability and effectiveness create incentives to focus on safe, short-term, modest investments and easily measureable, visible, short-term results. It has thus far not yet harmed or helped the growing emphasis since 2008 to ensure that those in local communities in the south are not simply the passive recipients of funding, knowledge and advice from the north, but are active contributors and leaders in generating knowledge that responds to and derives from their local contexts, that influences their national communities and governments, that strengthens south-south cooperation and that inspires south-to-north knowledge flows. However, only in the future may it create a demand for smarter, cost-effective, research-based strategies of the sort that are best delivered by STTs.

Thus far there is minimal awareness or action among donors and grantees of this beneficial implication. No winning arguments have arisen based on it. There is also little recognition of the need to shift southern donors from their dominant charity/mercantilist approaches to support independent policy research, beyond that done for the personal or political advantage of those that fund such research.

One major foundation in the north is shifting its emphasis toward domestic resource mobilization, including supporting governments' efforts to be more intentional in their resource allocation and more efficient in spending and managing revenue.

The fifth implication, arising from the north-to-south development funding shift and emerging equality, is to expand and improve more equal north-south partnerships, through donor consortiums supported by TTI and in other domains. It is noteworthy that there are no southern donors in the TTI con-

sortium. Nor is there any multilateral organization through which the south would be indirectly represented.

This is understandable, given the world of 2008 when TTI was launched. Moreover, multilateral organizations can be difficult to mobilize, given their slow, consensus decision-making processes, lowest-common-denominator approach, legal constraints and organizational culture. Yet it also reflects how hard it is to grow genuine north-south partnerships as equals, given the transaction costs. However, one major foundation has managed to do this, securing as its major funders the governments of both the United States and India as well as several country donors represented in the UN.

Few donors recognize as a priority the need to engage in such north-south funding partnerships, either in general or especially for STTs. Grantees are much more focused on applying for, receiving and securing funds from consortiums such as TTI and from their northern partners, often in association with south-south networks as well.

There have yet to appear notable persuasive arguments or success stories about how such north-south funding partnerships have increased the quantity, quality and diversity of funding. Nonetheless, the proven cases of the Group of Twenty-Four (G24), the Brookings Africa Initiative and the UN Democracy Fund (UNDEF) as well as the now-disbanded Overseas Development Council are instructive.

The sixth implication is the growing need and embryonic ability to bring into the funding mix the private sector and other new types of donors, including domestic development banks and pension funds — from both north and south. Public-private partnerships could be one way for STTs to secure support with their independence and research quality remaining intact. STTs can simultaneously be independent contractors and have a for-profit arm, as many individuals in them already do.

## Conclusions

Today the global development landscape is changing in several significant ways. Poverty persists and shifts, complex interconnected challenges compound, democracy deepens with difficulty, the MDGs modernize and funding moves from

the north to a more equal south. But deep divides remain. Traditional development problems must thus be addressed along with complex, interconnected global challenges, within local political contexts, in anticipation of the post-2015 MDGs, with a greater reliance on emerging donors and actors in the south, in new partnerships with those from the north.

Donors are responding to the first few shifts but not the latter ones. STTs are responding as well, but remain confined by what traditional donors will fund. They have not yet developed persuasive success stories and arguments to enrich their funding overall, although there is promise from extending the proven narrative of post-communist democratic development to the emerging emphasis on domestic resource mobilization for enhanced transparency, accountability, anti-corruption and budget management from governments in the south. This requires expanded partnerships among southern and northern grantees and donors, in ways that will equalize their relationships even more.

These changes increase both the demand for STTs and the capacity of such institutions to provide impressive, influential work. They promise to help level the playing field among STTs and their northern colleagues and to affect donors' funding decisions.

However, thus far, donor recognition of these changes and their implications for STTs has been limited, especially in regard to actual funding support for STTs. STTs have displayed a somewhat greater awareness of these changes and their implications, but have seldom been able to develop or successfully employ new narratives to convince donors to increase the quantity, quality and diversity of their funding.

Yet some exceptions may provide a basis on which to build. The first is the theme of democratic development. It starts with the work of the Open Society Foundations and others in post-communist Europe and its neighbours, continues with the work of UNDEF, and has reached a new stage with the advent of the Arab Spring and the democratic transition starting in countries such as Myanmar. Bilateral donors committed to democracy, freedom and the rule of law as central principles in their overall foreign policy could potentially be receptive to funding appeals within this democratic development frame.

The second theme is accountability, transparency and good governance. It is emerging as a top priority for bilateral and multilateral donors, including those of the G8, and for foundations such as the Bill and Melinda Gates Foundation. Indeed, one of the three priorities of the 2013 G8 summit, hosted by the United Kingdom in June, is transparency, including anti-corruption, "publish what you pay" and expanding participation in the Extractive Industries Transparency Initiative (EITI). Appeals based on this narrative could attract existing TTI donors such as the UK's Department for International Development (DFID) and Gates, with emerging interests in domestic resource mobilization as a source of funds and support for sound budgeting and public sector financial management there. It could also appeal to potential new participants such as the Norwegian Agency for Development Cooperation (NORAD), as Norway has a particular interest and expertise in the role of natural resources in development, including the particular problem of overcoming "Dutch disease."

The third theme is the post-2015 MDGs and the complex, crosscutting problems such as climate change (including the natural environment and energy) and political, legal, institutional processes that they will likely address more than the initial MDGs did. Mobilizing the capacity of STTs to shape the post-MDG process is already attracting new support from DFID and the William and Flora Hewlett Foundation. It could similarly appeal to Scandinavian donors, and those from emerging economies such as Brazil, Mexico and Korea, and even from the U.S. Agency for International Development (USAID) in Barack Obama's second presidential term.

### 3. The Donor Experience

This section assesses donors' strategic objectives, reported disbursement patterns and implementation monitoring when they fund STTs.<sup>2</sup> It examines how donors recognize and respond to changes in the development landscape and the implications for the role that STTs can play.

#### Donors' Strategic Objectives

The highest level of donors' strategic priorities was dominated by general process themes and particular goal-oriented problems or policy areas. The first component emphasized improving the quality and effectiveness of aid, taking a value-for-money approach focused on results and increasing peoples' ability to help themselves, with a focus on evidence and self-sustaining development. The second component highlighted a large array of traditionally defined policy areas, including the MDG silos of health and education, with some more crosscutting emerging priorities such as climate change and good governance. Never did development research, policy research more broadly or support for STTs appear in the top tier.

At a second level, largely within selected thematic areas, there sometimes arose a component on education or research. In the lead were the five TTI donors, Norway's NORAD and the Australian Agency for International Development (AusAID). The latter two have the most generalized programs intended to develop the capacity of STTs. NORAD's research-focused aid programs have undergone revisions, amalgamations and a realignment of objectives to meet emerging needs. The AusAID research strategy document, with a projected plan for 2012–2016, was developed to provide a clear understanding of how and why Australia increasingly funds research.

