

**EFFECTIVENESS OF THE BIG LOTTERY FUND'S INTERNATIONAL
SMALL GRANTS (ISG) PROGRAMME IN EQUIPPING APPLICANTS
TO MAKE SUCCESSFUL APPLICATIONS TO LARGER GRANT
PROGRAMMES**

**REPORT FOR
THE POLICY AND PARTNERSHIP DIRECTORATE of
THE BIG LOTTERY FUND**

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EFFECTIVENESS OF THE BIG LOTTERY FUND'S INTERNATIONAL SMALL GRANTS (ISG) PROGRAMME IN EQUIPPING APPLICANTS TO MAKE SUCCESSFUL APPLICATIONS TO LARGER GRANT PROGRAMMES

EXECUTIVE SUMMARY

Background & Purpose

In 2006, the Big Lottery Fund (BIG) introduced an international small grants programme (ISM) alongside a demand-led programme (International Communities and Tsunami) and a strategic programme (International Strategic). With grants ranging from £500 to £10,000, the programme gave organisations the opportunity to research the feasibility of conducting projects in Africa, Asia, the Middle East, Central and South America, the Caribbean or Eastern Europe outside the EU.

BIG anticipated that this preliminary work around evidencing need and project planning would then enable organisations to make a successful application to BIG's International Communities & Tsunami (IC&T) programme (launched in March 2006) for more substantial funding (£50,000 to £500,000) to facilitate the implementation of their project.

The aim of this report is to explore the effectiveness of BIG's international small grants programme in equipping applicants to make successful applications to larger grant programmes, in particular the International Communities & Tsunami (IC&T) programme.

Using the MERLIN database, assessment reports prepared by BIG assessment officers, and the results of a survey undertaken with ISM applicants in September 2008 (48 % response rate), the report reviewed:

- the profile of the organisations in receipt of ISM grants
- the success rates of ISM grant holders applying to IC&T programme
- ISM grant holders' views on the value of ISM.

Key Statistics

- 62 organisations were awarded ISM grants.
- 44 ISM grant holders (71%) subsequently applied to IC&T (Stage 1) and between them made 64 applications.
- Five of the organisations successfully completed IC&T Stage 1 and were eligible to apply to Stage 2. Two of the organisations had two successful bids each, therefore seven applications were taken to Stage 2.
- The most common reasons for rejecting applications were for being outside of the programme policy, the project was poorly or insufficiently planned, and there was inadequate evidence of need or of consultation.

Conclusions

- 72% of small grant holders surveyed considered that the opportunity the small grant provided for them to do preparatory work was extremely useful when applying to the IC&T programme. They cited their ability to strengthen partnerships, develop skills, and build a reputation in the delivery country as particularly beneficial.
- The survey of ISM grant holders identified that further support would be welcome when drawing up a Stage 1 application – either with more access to BIG assessment officers or a mentor who is familiar with the proposed location or focus for the project. Some applicants would have also liked clearer guidance on the information required to complete the application process.
- Overall, the ISM programme did not equip smaller organisations to make successful applications to the larger IC&T programme. Over half of the small grant holders who applied to IC&T (Stage 1) failed to meet the programme criteria and submitted poorly planned projects. This demonstrates a lack of understanding of the grant-making process and experience in project development.
- Despite BIG funding needs research via ISM, a high proportion of applications were rejected due to their inability to provide a strong enough evidence base to support a full-scale project under IC&T. This suggests that the quality of the preparatory research undertaken was lacking in quality and substance.
- The proximity of the closing dates of the two grants programmes may have hindered ISM grant holders who were not due to finish their grant and submit their final report until close to – or even after – the closing date for the IC&T programme. The lack of time to reflect on how best to use the findings from the ISM study may have affected the quality of some applications.
- Those small grant holders that were successful at Stage 1 had a level of maturity, with the youngest having been legally constituted as an organisation for eight years. All had received between 4-6 international grants each from one of BIG's predecessor organisations - the Community Fund.
- The data suggests that these successful organisations have outgrown the definition of a small charity or NGO, and their staffing levels and annual income make it more likely that they possess the knowledge, skills and experience required to conduct effective feasibility studies prior to embarking on large-scale project development, with an organisational infrastructure to support the application process.

Recommendations

- BIG should consider whether a small grant for needs research is sufficient to equip inexperienced organisations with the breadth of skills required to submit competitive applications for medium-sized grant programmes such as IC&T. Since this study suggests that more support is required, BIG should consider whether and how it can reasonably raise the capacity of smaller organisations to compete for larger grants programmes

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- Support in developing the skills to design an appropriate methodology and deliver the research 'on the ground' (for example via a training workshop or mentor system) may result in a more effective use of a small grant which funds research and analysis, and enable grant holders to apply for funds to operationalise their project.
 - BIG should co-ordinate the closing dates of complementary programmes to allow organisations time to reflect on their learning from a small grant before submitting a subsequent application to a larger programme.
 - BIG should review Guidance Notes to ensure these are clear to less experienced applicants.

1 INTRODUCTION AND PURPOSE OF RESEARCH

This research was carried out in October and November 2008. Its purpose was to determine the effectiveness of BIG's international small grants programme in equipping applicants to make successful applications to larger grant programmes, and in particular to:

- profile the organisations that received grants under the International Small Grants programme (abbreviated to ISM) and to explore their views of the programme
- review success rates of ISM grant holders when applying to Stage 1 of the International Communities and Tsunami programme (IC&T)
- understand the reasons why ISM organisations may have been unsuccessful when applying to IC&T and identify any factors that appear to have facilitated success

Data sources for this research were provided by the Policy and Partnership Directorate at the Big Lottery Fund (abbreviated to BIG). They include data extracted from its MERLIN database, and the results of a web-based survey that was sent to the organisations that were funded by ISM.

2 BACKGROUND

International Small Grants and International Communities & Tsunami Funding Programmes

The International Programme launched in 2006, is a £72 million programme that funds UK organisations to undertake projects which tackle the causes of poverty and deprivation in order to bring about a long-term difference to poor and marginalised communities around the world. It consists of the International Small Grants programme, the International Communities and Tsunami programme, and the International Strategic programme.

In July 2006, BIG launched the ISM programme. With a total budget of £500, 000, its purpose was to provide funding for small and medium sized UK based NGOs to work in partnership overseas in order to research the feasibility of conducting projects in sub-Saharan Africa, Asia, the Middle East, Central and South America, the Caribbean or Eastern Europe outside the EU.

With grants ranging from £500 to £10,000, ISM gave organisations the opportunity to undertake preliminary field work and feasibility studies, make contact with the relevant local communities, and develop local partnerships. This funding could not be used for actual project or pilot activities. The grants were available between July 2006 and June 2007 and the grant was to be taken up within four months of notification of success and to be used within a 12-month period.

BIG anticipated that this preliminary work to evidence the need and plan the project would enable the organisations to make competitive applications to the IC&T programme for more substantial funding to facilitate the implementation of their projects.

IC&T was launched in March 2006. As described above, it complemented the ISM programme by funding work in the same geographical regions but it also contained a second strand of funding

to address distress in regions affected by the Tsunami. Its Guidance Notes outlined programme outcomes and cross-cutting themes that needed to be taken into consideration when applying¹.

As with the ISM, applicants were to be UK based NGOs or voluntary and community sector organisations with local partners overseas. IC&T grants ranging from £50,000 to £500,000 were available for a two to five year period (with the potential for a few grants of up to £1million to be awarded for exceptional applications). Organisations were able to submit one application to each strand (International Communities or Tsunami) at any one time. If one or both bids were unsuccessful, an organisation was able to submit a further or revised bid to the appropriate strand. The final date for applications was 30 April 2008.

IC&T has two stages in its programme design. At Stage 1, an application would go through an initial review to check eligibility and that it met fundamental requirements; this included evidence that the proposed project was within the programme policy and that there was clear demonstration of need. If it did not satisfy these criteria, it was deemed to be an “Early Reject” and did not progress further.

Applications that went through a full assessment (including a telephone interview with the applicant) and were then felt to have fundamental weaknesses in relation to their project outcomes or organisational experience and capacity could be recommended as a “Grading Reject”. Final decisions on Early and Grading Rejects were delegated to the Head of Programme Management.

The applications assessed as meeting programme criteria were presented to the Board’s International Committee; at this point decisions were made on which projects should progress to Stage 2. Applications could be rejected at this stage if they were still judged not to meet the quality standard or if there were budget limitations.

Applicants also had the opportunity to request a Development Grant of up to £10,000 in their Stage 1 application to contribute to the cost of developing a proposal to meet the Stage 2 requirements, which included the production of a detailed business plan. However, this Grant was not intended for initial ‘development work’ as the applicant was expected to have already completed the development phase before applying to Stage 1.

Table 1 Key statistics on ISM grant holders

| STATUS | Number |
|--|-----------------|
| Number of organisations awarded ISMs | 62 |
| No of ISM grant holders applying to IC&T (Stage 1) | 44 |
| No of applications made to IC&T (Stage 1) by ISM grant holders | 64 ² |

¹ International Communities Programme: Guidance notes, page 6, March 2006

² 65 applications were initially lodged from ISG holders but one was withdrawn as a “duplicate entered in error.”

3 PROFILE OF INTERNATIONAL SMALL GRANTS AWARDED

The organisations

To meet the criteria of the ISM programmes, applicants needed to be able to demonstrate that they were constituted UK-based organisations working with local partners overseas. Required evidence included details of charity registration (or letters of endorsement where more appropriate); a governing constitution; annual accounts (where an organisation had been operating for more than 12 months); and documents that demonstrated both current and projected financial stability. As is common across all BIG programmes, an independent referee was requested for all applications.

Age Profile

The age of the organisations – based on the year that the organisation was legally constituted - varied. Half of the organisations had been legally constituted since 2000, including six that had been operating for less than one year when the ISM was launched. Conversely, 15 (24%) had been established for over 16 years, with one being in operation for 84 years. All but three were registered as charities.

Table 2 Age profile of applicants based on year legally constituted as an organisation

| Year Constituted as Organisation | Number of ISM organisations (n) | Percentage (%) |
|----------------------------------|---------------------------------|----------------|
| 1979 and earlier | 6 | 10 |
| 1980 - 1989 | 9 | 14 |
| 1990 - 1999 | 16 | 26 |
| 2000 & 2001 | 7 | 11 |
| 2002 & 2003 | 5 | 8 |
| 2004 & 2005 | 13 | 21 |
| 2006 & 2007 | 6 | 10 |
| Total | 62 | 100 |

Experience of applying for BIG funding

An analysis of organisations' application history to BIG prior to ISM was undertaken. **Table 3** below gives details of the *number* of applications made to both BIG and its predecessor organisations (the New Opportunities Fund (NOF), and the Community Fund (CF)), and **Table 4** indicates their *success rate* in being awarded a BIG grant³.

³ The number of awards received divided by the number of applications made.