In both cases research agendas are based on the desire to create knowledge and improve understanding of the effects of development aid, followed by the objective to build the capacity of developing country researchers. Both NORAD and AusAID, and some others, require a partnership between a

domestic and a southern institution. Neither, however, clearly identifies the number of STTs that are funded. They frequently use the terms "researcher" and "research institution" interchangeably.

Other donors follow a more issue-specific approach to research. Research partnerships are embedded in an issue area or approach, for example a scientific approach or food security. Donors seek to understand how their aid can produce the best results and how research can be taken up, communicated and disseminated.

The education theme includes south-south cooperation and knowledge dissemination, technical and vocational training, and university partnerships, scholarships and exchanges. The most direct support for STTs is implemented through research programs categorized under education, university partnerships and researcher exchanges. However, many focus on individuals rather than on institutions.

At a third level, research often appears as a component of each of the development aid sectors such as health, energy or agriculture. Within such sectors bilateral and foundation donors often include a line item for policy and advocacy, commonly called "research" or "policy and advocacy." It is unclear if the money for research goes to research or to influence policy or if it goes to a southern or northern institution.

Established donors indicate a need to integrate their approach to aid. Emerging donors are distinctively driven by knowledge and best practice sharing, and their relative strengths. Their approach to capacity building is directed by their own experience and their preferred region of focus or working language.

Japan, Korea and Mexico have acknowledged the complex global challenges caused by increasing globalization. Japan's new vision places inequality at the nexus of development. Korea pursues development to support sustainable development outcomes and emphasizes bridging the knowledge gap

<sup>2</sup> This analysis is based on a survey of annual reports and budgets, speeches, statements by senior officers, other publically available documents and the websites of 32 major donors: 18 bilateral governments, six multilateral organizations and eight private foundations (see Appendix A). These materials were enriched by face-to-face and phone consultations with 18 donors: four bilateral governments, six multilaterals, five foundations and four northern think tanks (see Appendix B). These were supplemented by extensive email exchanges.

between developed and developing countries. Often emerging countries' funding to develop capacity is directed more toward human resource development than toward research institutions. Korea and Japan approach capacity building through knowledge sharing, with expert training workshops as mechanisms for achieving sustainable outcomes to global and complex challenges to development.

The allocation of funds to northern versus southern think tanks varies according to the donor's strategic objectives for a specific program. Funding for expert exchanges, university partnerships and cultural exchanges is most often allocated to a northern institution, which is required to partner with a researcher or research institution in the south. Specific initiatives, particularly from the UK — such as the Partnership for African Social and Governance Research and the Africa Power and Politics Programme — emphasize the role of the developing country institution, in contrast to the more common approach of a partnership led by the north.

### Reported Disbursement Patterns

Most often donors' disbursements, cited in their own reports, can be tracked in the aggregate as ODA overall, by subject, by region, by country and by type. None of the annual budgets analyzed had a line item linked directly to support for STTs. In established donors the most directly related line items by subject are education and research. These sums can be tracked over time to indicate increases or decreases as a portion of overall aid. In other instances, various sectors contain a line item for research. These amounts, however they are reported, are not disaggregated by funding to northern versus southern institutions, rendering it very difficult to track the amount of money going directly to STTs.

Some foundations stand out in reporting flows to research or research intended to influence policy. They often include a line item for policy and advocacy as either a standalone category or embedded within each program heading. Their databases can be relatively easy to manipulate and extract information from. However, again no clear distinction is made between funding to or through northern versus southern institutions.

Emerging donors that are not OECD members do not report disbursements to any coordinating agency. Due to the nature

of their development aid, including technical cooperation, south-south cooperation and scholarships, figures are estimates and generally reported through a country's foreign ministry.

### Implementation Monitoring of Funding to STTs

The top-line strategic objectives of donors often contain a clear, keen interest in measuring the impact of the funding they provide. Terms such as results-based management, value for money and aid effectiveness abound. Objectives refer to the deliverables on overall development aid and not to specific funding for development research. Some donors are responding to the changes in the global landscape by requesting evaluations of their aid, by developing policies and by realigning their vision and mandates.

The return on investment for development research is much less prominent and clearly defined. The best definition is in the AusAID research strategy. To determine the success of a research project, it uses a comprehensive evaluation mechanism using multiple indicators, including the number and quality of academic and peer-reviewed articles. AusAID recipients must meet contractual deliverables. Among the obligations, "researchers [are] required to outline how a research activity will lead to change in a given community including early and intermediate outcomes" (AusAID 2012, 10). Prior to the contractual obligation, all research must be registered with AusAID's Research Section, creating a central location where all funding allocated to research is listed. The Research Section then produces a report on activities according to levels and types of funding, research themes, the mechanisms used and the impacts of the research.

More broadly, annual monitoring reports from donors for the most part show an increase in funding for education and research. However, there is no indication of the return on this increasing investment. Nonetheless, the desire among many foundations to measure results is evident in the shift from core funding toward issue-specific funding.

All the donors reviewed stress the importance of well-developed, accurate and multifaceted evaluation processes to determine the effectiveness of aid, ensure value for money and increase knowledge generation to deal with complex global

development challenges. But the mechanisms themselves by which donors evaluate whether funding for research has achieved the desired outcome have a varying use and impact.

Developed and emerging donors alike support international aid accountability frameworks and mechanisms. Widely supported international agreements include the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Monterrey Consensus on Financing for Development. The Group of Seven (G7) members including the European Union supported the G8's accountability report championed by Canada in 2010. The G20's Development Working Group holds the role of evaluator within that forum. However, the collection of cross-member statistics is hindered because not all G20 members are members of the OECD. Comprehensive development disbursements, specifically those allocated for research in the south, remain a projection.

### Conclusions

From this analysis, three central conclusions stand out. First, in their overall priorities major donors increasingly recognize the need to address complex, interconnected challenges as well as the traditional siloed subjects, but they do not recognize the growing ability and value of STTs to provide the required new research. Very few donors focus on and are consequently likely to fund STTs in general; the most promising ones are the existing TTI donors NORAD and AusAID. Second, donors' budgetary allocations for STTs do not yet substantially reflect an awareness of or priority on the new global challenges. Third, donors have not aligned their public financial data systems, reporting and accountability and effectiveness monitoring to match. Generally speaking they have not yet used their performance management and evaluation (PME) processes to affect their financial flows in ways that benefit STTs.

## 4. The Grantee Experience

This section assesses STTs' experience with donors to determine the quantity, quality and impact of funding on grantees' processes, capacity and products. It draws on the results of an online survey of STTs conducted for this study (see Appendix C).<sup>3</sup>

### Quantity of Funding

A large, diverse set of STTs work on development, broadly defined. Most, including many of the most impressive and influential, lie outside the current pool of TTI grantees.

Many are acting on the comprehensive, intersecting global challenges arising in the changing global development landscape. Almost all work on several policy areas simultaneously, and together cover a very broad range of development-related issues.