Table 3 History of previous applications to BIG by ISM grant holders

| Number of previous applications to BIG | Number of ISM organisations (n=62) & percentage (%) | Average age of organisations (years) |
|---|--|---|
| None | 3 (5%) | 2.75 |
| 1-2 | 17 (27%) | 8 |
| 3-4 | 13 (21%) | 13.5 |
| 5-6 | 7 (11%) | 17 |
| 7 - 8 | 6 (10%) | 17 |
| 9 - 10 | 5 (8%) | 23 |
| 11- 31 | 11 (18%) | 18 |

In general, the average age of the organisations increased with the number of applications (with the only exception at the 'upper end' where the average age of prolific applicants dropped by five years).

The number of applications made is not always associated with the age of the organisation. A number of organisations which had been operating for many years did not have a history of regularly applying to BIG for funding: for example, one organisation, part of a charity that was established 39 years ago, had submitted only one application to BIG before being awarded ISM funding. In contrast, an organisation registered in July 2006 had already submitted five applications prior to its application to ISM.

Table 4 Success rate of ISM grant holders to BIG prior to ISM

| Percentage success rate in applying to BIG/CF/NOF prior to ISM | Number (n= 59) of organisations * | Percentage of organisations |
|---|--|------------------------------------|
| 0% | 24 | 41% |
| 1 – 14% | 2 | 3% |
| 15 – 24% | 8 | 13.5% |
| 25 – 34% | 8 | 13.5% |
| 35 – 49% | 4 | 7% |
| 50 – 59% | 6 | 10% |
| 60 – 100% | 7 | 12% |

(* Three ISM grant holders had not made any previous applications to BIG and are therefore not included in this table.)

In total, 35 (56%) ISM grant holders had previously received funding from BIG or its predecessor organisations. Most awards were small grants under the Awards for All programme⁴ (47 successful applications) and more substantial grants under the Community Fund's⁵ various International Grants Programmes (with 41 awards)⁶.

ISM was the first 'success' for 27 organisations, three of whom had not made a previous application to BIG. The other 24 had made 52 unsuccessful applications between them.

⁴ A small grants scheme aimed at local communities with grants between £300 and £10,000 being awarded

⁵ The Community Fund and the New Opportunities Fund are the predecessor organisations of the Big Lottery Fund.

⁶ See Appendix 3 for more information on the different awards made.

Nineteen had made three or fewer unsuccessful applications; three organisations had made four unsuccessful applications; and one had made six.

Risk Ratings of ISM applications

An early 'Risk Assessment' of each application is undertaken by a BIG grants officer and may result in additional information being requested from the applicant. The risk assessment for ISM has two grades –Standard and High. The risk rating is then used to guide BIG's monitoring during grant management, with high risk applications having more contact with BIG in order for them to provide the necessary support and guidance.

The risk assessment of the ISM highlighted 21 (34%) applications with a high risk rating for organisational reasons. Examples of the type of risk identified included financial concerns including significant operational deficits; dormant organisations with minimal recent financial activity; lack of clear separation between governance, management and activity with family involvement inappropriately at two or all three levels; and lack of track record due to very recent legal registration.

Projects funded under the ISM programme

Location

Applications that focused on developing projects in sub-Saharan Africa, Asia, the Middle East, Central and South America, the Caribbean or Eastern Europe outside the EU were eligible. The most common locations were African countries (67% of applications):

- seven projects were to be developed in Uganda
- five in Kenya
- four in the Democratic Republic of Congo
- three projects in each of the following four countries: Ghana, Zambia, Nigeria and Ethiopia
- two in Sudan and Somalia
- one each in Zimbabwe, South Africa, Cameroon, Senegal, Mozambique, Tanzania and Malawi.

Whilst a significant number of applications were for projects to be developed in Asia (20% of total), there were substantially fewer based in the Middle East (3), Central America (3) and Eastern Europe (2). None of the successful applications were for projects located in the Caribbean.

Focus of the project work

The foci of the projects were wide-ranging and corresponded closely with the five International Communities 'programme outcomes' identified in the Guidance Notes⁷.

⁷ International Communities Programme: Guidance notes, page 6, March 2006

These are:

- Improved access to better and more relevant primary education for the most disadvantaged boys and girls;
- Improved health of the most disadvantaged people, specifically through improved mother and child health, improved reproductive health, improved measures to prevent HIV/AIDS and mitigate its impact, improved measures to prevent and control locally significant diseases and improved mental health;
- Improved allocation of natural resources to benefit the most disadvantaged people, specifically through improved access to safe water and sanitation, improved access to land and reduced vulnerability to environmental shocks and stresses;
- Improved human rights for the most disadvantaged people, specifically through an improved environment in which to exercise their civil and political rights and the enabling of human rights defenders to campaign peacefully for civil and political rights;
- Improved access to sustainable financial resources for the most disadvantaged people

The areas most frequently focussed upon in the ISM projects were improved access to better and more relevant primary education for the most disadvantaged girls and boys; improved health of the most disadvantaged people (including a large number of projects seeking to prevent HIV/AIDS and mitigate its impact⁸).

Size of grant

The maximum grant available to organisations was £10,000. Forty-three organisations were awarded £9,000 or above with 19 (31%) being awarded the maximum grant. Six organisations made requests of less than £5,000.

Table 5 Size of grant awarded

| SIZE OF GRANT | Number (n=62) | Percentage |
|----------------------|----------------------|-------------------|
| £9,000 - £10,000 | 43 | 70 |
| £8,000 - £8,999 | 9 | 15 |
| £5,000 - £7,999 | 4 | 5 |
| Up to £4,999 | 6 | 10 |
| Total | 62 | 100 |

Research methods used by applicants

As part of the application process, applicants were asked to describe their research methodology. A variety of terms for similar activities were used and precision about the actual methodologies employed is not possible. However, most applicants described undertaking baseline and feasibility studies with the purpose of identifying local need in terms of numbers and severity of need.