Almost all simultaneously engage in multiple activities beyond their policy research. A strong majority conduct education and training, advocacy and service delivery as well, with an important positive impact on the quality and policy influence of their work.

Two thirds of respondents report an increase in the quantity of funding they have received in the past five years. Those who work in Spanish, however, lagged behind their anglophone and francophone colleagues in this regard.

STTs largely have a substantial, somewhat varied and collectively broad major funder base. It is led in turn by official bilateral donors, multilateral organizations, and nongovernmental organizations (NGOs) and foundations. It is difficult but possible to secure meaningful budget data from their responses.

### Quality of Funding

To be sure, two thirds of respondents report a rising quality of funding in general. Moreover, the most successful arguments for attracting donors are overwhelmingly the core analytic and scientific quality and reputation of their research, the quality and reputation of the institution and its individuals, and the innovative nature and policy link of the research. This strongly suggests that donors recognize and reward the

quality and impact of the core independent policy research work conducted by STTs.

Nonetheless, several specific concerns prevail:

1. Unreliable funding: almost two thirds report that funding fluctuates from year to year.
2. Short length of funding: almost half report that their most important donor provides grants of two years or less.
3. Limited flexibility or responsiveness to changing conditions or opportunities: a bare majority of grantees report that their projects can be easily adjusted.

Of less concern is the independent initiation of projects by grantees. Indeed, a majority report they can initiate projects themselves. Another quarter report that both they and the donor jointly initiate projects.

No serious concerns were expressed about the conditionality, timeliness and accompanying technical assistance of the funding that grantees receive.

The issue of core funding and lack thereof was reiterated in every follow-up conversation. Similarly, the inability to retain staff was consistently mentioned. Some respondents were optimistic about funding from domestic donors rather than international ones, noting new demands by some governments for evidence-informed policy. In addition, some noted that while funding for a dynamic set of institutions varying by size, age and access to different information could enrich the research findings, yet the same large, reputable institutions dominate the funding environment.

#### Impact of Funding on Grantees

Respondents report that donor funding has had a discernable, substantial, beneficial impact on their processes, capacity, products and policy influence.

In particular, they identify a large number and broad range of specific projects that have influenced — to differing degrees and on various time scales — the policy and behaviour of others, mostly the departments of their national, sub-federal and local governments. This influence was largely exercised in coalitions with non-STT actors, or through a cascading process, rather than directly on the “target” itself. A broad range of factors lay behind their most successful projects, with the advocacy that accompanies policy research products coming first.

However, concerns were raised in follow-up conversations about “tokenism.” This would be manifest, for example, by an outside institution conducting the research with a researcher from the south assigned to sign off on and present the findings. Furthermore, it is difficult to track the impact of STTs’ work after a report is submitted, and nearly impossible to know who and how it influenced policy. STTs are not informed how their products are used internally by the donor or other users.

Furthermore, there is an overall perception that the southern perspective in research is constrained, especially when working with multilateral organizations. This perception results in the continuing alignment with the status quo or the northern perspective, which usually overemphasizes paradigms such as the MDGs. For example, proposals by STTs for new research in complex social systems did not receive funding but were then taken up by northern institutions. There is a concern that research from the south, if it deviates too far from the existing norm, will not be published. Looking outward, respondents identify a very broad range of the most influential STTs, with those from Latin America mentioned most. Moreover, they report considerable south-south cooperation in influential projects, through conferences and workshops above all. In follow-up conversations these influential institutions and international networks and connections were recommended as an important candidate for increasing funding, particularly for institutions that are smaller and less reputable.

<sup>3</sup> An online survey was sent to 740 STTs (including TTI grantees) and generated 178 responses. This response rate of 24.0% compares favourably with similar surveys.

### Conclusions

Overall, respondents expressed a desire for two primary improvements in their funding. Both relate to the quality, of the funding that they receive.

First, the biggest funding challenges identified by respondents covered a large and broad array, led by the lack of core funding and of medium- and long-term funding. This desire for more core funding is again in first place in an open-ended question about key concerns. This is consistent with specific concerns about funding reliability and length.

Second, respondents feel that donors devote too little attention to institutional sustainability, staff training and staff costs, and too much attention to the quality of outputs produced by the STTs. This response is consistent with, and reinforced by, the spontaneously expressed desire for more mentorship from more established research institutions and collaboration with them in order to improve their skills necessary to obtain grants, write proposals and advocate successfully.

A few more general implications for donors stand out. First, a case can be made for more diverse, higher quantity and better quality funding to STTs. This case is strengthened by the existing large, varied, high-quality, peer-recognized capacity, that is addressing complex global challenges, that performs well, that has substantial policy impact and that can be readily scaled up. STTs have the desire and capacity to respond to emerging challenges, but need more resources to move from multiple to integrated, interconnected research programs that can identify solutions in their local context.

Second, it may well be inappropriate as well as difficult to insist on a strict definition of “independent policy research institutions in developing countries working on development” in guiding funding strategies and decisions, in monitoring the changing financial flows to STTs and in assessing the quality and influence of their work. Some flexibility is desirable, given that the quality and impact of STTs’ policy research depends significantly on the other activities, notably education and training and advocacy, conducted by the same institutions at the same time.

Third, as there is a large number and broad range of best and most influential STTs, it would be inappropriate to concentrate funding for them on those at the top of a fixed hierarchy thought to be “best-in-class” on a global basis overall.

## 5. Donor Financial Data

This section assesses donor financial data and the way recorded and reported data match donors' declared strategic objectives and the experience and data reported by grantees (see appendices D–G).<sup>4</sup> It examines the major comprehensive donor data bases, above all the OECD's Credit Reporting System (CRS), and conducts case studies of DFID, the Gates Foundation and the Hewlett Foundation. Appendix H presents an analysis of matching donor data to grantee reports.

It would be valuable to have a comprehensive, reliable, detailed and timely set of financial data to track changes in funding to STTs and according to the various dimensions of interest. However, it is not yet possible to assemble such a data set. In 2006, the Hewlett Foundation reported that a "meager 6.02 percent of the approximately \$1.3 billion spent annually by donors on development-related research goes to policy research within developing countries and to building the capacity of local researchers to address development policy challenges. Even more strikingly, of the almost \$3 billion spent annually by donors on development policy and planning in developing and transition countries only 0.001 percent supports local development policy research capacity building." This report cited CRS/Aid Activities from 1973 to 2004 as its source.

This statement does not isolate the STTs that receive the money and conduct the research, especially the independent ones. Nor have subsequent efforts to replicate and update these figures proven successful, although they presumably rely on the same CRS purpose codes. Thus, this section explores more selectively the gap between donors' stated policy and priorities and where the money actually goes.

### OECD Creditor Reporting System

The OECD's CRS collects, codes and publicly reports annual funding from all bilateral, multilateral and foundation donors that provide data. Earlier efforts to assemble and extrapolate the total amount devoted to research in the south (as distinct

from funding given to southern independent research institutions in the south) proved inadequate. This was primarily because of reliance on the CRS purpose code, with its many deficiencies in definition, detail, overlap, reliability and comprehensiveness.