⁸ Appendix 3 provides a fuller breakdown of the areas of work to be explored with an ISG grant

Further examples include:

- identifying local partners
- developing or refining the detail of the proposed project or intervention
- extending the work initially scoped in the application
- homing in on a specific client group or area.

In addition, the use of interviews was mentioned 23 times; focus groups or meetings mentioned 16 times; mapping 10 times; the use of questionnaires and surveys 8 times; and workshops 6 times. Seven applicants referred to undertaking 'participatory research' which may imply the involvement of local partners or the intended beneficiary in the research process. Seventeen (27%) applicants did not describe the methods they would use in their application.

Timing of applications

Organisations were able to submit ISM applications from July 2006 onwards. A final research report was expected within 12 months of drawing down the grant (which had to be no later than four months after it was awarded). Although eight grants closed in 2007 and therefore a report was expected at this point, the due delivery date for 52 (84%) of the final reports was between 1 January and 30 September 2008. The reports of two 'latecomers' were not due to be received until October 2008⁹.

Table 6 **Expected delivery dates of final reports**

| Quarter | Number (n=62) of reports due within the quarter |
|--------------------|--|
| July – Sept 2007 | 1 |
| Oct – Dec 2007 | 7 |
| Jan – March 2008 | 24 |
| April to June 2008 | 14 |
| July – Sept 2008 | 14 |
| Oct 2008 | 2 |

The ISM ran concurrently with the IC&T, which had a closing date for applications of 20 April 2008. However, applicants were eligible to apply to the IC&T before completion and submission of their final report to ISM.

Some ISM grant holders who participated in the survey of grant holders (see below) said they would have preferred a later closing date to the IC&T programme to have more time to develop a strong application to IC&T that reflected the experience gained in the host country (see below).

⁹ This research did not examine the dates that reports were actually received but we expect that this would be very close to or immediately following the close of the grant.

Summary

- The organisations' year of legal constitution ranged from 1924 to 2007, with 50% registered in 1999 or earlier
- The ISM grant was the first BIG grant received by 27 organisations
- The number of previous applications made to BIG by ISM holders ranged from none to 31
- The proposed project schemes were predominantly to be located in Africa (67%), followed by Asia (13%)
- The areas of work most frequently cited focused on primary education, improved health (in particular HIV/AIDS)
- 30 (48%) organisations were due to deliver their final ISM report very close to or after 30 April 2008 - the closing date of the IC&T.

4 THE RESULTS OF THE SURVEY OF ISM GRANT HOLDERS

In September 2008, following the closing date of the IC&T programme and communication of decisions on awards, BIG sent a survey to all ISM grant holders to hear their views of the programme and the extent they felt it had helped in their application to IC&T. The response rate was 48% (30) of organisations. Two thirds of the respondents had applied to IC&T: two had been successful and sixteen had not been successful in their application¹⁰.

Feedback on the ISM programme

Comments demonstrated that some respondents found that ISM provided an opportunity to gain a better understanding of the proposed location for the project and to develop some necessary skills. Examples are given below:

- It provided an opportunity to visit and get a 'feel' of the local situation
- It enabled partners to be identified and enlisted
- It enabled the proposed project to become better focused
- It improved skills necessary to deliver the actual programme
- It facilitated the employment of a dedicated researcher
- It increased the organisation's experience of research and analysis
- It gave credibility of the organisation in the host country and raised the profile of the organisation locally.

Others felt that insufficient resources were available to undertake a thorough survey with the ISM grant and that the period of research would benefit from being longer.

"We would have needed to stay longer in country, but we didn't have the funding for it."

"We were not able to develop the grant application fully enough for the purposes of the International Communities Programme. The Small Grant enabled us to make contacts and develop an understanding of need in a new Region for X (name of organisation) but there was not enough resource to take the work fully through to a detailed application."

The survey contained comments expressing support for the process by which the ISM application was handled. For example:

"The application is straightforward and there is a reasonable turnaround time."

"Impressed by supportive and well-informed team"

"The application form and guidance notes, though long, were clear. Timescale for result of application was bearable! Being able to speak to BIG representatives who were dealing with the application was helpful for advice."

¹⁰ Twelve respondents did not provide information in answer to this question.

Feedback on ISM enabling organisations to apply to IC&T

Based on 18 responses, 13 (72%) found the ISM grant 'extremely useful' in helping to develop their IC&T application. One respondent felt it had not been 'useful in any way'. Despite the lack of success of many respondents, they acknowledged that receiving ISM had been very useful¹¹:

"The grant enhanced our skills and experience..... which led and guided us to develop a comprehensive long term plan for sustainable projects and funding although it was not enough for us to access the BIG's International Communities and Tsunami Programme."

"I think it was helpful as a basis for us to develop the work. We may not have been successful but think we will use it for other funders."

Thirteen respondents (72%) felt that further support from BIG when developing their IC&T proposal would have been helpful. Suggestions included improved access to:

- financial support whilst developing the bid
- a mentor with knowledge of the application process
- an assessment officer with whom they could meet before submitting the bid (although one responder commented that they were not confident that the assessment officers were fully acquainted with the situation in the targeted countries).

Some respondents commented that there was insufficient time to complete the IC&T application process and that the level of detail requested was unrealistic requiring a high level of organisational resources. This was felt to favour larger organisations.

"I think the Big Lottery could help small charities financially to develop applications, as large organisations have the assistance of consultancy companies."

"Smaller charities are disadvantaged in a competitive funding situation. Bigger organisations have more resources to develop bids to a level of detail that is difficult for smaller organisations. Reflecting this somehow in the grants programme would be valuable and help to provide a better balance in awards."

Practical suggestions on the application pack were made:

- The Guidance Notes should be simpler and clearer
- There should be a fuller explanation of the IC&T two-stage application process, with guidance that outlines the level of detail required at each stage.

¹¹ Quotes have been corrected for grammar and spelling where necessary without changing the meaning.

Ten (33%) of responders said they had not submitted an application to IC&T. Time and timing were the two major factors that appear to have influenced the decision not to apply.

“Our feasibility study project finished on 30 April 2008 and the application for our next project was not in a position to meet the 30 April 2008 deadline for the International Communities and Tsunami programme application.”

“The follow up of the Big International Communities and Tsunami Grants was opened at the same time as the International Small Grant and as such many big, medium and small organisations that did not apply to the International Small Grant or have to do the research project, they had all the time submit high standard applications before the datelines.”

Other reasons for not applying were:

- There was not enough time to rectify the weaknesses in the ISM work before proceeding
- Longer time was needed to sign up and reach consensus with local partners.

Twenty-five (93%) said they would use the experience gained through the ISM to apply for similar small grants in the future:

“We would (apply) if the grant is in line with our project plan or proposal. Any small grant counts and perhaps it also gives opportunity for smaller organisation such as ours a chance to access the grants.”

“For a very small organisation without resources to support staff not involved in project delivery it is very helpful to have access to funding to enable us to scope projects prior to larger funding proposals.”

However, some applicants had chosen not to apply to other funders to support projects developed as a result of the research undertaken with ISM funding. Some cited a sense of loyalty to BIG and therefore were not keen to apply elsewhere. Other comments included:

- The good support that BIG gave may not be available elsewhere
- Few other funding options existed (or at least the responders said they were unaware of other options)
- Further work was needed on the proposal before looking for other sources of funding
- The BIG application was not readily adaptable to apply for other funding
- It was time-consuming to submit applications.

Summary

| Positive aspects of ISM for applicants | Less positive aspects of ISM and IC&T for applicants | Suggestions for changes and improvements by applicants |
|---|--|---|
| It allowed partnerships to be strengthened | Timing of the two grants was too close: there was no time to reflect on ISM work (and what might have been done better or differently) before applying to IC&T | IC&T should have some ring-fenced money for small organisations (as larger organisations are felt to have an advantage) |
| It facilitated skills building | The time period of one year for ISM was too short. | Clearer and simpler explanations and guidance to application process is required for IC&T |
| It gave credibility for the applicant in host country | Greater clarity of IC&T application process was needed | Greater opportunity to consult with BIG assessors before submitting application would be welcome for IC&T |
| Preliminary work resulted in a more focused approach to project development | Small organisations don't have the resources required to complete the IC&T application process | An increase in the funding available for work overseas under the ISM. |

5 ISM GRANT HOLDERS WHO APPLIED TO IC&T – STAGE 1

The organisations and the focus of their applications

Forty-four of the 62 ISM grant holders applied for funding from the IC&T programme. Eighteen (29%) ISM grant holders did not apply to the IC&T programme. The survey analysis above gives some insight of why organisations did not apply.

The 'age' of the organisations, which ranged from 2 years to 84 years, does not appear to have affected the choice to apply for IC&T funding: 22 (50%) of the IC&T applicants were legally registered before 2000, compared with 48 (51%) of the ISM grant holders.

Sixteen (36%) organisations submitted more than one application. Fourteen submitted two applications; one submitted three applications and one submitted six. A revised application could be made to the relevant IC&T strand if an earlier bid was unsuccessful.

All the organisations had previously applied for funding from BIG. The average number of applications was six; one organisation had made 24 previous applications and six organisations had made only one application.

There is little difference in the portfolio of countries chosen by the applicants although there is a slight increase in the proportion of projects to be located in Africa (71% compared with 67%) and Asia (21% compared with 20%) with a consequent reduction in those to take place in the Middle East (2% compared with 5%) and East Europe (2% compared 3%). The range of interventions remains similar to the ISM programme with a slight increase in the focus on primary education projects.

Six organisations submitted projects under IC&T that were a departure from the work undertaken in ISM:

Same country: different work:

- One organisation researched the potential of a local women's organisation as a vehicle for development / poverty relief: its IC&T project is a biodiesel social enterprise involving job creation and income generation through planting up derelict land.
- Another carried out research into sanitation, but its IC&T project aimed at minimising teenage prostitution.

Same work: different country,

- An organisation undertook its research in Southern Sudan but applied to implement a similar project in Uganda

Different country: different work

- An organisation's research related to work in Guatemala with pregnant women; the two projects submitted to IC&T relate to different locations and different target groups. One

project proposes work in India with a focus on public health; the other will build on existing work around HIV (especially with women) in the Balaka region in Malawi.

- An organisation’s feasibility study took place in Johannesburg, on community health issues especially HIV / AIDS. The IC&T application is for a health improvement project in four areas as well as in Johannesburg. There is no mention of HIV / AIDS but the application includes an anti-corruption programme for schools, and improvements in water and sanitation.

Progression of applicants and applications

The table below provides details of the progression of applications through assessment in Stage 1. Five organisations – and seven applications - were successful at the close of Stage 1. Four of these organisations applied for and were awarded a ‘development grant’ to assist them in developing and producing the Business Plan required for Stage 2.