However, since 2008, CRS has included a new category of "channel delivery" that contains a component named "other" (code 50000), which includes "university, college or other teaching institutions, research institute or think tank" (code 51000, hereinafter referred to as "university/think tanks"). Given that survey responses show that "research institute or think tank" institutions or the associated individuals are often simultaneously part of universities or colleges, and that "teaching" can embrace the training that STTs often provide, this channel code is a promising preliminary source of data.

CRS data now cover a somewhat comprehensive and expanding array of donors. These comprise all 23 DAC members, four non-DAC countries (the Czech Republic, Iceland, Kuwait and the United Arab Emirates), 31 multilateral donors (organizations and funds) and one private donor (the Gates Foundation).

A review of CRS data from 2007 to 2011 under the "other" channel code shows a reasonably steady, cumulative rise both by commitment and disbursement, in the flows of ODA, other official flows (OOF), grants, equity investments and loans (see Appendix D). This rise was particularly sharp from 2008 to 2010. In its university/think tank component it shows a steep, steady annual rise from 2009 to 2011, both by commitment and disbursement, in the flows of ODA, OOF, grants, equity investments and loans.

Nonetheless, several serious shortcomings remain. CRS data are not adequately comprehensive, particularly concerning multilateral organizations and especially foundations, as almost all the largest foundations (including Hewlett, Ford and Rockefeller) are left out. Moreover, it is not possible to identify whether the funding flows (in whole or in part) to a

<sup>4</sup> This analysis relies on a review of public documents, publicly available databases and follow-up conversations.

grantee that is located in the south, that is independent and that is a research institution or think tank as distinct from a university, college or teaching entity. Efforts to do so require a review and detailed knowledge of each grant and grantee identified in the database and even then do not produce confident results.

### Alternatives to the Credit Reporting System

There have been several efforts to develop other central repositories of donor data. All have largely relied on OECD data as their foundation, with a few new categories added.

The most recent is the International Aid Transparency Initiative (IATI). It is the only exercise to seek independent data in principle, with a common exchange form for data as its aim. After two years of effort, most of its data fields are the OECD ones. It has an additional 14 fields focused on data that would be useful to developing country governments for budget and planning purposes. In the future, it may be housed at either the OECD or a consortium managed by UNDP.

None of the projects unrelated to the OECD seems suitable for developing into an alternative to CRS. However, they demonstrate the demand for improved reporting on financial data beyond what CRS provides. IATI may also provide a useful platform on which to build, especially given the involvement and interest of both the Hewlett and Gates foundations.

### The Department for International Development Case

One of the most committed and largest bilateral government donors is the UK (see Appendix E). Its funds flow from several departments, led by DFID.

Among bilateral donors and present and prospective donors to STTs, both within and outside TTI, DFID is particularly important, given the public commitment of the current UK government to ring-fence ODA to protect it from cutbacks in government spending and to raise ODA to the target of 0.7% of gross domestic product by 2015.

**Internal Data** —A preliminary analysis reveals that DFID does not have, nor is it able to assemble easily, comprehensive data for all its funding to STTs. Funding is spread throughout individual country programs and central research contracts,

with no single point person. The office responsible for TTI does not have such comprehensive financial data.

This leaves two possible ways to assemble and access such information. The first is through DFID's internal database ARIES. It has not proven useful for reliable management information even in regard to DFID funding of UK research institutions. The second is through a request for information through cabinets or DFID's Public Inquiry Point, which is likely to be slow and encounter the internal deficiencies noted above.

The UK government reports that between 2011 and 2012, the UK's gross public expenditure on development totalled £8,950 million. Of this, DFID's aid program constituted 87%, or £7,682 million (DFID 2012b).

**External Data** —DFID reports all its data to CRS. The information is available as a potential source of reliable, comprehensive, comparable financial data on overall UK and individual DFID funding of STTs. The quality in regard to STTs remains subject to the constraints identified above.

It is possible to use CRS's Aid Activities dataset to identify commitments from all UK departments and from DFID itself to the universities/think tanks component of the "other" channel. CRS also shows the UK's overall aid activities reported by CRS and by the UK government's equivalent, with the latter reported in British pounds sterling.

In contrast to the steady increase in overall development funding from 2007 to 2011 according to UK internal data, CRS data show great variation, with a peak in 2009 and a sharp fall in the following two years. This suggests there are serious problems in calculating simple ratios for ODA for northern and southern think tanks.

A more meaningful set of conclusions can be drawn from the specific CRS data in the "other" channel and its university/think tank component. Here the percentage of overall funding for university/think tanks increased from nothing in 2009 (the first year of reporting) to 1.03% in 2010 to 2.5% in 2011. A similar steep increase comes in its share of the "other" channel, which itself experienced a rise. This sharp spike from 2010 to 2011 is consistent with the majority of survey

respondents who reported that the quantity of funding they have received has recently increased.

### The Bill and Melinda Gates Foundation Case

The Gates Foundation stands out as centrally important for a case study, given its sheer size of funding, its status as a TTI partner and its position as the only foundation to supply its donor financial data to the OECD's CRS (see Appendix F).

**Internal Data** —The Gates Foundation publishes its own financial data in its annual reports, which are available from 1998 to 2011, accompanied by an annual letter from Bill Gates. It also publishes its grants database on its website, which is searchable by program, issue, year and region.

In the 2010–11 annual report, program areas were identified as global development, global health, United States, strategic media partnerships, and policy and government affairs. Funding for “policy and advocacy” was included within global development, global health and United States program areas and within specific projects. However, this information cannot be easily totalled and it is not possible to identify funding allocated specifically for “policy research” in the south and to STTs.

An examination of the foundation's grants database reveals several limitations in terms of identifying funding for STTs. It does, however, contain data for 2013, which is timelier than most other data sources used in this study. The limitations lie in the lack of specificity. Grants awarded specifically for research are found in all programs in the “Research and Development” issue area. It is not possible to identify grants awarded to STTs, as the region category refers to the location where the activities are being carried out and not necessarily the location of the institution.

**External Data** —Detailed, more internationally comparable public data on the Gates Foundation's investments in STTs is contained in CRS. Since the foundation is not an “official” donor, its investments are not technically ODA and are listed under private grant flows.

CRS reports for the Gates Foundation show that total flows declined slightly from 2009 to 2010 but then doubled in 2011 to more than \$3.1 billion. In both the “other” and university/

think tank channels, the decline from 2009 to 2010 was significant, before the substantial increase in 2011.

### The William and Flora Hewlett Foundation Case

The Hewlett Foundation stands out as an appropriate candidate for a case study given its status as the catalytic pioneer of the TTI, its dedication to the use of data for public policy research and impact, and the size of its funding overall (see Appendix G).