Table 7 Success of applications made by ISM grant holders in IC&T Stage 1 (n = 64)

| Progression of organisation | Number of applications (n) | Percentage (%) |
|---|-----------------------------------|-----------------------|
| Early Reject Portfolio - Early Reject | 53 | 83 |
| Grading Reject Portfolio - Grading Reject | 1 | 1.5 |
| Committee Portfolio - Reject | 3 | 5 |
| Committee Portfolio – offered development grant before progressing to Stage 2 | 6 | 9 |
| Progression to Stage 2 without offer of development grant | 1 | 1.5 |
| Total | 64 | 100% |

The organisations that progressed *beyond* Early Reject point were all legally constituted in 2000 or before. The ages range from 8 to 84 years old with an average age of 9 years¹².

Reasons for rejection of applications that did not progress to Stage 2

As mentioned earlier, some organisations submitted multiple applications for the same or different project idea/s whilst the IC&T Stage 1 application process remained open. The consequence of this is that the number of distinct *project proposals* rejected was 48. Analysis has been made of the final reject reasons for these 48 project applications (as recorded in BIG’s application assessment reports). Up to three reasons for rejection could be recorded. The reasons in order of prevalence are as follows:

¹² The very long-standing organisation has been excluded from the average as it skews the calculation.

Table 8 Reject reasons for unsuccessful projects (n=48)

| REJECT REASON CATEGORY | Listed in (n) Projects |
|---|-------------------------------|
| Outside Programme Policy - general/ excluded items/ Above maximum grant size/ high capital cost project * | 27 (57%) |
| Project is poorly planned/unplanned | 23 (49%) |
| Guidance not met - inadequate evidence of need/ Inadequate consultation * | 15 (32%) |
| Guidance not met: Outcomes are unlikely to be achieved/ unrealistic * | 9 (19%) |
| Budgeting is inadequate | 4 (8.5%) |
| Does not pass risk analysis systems | 2 (4%) |
| Organisational management - inadequate financial procedures and controls or organisation not financially stable * | 2 (4%) |
| Weaknesses in outcome delivery - not best use of funds in comparison with others | 1 (2%) |
| No/inadequate agreement for partnership working | 1 (2%) |
| Requirements not met - Insufficient info | 1 (2%) |

(* Reject Reasons Combined [Note: several reject reasons can be applicable per project])

Eighteen project schemes were rejected for one reason; twenty-one for two reasons; and nine for three reasons. Where projects were rejected for being 'outside programme policy', they were also either poorly planned or guidance had not been met with regard to planned outcomes of the project or because of inadequate evidence of need or consultation.

At least 15 (more than the 30%) projects were unable to provide adequate evidence of need for the proposed project. Specific issues include:

- No evidence of involvement of local partners
- Insufficient consultation with beneficiaries and, on occasions, lack of coverage of all the geographical areas or organisations targeted in the application
- Exploration and analysis of the local market has not been done on site
- Misconception that the IC&T grant could be used to explore local evidence on need

A more detailed review of BIG assessment reports on the quality of the 'needs assessment' of IC&T applications with ISM grants, which were rejected at the Early Reject point provide additional insight:

- i. Six projects were rejected because they included consultation and needs assessment in the programme of work they were applying for. This work should have been completed at an earlier stage, so as to form part of the justification for this application.
- ii. Another six were rejected because the consultation that took place was not with the direct beneficiaries – it may have been with organisations working with them; or with local partners who would be involved in project delivery. This type of consultation was a feature of successful projects but it took place alongside extensive consultation with direct beneficiaries.
- iii. Although they established that a need existed, two were rejected because they did not provide evidence that the proposed project was the best way to meet it. One application gave insufficient detail of how they would address the need they had evidenced; another had not produced evidence that the businesses they planned to set up would find a market – i.e. they had consulted the target group of disadvantaged young people about what they would be

interested to be trained to do, but had not found out whether the training would lead to something sustainable.

- iv. Seven were rejected for more general reasons: no baseline figures; unclear exactly who would benefit or how; not all the proposed partners consulted about the project; insufficient detail about the consultation that had taken place; assumptions made about needs or about how beneficiaries will spend income generated from project.

In contrast, the seven projects that were successful at Stage 1 were characterised by comprehensive consultation. It included consultation with direct beneficiaries, but also with local delivery partners, local health services, local and national government; and with the in-country field offices of the applicant organisation.

Applicants that proceeded beyond the Early Reject point

Nine organisations, with a total of 11 applications, proceeded beyond the Early Reject point. Those organisations that were taking forward two projects had submitted an application to both the ‘Communities’ and ‘Tsunami’ strand of IC&T. Table 9 provides information on the age and experience of these organisations.

Table 9 Characteristics of organisations that proceeded beyond the ‘Early Reject’ point *

| Ref number | Application Status | Length of time as constituted organisation | Previous applications to BIG (All Grants) | Previous successful applications to BIG (All Grants) | Number of previous International Grants received |
|------------|--|--|---|--|--|
| 1 | Grading reject | 8 yrs | 9 | 2 (22%) | 0 |
| 2 | Committee reject | 13 yrs | 14 | 5 (36%) | 0 |
| 3 | Committee reject | 9 yrs | 9 | 6 (67%) | 6 (100%) |
| 4 | Committee reject | 10 yrs | 3 | 1 (33%) | 1 (100%) |
| 5 | Progressed to Stage 2 (with development grant) with 2 projects | 8 yrs | 17 | 5 (29%) | 5 (100%) |
| 6 | Progressed to Stage 2 (with development grant) | 84 yrs | 10 | 5 (50%) | 5 (100%) |
| 7 | Progressed to Stage 2 (with development grant) with 2 projects | 11 yrs | 11 | 4 (36%) | 3 (75%) |
| 8 | Progressed to Stage 2 (with development grant) | 16 yrs | 7 | 4 (57%) | 4 (100%) |
| 9 | Progressed to Stage 2 (no development grant) | 14 yrs | 6 | 4 (75%) | 4 (100%) |