**Internal Data** —The Hewlett Foundation's funding for its Global Development Program rose to \$87 million in 2011. Moreover, while the number of international (outside the United States) grants declined slightly, the number to developing countries rose, from four in each of 2008 and 2009 to 12 in 2010 and 10 in 2011. The total amount of funding to developing countries increased steadily from \$4.6 million in 2008 to \$8.96 million in 2011, with a doubling between 2008 and 2009 (due to \$4 million grants to the Center on Budget and Policy Priorities in Washington DC and the Revenue Watch Institute).

It is difficult to determine how much funding to developing countries goes to STTs in those countries. Grants listed under developing countries can go, at least in the first instance, to institutions located in the north. In 2011, the most recent year for which data are available, all 10 grants listed under developing countries went to northern institutions, although two have offices in the south (in South Africa and Ghana).

**External Data** —Because the Hewlett Foundation does not report its funding data to CRS, no comparable external data are available.

### Conclusions

There has recently been considerable progress in building a comprehensive, reliable, timely, detailed, appropriately coded and openly accessible public database for analyzing and improving the quantity, quality and diversity of funding for STTs. The OECD's CRS added its “other” and university/think tank channel codes in 2008, and an increasing number of bilateral and multilateral organizations now contribute to it, often in the appropriate way. Among the foundations, Gates is also contributing its data now.

Nonetheless, several severe shortcomings stand out. CRS data are not timely, with data for the most recent year reported almost one year later. The database is still not comprehensive, with many big emerging bilateral donors not providing data in sufficiently disaggregated form, many multilaterals still missing and all the foundations save Gates left out. These omissions are particularly important as the “age of austerity” threatens to reduce funding to STTs from the traditional DAC members that reliably report. Finally, it does not allow users to identify easily and confidently any funding flowing to STTs or to match the data reported by donors and STTs.

These deficiencies make it difficult to determine whether the overall priorities and objectives reported by major bilateral, multilateral and foundation donors actually flow through to funding for STTs. In general, donors publicly affirm the importance of STTs and funding them. In practice, however, the available data on their processes for measuring financial flows suggest they do so only to a significantly lesser degree.

## 6. Recommendations

This section offers recommendations about how TTI could continue to influence the global landscape to support resources for developing country research.

At present, it is difficult for donors to assess the overall flows, impact, return on investment and best use of their investments. It is also very difficult for grantees and all stakeholders, including the current TTI partners, to identify and convince the most promising potential providers of the need for more diversified, higher quantity and quality grants. Several steps could improve the quality and use of funding data, the identification and professionalization of STTs, and generally strengthen the case for supporting STTs.

### Priority Recommendations

01. Conduct a comparative case study of the return on donors’ investment in terms of policy impact. It is desirable to develop a new approach to identifying more reliably the actual, ultimate impact of STTs’ research and thus the full return on donors’ investment. This approach could take the form of a mid-level structured, focused comparison, still suitable for quantitative analysis. It would stand between the high-level aggregate survey of grantees’ experience and donor financial flow data from common intermediaries on the one hand, and the three case studies of key grantees (DFID, Gates, Hewlett) on the other. Beginning with the survey reports of successes and responsible success factors, it would next systematically identify enough cases to permit multiple regression analysis of “most influential projects,” identify and relate dimensions of the funding, projects, success factors and policy impact as reported by grantees. It would then, through a survey, phone conversations and/or field research, independently and directly verify with those reported to be influenced, the character and causes of their policy change, including the work of STTs in the context of other factors. This would thus introduce a third category of actor — those influenced — to provide a more complete and reliable account that would directly measure, cover and connect the three stages from donor funding (of a particular quantity, quality and diversity), grantee activity (capacity,

processes, products, dissemination and advocacy), and policy influence, impact and desirable results. It could be supported by donors' assessments of results such as learning, outputs and outcomes and by information from accountability processes.

02. TTI donors could use their own grant application forms, their required grantee reports and their periodic PME exercises, to identify the ultimate grantees as well as the institutions initially receiving their funds. This would help close the gap between the initial grantee, which might be a northern institution, and the subcontracted STTs or chain of STTs. This should be done in ways that limit the additional burden of reporting requirements for grantees.
03. The International Development Research Centre (IDRC) and its TTI partners could develop and operate a common website where STTs can self-report their existence, identity, contact information and basic data. This should be done with minimum verification and quality control of the information provided. All stakeholders could thus more easily see the richness of the global STT pool, and match prospective donors and grantees working in specific locations.
04. TTI partners and others should develop the three narratives that increasingly appeal to donors: democratic development, good governance and the post-2015 MDGs. Each narrative could be matched to the most likely donor.
05. In developing a "TTI2," TTI partners should seek to add a southern partner or a multilateral organization that would thus indirectly represent STTs. Of particular benefit would be one associated with the UN, such as UNDP. A southern foundation, such as the Mo Ibrahim Foundation or Sir Dorabji Tata Trust would be also useful.
06. TTI partners should develop a more common, updated and extended definition of an STT. This definition should be acceptable to and increasingly used by the TTI partners, not only for their own activities but also for their other support to STTs. Such a definition would be designed to serve as a basis for more comparable, detailed, reliable coding frameworks and operations. Those reporting to and managing CRS could be encouraged to use this definition in the longer term.
07. IDRC and its TTI partners should resurvey grantees in about a year's time. The survey should be extended beyond the initial 740 recipients through a more systematic search of, for example, TTI partner reports of non-TTI grantees and applicants and of the existing CRS channel and other appropriate codes. The improved survey could be conducted in languages beyond English, French and Spanish to secure a better response rate and data from STTs working in, in particular, Chinese and Portuguese. This would improve the reliability and comprehensiveness of the results and their capacity to convince the most promising donors to act in the desired ways.
08. Conduct an analysis, guided by the existing or emerging definition of STTs, that combines the existing CRS channel code for universities/think tanks with the older, appropriate codes to identify the similarities and overlaps, including which recipients appear in both. This could be the basis for a broader extrapolation of overall changes in STT funding. A similar exercise could use the Gates Foundation's activity code for policy and social science research, in the case of its grantees.
09. Encourage the Hewlett Foundation and other major foundations to report their donor financial data to CRS. The Gates Foundation could advise and assist new entrants on the conversion coding process and on more efficient and valuable ways in which it could be done. More comprehensive data, especially from large, growing or new foundations, collected in standardized form in a single place, would benefit all stakeholders.

### Short-Term Recommendations

#### Improving Donor Data —

It is highly desirable to improve detailed, reliable, comprehensive, comparable, timely donor data, so that present and potential donors can assess trends, grantees can

search for new and better funding, and all stakeholders can identify the results the investments.

**Improving STT Self-Identification, Professionalization and Partnership—**

The value of better defining what an STT is, especially as they grow in number and diversity, extends from the donors to the grantees themselves.

10. IDRC and its TTI partners should improve and reissue annually the survey of STT grantees. At a minimum, this would provide an additional stream of timely bottom-up evidence about changes in funding. Such a repeated survey could be adjusted, without compromising over-time comparability, to reflect the aforementioned refined definition of STTs. It would improve the ability of analysts to close the gap between top-down and bottom-up reported data.

**Securing an Enhance Diversity, Quantity and Quality of Funding —**

When donors are more aware of and confident in the capacity and impact of STTs, the case for more and better funding, especially for core support, can more easily be made.

11. TTI partners should signal their openness or even willingness to commit to a TTI2 more strongly at a particular level and for particular purposes, or at least indicate their confidence that their TTI investments have had the desired results. This would provide momentum and a basis on which to build and bring in others.

**Medium-Term Recommendations**

Additional recommendations are appropriate for the medium term, given their greater ambition, resources, actors involved and time to put into effect.

**Improving Donor Data —**

12. Encourage more bilateral and multilateral donors, as well as foundations, outside the current CRS reporting constituency to provide disaggregated data using the same or similar codes, including channel codes, to CRS. The many UN and major international financial institutions already provide a base and can provide advice.

13. Encourage more foundations, starting with Gates, to report to IATI, with Hewlett in the lead as the advisor. IATI could be encouraged to develop its codes and data in a ways that more easily identify STTs.

14. Consider developing a central comprehensive source that is managed by and focused on foundations as donors, rather than governments in bilateral or multilateral form. One possibility is to develop the U.S.-based Foundation Center's database to include funding to STTs specifically and to internationalize it to include foundations beyond the United States. It could cooperate with CRS to provide a more comprehensive data set. It would also be useful to develop equivalents to the Foundation Center abroad.

**Improving STT Identification, Professionalization and Partnership —**

15. Ask self-reporting grantees to progressively report more detailed financial and other data to the new globally comprehensive website. These grantees could form the basis of a professional association of STTs, with several functions including certification or accreditation over time. Such an association could assume responsibility for managing the website.

**Enhancing the Diversity, Quantity and Quality of Funding —**

16. Move beyond the geographic specialization or division of labour to add a functional or sectoral one to TTI2. For example, NORAD could be asked to lead on natural resource management and Brazil to lead on the post-2015 MDGs.

**Long-Term Recommendations**

Given the relative comprehensiveness of CRS, the absence of any serious alternatives and the heavy reliance of both DFID and the Gates Foundation on it, the recommendations arising from the analysis of donor financial data begin with and focus on improving the use and quality of that system. The three TTI partners — DFID, Canada through IDRC and the Netherlands — that are influential members of the OECD's DAC could take the initiative in requesting the required changes.

17. Encourage grantees, starting with those funded by TTI, to report financial data directly to CRS. This could be done initially on a voluntary basis, and subsequently as a condition of the grant, assuming additional funds from the donor would cover the grantees' added costs. It would increase the validity and comprehensiveness of CRS data, help close the top-down/bottom-up gap, and encourage and educate grantees to use CRS to help identify new donors.
18. Consider the benefits and costs of improving the timeliness of CRS data, namely the current eight-month lag between data for one year and the time it is publicly available. Resource requirements should be affordable.
19. Consider the benefits and costs of dividing the CRS 51000 channel code into its "university, colleges and other teaching institutions" and "research institutes and think tank" components. This division, which has been previously discussed at the DAC, would have to be done with sufficient care to capture the research component of the first category in the second, to verify the independence of the research institution or think tank, and to render STTs and their networks distinct from those in the north. Because the disbursements through the existing code and the larger "other" category are the lowest of all tracked channels, OECD members may resist such a division, but this change could easily and inexpensively be accomplished if championed by a coalition of countries, given the other proposals being advanced. The three TTI bilateral donors, aided by Australia and Norway, could lead.
20. Consider the benefits and costs of adding to CRS the most relevant and valuable codes used by TTI partners, such as the Gates "policy and social science research" activity code, in a way that reinforces the value of its purpose and channel codes.
21. Encourage governmental grantees to report to CRS and IATI in ways that help identify funds going to genuinely independent STTs.

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**Appendix A: Documentary Review of Donor Objectives.** N = 32

<b>COUNTRIES, n = 18</b>	<b>Author</b>
Argentina	AZ
Australia	
Brazil	FR
Canada	JFK
China	CB
European Union	MM
France	JFK
Germany	JFK
Italy	JFK
Japan	CB
Korea	CB
Mexico	CB
Netherlands	JFK
Norway	CB
Russia	CB, EO, MR
South Africa	CB
United Kingdom	CB, KK
United States	CB
<b>MULTILATERAL ORGANIZATIONS, n = 6</b>	
Africa Development Bank	AZ, JFK
Asian Development Bank	AZ, JFK
Inter American Development Bank	JFK
Islamic Development Bank	JFK
United Nations Development Programme	JFK
World Bank	JFK
<b>FOUNDATIONS, n = 8</b>	
Aga Khan	JFK
Carnegie	JFK
Clinton	JFK
Ford	JFK
Gates	CB
Hewlett	JFK
Open Society	JFK
Rockefeller	JFK

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## Appendix B: Expert Consultations. N = 18

**BILATERALS, n = 4**

Australia  
Russia  
United States United Kingdom

**MULTILATERALS, n = 6**

Inter American Development Bank  
International Monetary Fund  
Organisation for Economic Co-operation and Development  
UNICEF  
United Nations  
World Bank

**FOUNDATIONS, n = 5**

Ford  
Gates  
Hewlett  
Open Society  
Rockefeller

**NORTHERN THINK TANKS, n = 3**

American Institutes of Research  
Brookings Institution  
International Peace Institute  
Woodrow Wilson International Center for Scholars

**Note:** Includes organizations with which there was at least one consultation. Does not include email correspondence.

## Appendix C: Grantee Survey Methodology and Response.

To assess grantees' experience, a survey was constructed and sent by Survey Monkey in English, French and Spanish to a total of 740 southern think tanks (STTs) from a list assembled through several sources, primarily as follows:

- Current TTI grantees
- STTs with an expressed interest in the TTI program
- STTs identified in the initial expert consultation
- STTs in the appropriate categories in "The Global Go To Think Tanks Report 2011" used by Jim McGann at the University of Pennsylvania\*
- STTs identified by survey respondents in a dynamic "snowball" technique.

The survey first went into the field on January 7, 2013. As of February 14, 2013, 35 days after electronic distribution began, 178 responses had been received, for a response rate of 24.0%. This response rate compares favourably with similar surveys.

The robust response rate and linguistic distribution of the responses, both in itself and in relation to the linguistic distribution of the completed surveys, justifies the value of this method and provides considerable confidence in the validity of the results. As usual, the results must be interpreted in the light of question wording, question ordering, speed, duration and completeness of response, and subsets (by language, by country and geographic region, by Think Tank Initiative [TTI] grantees versus TTI applicants versus University of Pennsylvania nominations versus expert consultations versus best survey snowball, and by other categories

contained within the survey itself). Categories such as the age or size of the grantee institution were not contained within the survey but where relevant were identified from further research, including in follow-up telephone conversations with survey respondents.