(*The shaded boxes contain data on organisations with projects that progressed to Stage 2)

The table shows that:

- All the organisations had been legally constituted organisations in 2000 or before. The 'oldest' had been established for 84 years.
- The most prolific applicant had submitted 17 applications and the average number of applications was nine.
- The average success rate in receiving previous BIG funding was 45%. This can be compared with the applicants that were rejected at Early Reject point where the average success rate was 19%, with a range of 0% (17 organisations) to 67% (2 organisations).
- Two (50%) of the organisations that did not proceed to Stage 2 had not previously received International Grant funding. The other two had a 100% success rate with their applications: one had received six International Grant funds and the other had been successful with their only previous application.
- Four (80%) organisations that progressed to Stage 2 had a 100% success rate in their applications for International Grant funding. The fifth had a 75% success rate.

The timing of making the application to IC&T

With one exception, the final ISM reports of the organisations that progressed beyond the Early Reject point were due to be submitted *before* the closing date for the IC&T programme. Eleven (61%) of the organisations that were rejected at the Early Reject point were due to submit their final report *after* the closing date for the IC&T programme.

Summary

The data on 'reject reasons' suggests that:

- Weakness in the application was often present in more than one area
- The eligibility criteria for projects may need to be more clearly expressed in the Guidance Notes as 27 projects failed to meet them
- The closing date for IC&T was too close to that of ISM: 61% of organisations were not due to submit their final ISM report until after the closing date of IC&T
- Despite receiving funding to undertake feasibility and exploratory work in the region with local stakeholders, applicants either did not have the skills to undertake robust studies of this nature or to use the findings to develop a well-argued case of need for the actual project
- Organisations that were successful at Stage 1 were experienced and successful fundraisers from BIG and had all previously received International Grants.

6 APPLICANTS INVITED TO APPLY TO IC&T - STAGE 2

Details of the five organisations whose projects were to be considered at Stage 2 of IC&T have been given in **Table 9**. This table demonstrates that they have a high degree of maturity, are experienced applicants to BIG, and have all previously received four or more International Grants.

Further information has been taken from BIG records and the organisations' websites.

- Turnover of those organisations progressing to Stage 2 varied with a range between £600K and £6 million
- Their staffing levels also vary considerably: three organisations employ more than 30 staff, many of whom are located overseas.

Table 10 Information on organisations progressing beyond 'the Early Reject' point, taken from BIG records and website data (indicated by *)

| Reference number | No. of staff in UK | No. of staff overseas | Annual turnover (£) | Example sources of income |
|------------------|--------------------|-----------------------|---------------------|--|
| 1 | 2 | 29 | 2,200,451 | n/a |
| 2 | 46 * | 1580 * | 5,720,264 | Donations from gen. public £3.6m. BIG £575,279 over 3 yrs; £559,980 over 5 yrs |
| 3 | 30 * | 6 | 1, 715, 646 | Comic Relief BIG Diana Memorial Fund |
| 4 | 4 * | 0 | 615 528 | DFID Charitable trusts |
| 5 | 50 worldwide * | | 1,213,385 | DFID, EC, BIG, Medicor Foundation |

(* This data is taken from the organisations' website [accessed 6/11/08])

The annual turnover of the successful organisations and employment rates suggest that the majority have "outgrown" the definition of a 'small' charity or NGO and should more accurately be classified as 'medium' sized organisations (with some eligible to be called 'large' organisations)¹³. They are likely to have the internal infrastructure and experience to support the conduct of feasibility studies prior to embarking on large-scale project development.

Summary

In addition to being 'mature' organisations with a sound track record of fundraising from BIG, the organisations that progressed to Stage 2 are outgrowing the classification of a 'small' organisation:

- Their annual turnovers ranged from £600,000 to over £5 million
- Most employ over 30 staff, many of whom are based overseas

¹³ Department for Business Enterprise and Regulatory Reform guidelines state that it is most usual to measure organisation size based on the number of full-time employees or equivalent (no more than 50 employees for a small organisation and no more than 250 employees for a medium sized organisation).

7 CONCLUSIONS AND SUGGESTIONS

This report provides information on ISM grant holders and the passage of their 64 applications through Stage 1 of IC&T. The research found the following:

- In Stage 1 of IC&T, over half the applications were rejected for two or more reasons with the two most common reasons being failure to meet the IC&T funding criteria and poorly planned projects. This demonstrates a lack of understanding of the grant-making process and of experience in project development.
- The organisations that progressed to Stage 2 of IC&T have a level of maturity (with the 'youngest' having been a legally constituted charity for eight years) and a success rate in applying to BIG that ranged from 29% - 75%, with all having been awarded between four and six BIG International grants each.
- The data on annual turnover of the successful organisations suggests that they have 'outgrown' the definition of a small' and, in some cases, the definition of a 'medium-sized' organisation.

The research concludes that the factors likely to benefit an organisation when applying for larger grant programmes such as IC&T are knowledge, skills and the experience required to conduct effective feasibility studies prior to embarking on large-scale project development, and an organisational infrastructure to support the application process.

The international small grants programme, which provided a grant for needs research, on the whole did not achieve its aim of equipping recipients to make successful applications to larger grant programmes, in particular IC&T. It appears that smaller charities would have required additional support to compete with larger longer established organisations. This might have been included capacity-building in such areas as bid preparation, analysis, working with overseas partners and project planning. It is unknown as to whether they would have had the capacity to deliver any planned projects successfully.