The analysis of the responses to each question follows.

The 178 individual responses to Question 1 represented a 100% response rate for that question, of which 96% (170) were usable. By language, the 178 responses were distributed as follows: English 75% (134), Spanish 19% (34) and French 6% (10). Hence, they were sufficiently representative as a whole and robust in each category to allow for a meaningful identification of trends. However, some French- and Spanish-speaking respondents filled in the survey in English, so the linguistic distinction is not a pure one.

By country, the 170 usable responses came from individuals from institutions in 40 countries. They were led by those in India with 12% (20), followed by Nigeria, Kenya and Bolivia with 7% (12) each; Peru with 6% (10); Ghana and Ecuador with 5% (9) each; South Africa and Senegal with 5% (8) each; and Uganda and Pakistan with 4% (7) each. The responses thus covered a large number and broad range of developing countries, with the strongest representation from the most populous ones in general terms.

By geographic region responses were as follows: Africa 45% (76), Americas 28% (47), Asia 25% (43), and less than 1% each for other (2) and unknown (2). The responses thus were weighted toward Africa, the poorest continent, with a strong and somewhat balanced representation from the big three broad regions.

Methodologically, these country and geographic distributions provide considerable confidence in the representativeness of the results, as the best easily available check in the absence of reliable data about the number of STTs and their geographic distribution.

Substantively, they suggest that a large number and broad geographic range of STTs are sufficiently capable and committed to respond to the survey, and thus a prima facie case for support of their work from a large and geographically diverse donor base.

By TTI status, 19% (30) respondents were grantees and 81% (130) were not, while the status of 10 was unknown. Thus a majority of the 50 TTI grantees responded. There are sufficient numbers in both TTI and non-TTI categories to permit comparisons among the two groups. However, the overall numbers and thus results are dominated by the non-TTI universe. The large number of non-TTI southern think tanks sufficiently capable and committed to respond again provides a prima facie case for broad donor support, beyond what TTI is currently able to provide.

By individual-institutional overlap, 11 institutions provided more than one response. In three of these institutions there were relatively complete responses from different individuals. A comparison of their responses shows a high degree of consistency in questions where they should have known and thus provided the same information. The responses from the seven individuals from the three organizations who answered Question 6 on whether funding had increased or decreased — the question where the greatest consistency among individuals could be expected — has an inter-coder reliability score of 100%. This robust degree of internal reliability increases confidence in the quality of the results.

\* Jim McGann (2012), "The Global Go To Think Tanks Report 2011," Think Tanks and Civil Societies Program, University of Pennsylvania, January 18. <http://www.gotthinktank.com/wp-content/uploads/2012/01/2011GlobalGoToThinkTanksReport-UNEditionWITHOUTLETTER.pdf>

**Appendix D: Funding Reported to the Creditor Reporting System.**

From All Donors to All Recipients, 2008–2011

Flow	Flow Type	2007	2008	2009	2010	2011
Channel "Other" total						
ODA	Commitment	5,935.73	7,764.10	13,094.92	11,800.86	13,287.57
ODA	Disbursement	4,163.32	10,280.49	9,959.64	14,750.29	15,871.92
OOF	Commitment	1,138.75	1,389.17	5,537.14	5,057.76	7,553.25
OOF	Disbursement	770.06	866.28	5,214.86	4,204.66	5,394.88
Grant	Commitment	5,428.61	6,988.32	12,072.13	9,418.28	11,889.89
Grant	Disbursement	3,690.81	9,635.91	9,318.42	12,609.93	14,447.83
Equity inv	Commitment	498.31	775.78	504.83	1,246.91	1,288.08
Equity inv	Disbursement	463.11	640.41	463.10	1,149.06	1,162.17
Loan	Commitment	8.80	0.00	517.96	1,135.67	109.60
Loan	Disbursement	9.40	4.16	178.11	991.31	261.92
Channel "Other" Think tanks						
ODA	Commitment	0.00	0.00	0.00	2,004.45	2,913.68
ODA	Disbursement	0.00	0.00	10.55	1,190.53	1,632.81
OOF	Commitment	0.00	0.00	0.00	0.00	0.00
OOF	Disbursement	0.00	0.00	0.00	0.00	0.00
Grant	Commitment	0.00	0.00	0.00	2,004.34	2,913.68
Grant	Disbursement	0.00	0.00	10.55	1,191.95	1,595.44
Equity inv	Commitment	0.00	0.00	0.00	0.10	0.00
Equity inv	Disbursement	0.00	0.00	0.00	0.05	10.71
Loan	Commitment	0.00	0.00	0.00	0.00	0.00
Loan	Disbursement	0.00	0.00	0.00	0.00	29.89

**Notes:**

Current prices (USD millions)

ODA = official development assistance. OOF = other official flows. Equity inv = equity investment.

"All donors total" category includes all members of the Development Assistance Committee (DAC), multilateral organizations, non-DAC countries (of which there are four) and private donors (of which the Gates Foundation is the only one to report). Under channel "Other" the total commitments, in USD millions, were as follows:

2009: 13,094.92

2010: 11,800.86

2011: 13,287.58

## Appendix E: United Kingdom Funding.

Julia Kulik

### E-1: All United Kingdom Commitments to All Countries

	Global Development Disbursement	Credit Reporting System				
		Total Aid Activities	"Other" Channel		"University/Think Tank" Channel	
	BPS	USD	USD	%	USD	%
<b>2007</b>	4,921.00	5,711.47	N/A	N/A	N/A	N/A
<b>2008</b>	6,356.00	7,735.58	N/A	N/A	N/A	N/A
<b>2009</b>	7,223.00	10,836.49	190.20	0.00	0.00	0.00
<b>2010</b>	8,452.00	5,101.78	1,117.55	1.03	52.53	4.70
<b>2011</b>	8,570.00	3,941.80	1,175.70	2.52	99.44	8.46

Sources: Organisation for Economic Co-operation and Development (2013); Department for International Development (2012a).t

### E-2: "University/Think Tank" Commitments by the United Kingdom

	Commitments (USD millions)			
	2008	2009	2010	2011
<b>Bolivia</b>	0.0	0.0	0.0	0.0
<b>Ethiopia</b>	0.0	0.0	0.7	1.0
<b>Ghana</b>	0.0	0.0	0.5	0.7
<b>India</b>	0.0	0.0	2.6	2.0
<b>Kenya</b>	0.0	0.0	0.7	3.3
<b>Nigeria</b>	0.0	0.0	2.7	2.9
<b>Pakistan</b>	0.0	0.0	0.4	0.5
<b>Uganda</b>	0.0	0.0	0.4	5.1
<b>Total</b>	0.0	0.0	8.0	15.5

#### Notes:

Survey respondents from indicated countries listed the United Kingdom Department for International Development (DFID) as a donor. Includes funding from DFID, the Foreign and Commonwealth Office, and other departments.

## Appendix F: Bill and Melinda Gates Foundation Funding.

### F-1: Funding Listed in the Creditor Reporting System

Julia Kulik

	Overall	"Other" Channel	"University/Think Tank" Channel	% of Overall Funding
2009	1,912.62	707.46	640.19	33.48
2010	1,641.63	345.76	284.98	17.36
2011	3,139.68	904.90	762.44	24.28

**Notes:** Figures in USD millions.

### F-2: Funding listed on the Gates Foundation Annual Reports.

Caroline Bracht

Period	Total Grants Paid (USD)
2010–2011	3,208,166
2009–2010	2,470,345
2008–2009	3,045,194
2008–2007	2,800,144

**Notes:**

Figures are taken from annual reports, which are accompanied by an annual letter from Bill Gates. These reports are published on the Gates Foundation website at <http://www.gatesfoundation.org>.

In the 2010–11 annual report, program areas were identified as global development, global health, united states, strategic media partnerships, and policy and government affairs.

Funding for "policy and advocacy" is included in the program area and within a specific project. It cannot be easily assembled into a total.

It is not possible to identify the funding specifically allocated to policy research.

## Appendix G: William and Flora Hewlett Foundation Funding

Julia Kulik

	Overall Funding (USD)	Global Development Funding (USD)	Number of International Grants	Developing Countries	
				# of Grants	Amount (USD)
<b>2008</b>	784,522,000	62,000,000	90	4	4,641,000
<b>2009</b>	235,100,000	50,000,000	69	4	8,050,000
<b>2010</b>	205,273,667	52,000,000	69	12	8,026,200
<b>2011</b>	202,844,000	87,000,000	59	10	8,960,000
<b>2012</b>	N/A	N/A	N/A	N/A	N/A

### Notes:

N/A = Not available

Overall Funding = all grants in all programs in all regions.

Global Development Funding = grants awarded in the both the Global Development Program and the Global Development and Population Program.

Number of International Grants = Grants categorized as “international” and “developing countries.”

Numbers reported under Global Development Funding are not exact..

## Appendix H: Matching Donor Data to Grantee Reports

It is possible in principle and desirable in practice to match donor data reported from the “top” with grantee data reported from the “bottom.” This exercise should start with the biggest donors, recipients and donations, where such data would be most likely to be reliably recorded and reported. Both top-down data sets should match the data provided by survey respondents when asked to list their major donations, by the amount and the identity of the donor.

This appendix thus provides an attempt to match the data contained in the Credit Reporting System (CRS) published by the Organisation for Economic Co-operation and Development (OECD) with the information publicly provided by the United Kingdom’s Department for International Development (DFID), the Bill and Melinda Gates Foundation and William and Flora Hewlett Foundation and with the information provided in the online survey of southern think tanks (STTs) conducted for this study (see also appendices D–G).

### United Kingdom Department for International Development

In the case of the UK as a donor, 14 institutions from eight countries (Bolivia, Ethiopia, Ghana, India, Kenya, Nigeria, Pakistan and Uganda) reported that they had received DFID grants “recently.” Not a single match was found in the university/think tank channel of CRS. CRS contained no grants to any “think tank” grantees in the eight countries in 2008. In 2011 \$15.9 million was granted to think tanks in all eight countries, but there was no reference to any of the survey respondents that had reported receiving grants.

However, a few respondents that reported DFID funding appeared in CRS under channels other than the university/think tank one. For example, in 2009, DFID gave a grant to a survey respondent that was categorized under channel code 10000 “public sector (donor-recipient other)” and another respondent’s grant was classified under channel code 20000

“local/regional NGOs” (non-governmental organizations). There were no matches in any channel codes in 2011, the most recent year for which CRS data are available and that could overlap the “recently” that the survey specified.

While it is tempting to conclude from the data reported in Appendix E-1 that from 2010 to 2011 the UK doubled its funding to “university/think tanks,” the absence of any match between donor top-down and grantee bottom-up reports suggests caution is appropriate in this regard. Rather, the gap points to the unreliability of CRS data, especially for extrapolating broad trends.

### Bill and Melinda Gates Foundation

No match was found between the donor-reported data in CRS for 2009–2011 (the latest year for which data are available) and the three grants referred to in the survey (one each from Ghana, India and Peru) as “recently” received. As OECD data for 2012 will not be available in the CRS until the autumn of 2013, this top-down/bottom-up gap shows at a minimum a lack of timeliness in the OECD’s database.

A further search of CRS showed that one of these three STTs was listed as having received two grants from Gates in 2009, but none in 2010 or 2011. However in 2009, both its grants were listed under the channel code of “local/regional NGO” rather than the “university-research institution” one. This could point to the STT receiving its most recent grant for a more visible research purpose, but also could reveal problems of arbitrary or misclassification, or to the STT engaging in both advocacy and research (as the survey shows that most simultaneously do). Because funds intended for advocacy purposes or programs of one institution often support the production and impact of that institution’s research (as the survey results also show), securing a comprehensive overview of STT funding from CRS would require manually reviewing the unstandardized, free-form project descriptions of each grant listed in

several channel codes to identify from, if and to what extent the grant covers or supports research.

The Gates Foundation database contained details for the all three survey respondents that cited the foundation, including one grant that was awarded in 2013. Moreover, for one respondent it was possible to match the grant to the exact amount reported in the survey. There is also a record of grants made to the grantees in 2009 and earlier. However, this search did reveal that not all grants awarded to STTs are classified under the “Research and Development” issue area, which makes them difficult to track. Thus, identifying all grants to STTs and the total amount of funding requires examining all grants in the entire database.

### William and Flora Hewlett Foundation

It is easy to search the Hewlett database by institution receiving grants and thus to search for the one survey respondent that reported “recently” receiving funding from the foundation. That institution was indeed reported in 2011. However, it was listed not under the Global Development Program or the Global Development and Population Program, but under Population, although, according to the foundation’s annual reports the Population Program and the Global Development Program were merged that year.

Several concerns arise about the existing grants database on the Hewlett Foundation website. In the foundation’s annual reports its work with think tanks and the TTI is found in the sections on the Global Development Program from 2007 to 2010 and on the Global Development and Population Program as of 2011. However, there is no way to filter the database results to include only think tanks. Thus, it is unclear which program to choose in order to find the grants given to think tanks, which means it is necessary to search all grants in all programs and then identify which grantees are think tanks and which region of the world they originate from.

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Another concern arises from the regional classification. There are three overall categories: “any,” “international” and “United States.” The international category contains subsets including Africa, Antarctica, Asia, Argentina, Brazil, Canada, Egypt, England, Europe, Ghana, India, Latin America and Caribbean, Netherlands, Northern America, and Oceania. It does not, however, include grants categorized as “developing countries,” which appear only when the “all” option is selected. Examination of the grants categorized as developing countries shows that they are not necessarily grants to institutions in a developing country but are northern institutions conducting work in developing countries. Selecting the regional subsets under the international option yielded no results. Thus, within this database it is not possible to search specifically for grants awarded to organizations that originate from developing or southern countries.



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