On the other hand, it is possible that the experienced ISM organisations that were successful at Stage 1 of IC&T would have already possessed the skills required to undertake the type of needs assessment that was funded under the small grant - although the research did not specifically examine if this was the case.

Suggestions are made in three key areas. They focus on:

- The size and experience of organisations that appear most suited to larger programmes such as IC&T
- Amendments that might be made to the grant making process
- Further support that could be made available to small organisations to help them benefit more from 'preparatory' grants such as ISM.

Organisations more prepared for IC&T

The experience of the organisation appears to impact on its ability to fundraise successfully. 'Experience' can be measured in terms of years since legal registration and previous experience of successful fund raising from BIG. The ISM organisations that progressed to Stage 2 of IC&T

had a level of maturity with the 'youngest' having been legally registered for eight years and the 'oldest' for 84. With a success rate of 75% or over, all the organisations had a good track record of applying successfully for BIG International Grants. They had an annual turnover that classifies them as 'medium sized' organisations – with two exceptions: one is clearly a 'small' organisation with less than five staff and an annual turnover of under £1 million, and another could be classed as a 'large' charity with an annual turnover of over £5 million and over 1500 staff, most of whom are based overseas.

Recommendation:

BIG should consider whether a small grant for needs research is sufficient to equip inexperienced organisations with the breadth of skills required to submit competitive applications for medium-sized grant programmes such as IC&T. Since this study suggests that more support is required, BIG should consider whether and how it can reasonably raise the capacity of smaller organisations to compete for larger grants programmes.

The grant making process

The timing of the two grants programmes – with its substantial overlap – may have hindered and impacted on applications from ISM grant holders who were not due to submit their final report until close to – or after – the final date for the IC&T programme. The lack of time to reflect on how to use the findings from the ISM research may have affected the quality of some applications, and especially those from smaller and/or less experienced organisations.

The possible inexperience of some organisations in applying for large grants may have also contributed to the quality and suitability of their application. As a result:

- 55% of the rejected applications were cited as being Out of Programme Policy (i.e. did not meet the criteria of the programme)
- 49% were cited as being poorly planned

The survey of ISM grant holders identified that further support would have been welcome when drawing up the IC&T application – either with greater access to BIG grants officers or a mentor who was familiar with the proposed location or focus for the project. There were also requests for clearer guidance on the information required to complete the application process.

Recommendation:

BIG should ensure that the closing dates of complementary grants programmes are timed to allow organisations to reflect on their learning before submitting a subsequent application. It should also review the Guidance Notes to ensure clarity. The presentation of detail in the Guidance Notes should be reviewed so that the eligibility criteria (and other details) are clear and unambiguous.

Utilisation of the ISM programme grant

An analysis of the reasons for rejecting applications demonstrates that a high proportion are rejected due to their inability to provide a strong enough evidence base to support the full-scale project. This may suggest that the quality of the research undertaken using ISM funds is of insufficient quality and substance to enable organisations to develop an evidence-based application for project implementation. Further support for organisations to develop the skills to establish and deliver an appropriate methodology to gather the necessary evidence should be considered.

Recommendation:

BIG should review the methods for providing support to applicants. This could include for example, the provision of training workshops for those organisations that need support to develop and deliver feasibility studies in the host country. Where necessary, this could be supplemented by access to a mentor with research experience.

APPENDICES

Appendix 1

Breakdown of the areas of work to be explored with an ISM grant

| PURPOSE/FOCUS OF GRANT | Number (n = 92) with this focus | Percentage of organisations |
|---|---------------------------------|-----------------------------|
| Primary education | 14 | 15 |
| Health related project (excluding HIV/AIDS and maternal health) | 13 | 14 |
| HIV/AIDS | 12 | 13 |
| Pregnancy, maternal and children | 7 | 7.5 |
| Combating impact of tsunami and natural/environments factors | 7 | 7.5 |
| Community centre/services | 6 | 7 |
| Combating impact of war | 6 | 7 |
| Sanitation, waste disposal & irrigation | 5 | 5 |
| Farming/agriculture | 5 | 5 |
| Training (basic skills, IT, commerce etc) | 5 | 5 |
| Business & employment skills | 3 | 3 |
| Human Rights | 2 | 2 |
| Training for deaf and deaf/blind | 2 | 2 |
| Secondary education (5) | 0 | 0 |
| Other (11), including | | |
| Fighting discrimination 1 | | |
| Sexual violence 1 | | |
| Young refugees 1 | | |
| Poverty reduction 1 | | |
| Self governance 1 | 5 | 5 |
| Total | 92 | 100 |

Appendix 2

Details of grants awarded to ISM grant holders

| Name of BIG grant | Total number of grants to ISM grant holders (n = 102) | Percentage of total |
|--------------------------------------|--|---------------------|
| Awards for all | 47 | 46% |
| International Grants (unspecified) | 19 | 19% |
| International Grants 1 | 1 | 1% |
| International Grants 2 | 3 | 3% |
| International Grants 3 | 6 | 5% |
| International Grants 4 | 8 | 8% |
| International Grants 5 | 4 | 4% |
| Grants for Large Projects | 3 | 3% |
| Grants for Medium Sized Projects | 1 | 1% |
| Main grants | 1 | 1% |
| Reaching communities | 2 | 2% |
| Youth and Low Income | 2 | 2% |
| Poverty and Disadvantage | 2 | 2% |
| Basis (England) | 2 | 2% |
| Young person's fund and reaching out | 1 | 1% |
| Total | 102 | 100 |