



**Issam Fares Institute for Public Policy  
and International Affairs**

## **Funding Strategies within Arab Policy Research Institutes**

Workshop Summary Report

September 5, 2012

### **Overview**

The Issam Fares Institute for Public Policy and International Affairs (IFI) organized the second technical workshop of the Consortium for Arab Policy Research Institutes (CAPRI) project at the American University of Beirut (AUB) on September 3, 2012. The technical workshop focused on analyzing funding strategies of Policy Research Institutes (PRIs) in the Arab world. The workshop is the second workshop in a series of meetings and consultations organized by the CAPRI project at the Research, Advocacy and Public Policy-Making program (RAPP) at IFI.

The purpose of the CAPRI project is to bring together Arab think tanks or PRIs to collectively study the role of these institutes and explore how to enhance their impact in Arab policy-making and foreign policy-making vis-à-vis the Middle East and North Africa.

Participants joined the workshop from Iraq, Egypt and Lebanon. The participants were the representatives of PRIs involved in managing the finances of the corresponding institutes.

The workshop aimed at sharing experiences and knowledge on funding strategies and issues facing PRIs in the Arab World. Based on the previous discussions and gatherings, strengthening funding strategies and capabilities was identified as a common interest for Arab PRIs. The workshop also aims at strengthening the capabilities of PRIs in fundraising and the management of resources.

### **Challenges faced by PRIs on funding strategies**

The first session of the workshop addressed the funding strategies and issues of PRIs in the Arab World. The following issues were presented as challenges in raising funds:

- 1- *Gaining credibility and trust*: Participants highlighted the importance of gaining credibility and trust, as well as the importance of being transparent in their relationship with donors. This facilitates receiving further funds from donor agencies.

- 2- Writing proposals: Many participants mentioned that the proposals they submit to donor agencies were refused because of technical and structural issues in writing. As a result, some PRIs started recruiting researchers to write proposals for their institutes, which presents an additional cost that is usually at the expense of the institute.
- 3- Receiving feedback: The participating PRIs complained of the lack of feedback received from donor agencies after a proposal has been rejected. Participants highlighted the need to get feedback as they prepare to apply for new grants.
- 4- Conducting pilot studies: Another challenge reported by participants was the cost of conducting pilot studies. Some donors ask the institutes to conduct a pilot study as a prerequisite for applying for a grant, which in some cases, after they complete they find out that their proposal has been rejected.
- 5- Covering administrative costs: Participants also pointed out the issue of covering the cost of permanent administrative employees (as an indirect cost). This becomes a burden on some institutes because this administrative cost is usually not included in the budgets of projects that are funded.
- 6- Political issues: Participants mentioned that political issues sometimes influence government funding (where applicable). The relationship between the government and the PRIs is politicized in that policymakers will not accept to fund a project unless it serves their political and sectarian interests.

### **Donor's perspective**

This session aimed at presenting the donor agencies' perspective on funding issues and to familiarize the participants with the needs and procedures of funding required by donors. The session was moderated by a representative of the delegation of the European Union, an active donor in the region. The presenter highlighted the gap that still exists between research and policy-making in the region. One reason for this gap is that research is not policy relevant. One of the recommendations provided was the need for think tanks (or PRIs) to produce research that is relevant for donors and governments taking into consideration that donors need *tangible* outputs. A list of criteria that are important for donor agencies was presented:

- 1- PRIs should respect the administrative criteria and abide with timelines (which are often underestimated) provided by the donor agencies
- 2- The project should match the strategic planning and the priorities of the donor agency
- 3- PRIs should focus on a specific sector and field of study to gain credibility
- 4- Partnerships are of much value for donors
- 5- Proposals should be well written and the financial section should be very clear and transparent

- 6- Activities of the project should be in line with the objectives of the project and the organization

The donor agency representative also noted that the competition for funds is high, therefore it is essential for a proposal to address all the listed criteria in an attempt to get funded.

### **Case study on funding strategies within PRIs**

This session presented the findings of a case study conducted by the IFI team on the funding strategies of PRIs in Lebanon. The case study<sup>1</sup> mapped the different aspects of funding of policy research institutes, looking closely at the following: sources of funding, biggest expenditures, auditing procedures, procedures followed to obtain funds, and factors influencing funding. Participants then discussed the case study as it relates to their individual institutes. The aspects highlighted by the participants concur with the findings of the case study conducted in Lebanon:

- 1- Sources of funding: It was reported that the main sources of funding for Arab PRIs are international donor agencies, such as International Development Research Center (IDRC), European embassies, and United Nations agencies. Participants mentioned that regional funding is minimal and government funding is generally lacking. It was mentioned that regional funding is usually directed towards cultural studies rather than research.
- 2- Biggest expenditures: The biggest expenditures of PRIs as reported by participants and the findings of the case study are: human resources expenditures (such as recruiting researchers and the administrative staff) and costs incurred by organizing events.
- 3- Auditing procedures: It was reported that two kinds of auditing procedures are followed: internal and external. The participants pointed out that it is critical to maintain financial auditing procedures to guarantee transparency. These procedures of accountability help them gain and maintain the institute's credibility which would then entail them to receive further funding from donor agencies.
- 4- Procedures followed to obtain funds: The participants within the study and at the workshop both reported that the main procedure followed to obtain funds for the institute was through writing proposals. However some participants mentioned that personal communication with donors in support of writing proposals facilitates the process of obtaining funds.
- 5- Factors influencing funding: It was clear from the discussion that funding fluctuates over the years and is affected by different factors. For example, as participants mentioned, the funding from European governments has decreased in the recent years because of

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<sup>1</sup> The case study on the Funding of Policy Research Institutes in Lebanon is published on line at [www.aub.edu.lb/ifi](http://www.aub.edu.lb/ifi)

the financial crisis in Europe. Moreover, funding shifts from one country to another according to interests of donors. In addition, fundraising for some issues has been observed to be easier than other issues according to the priority of the donor and current “hot” issues. For example, funding has shifted to countries of the “Arab Spring” which are currently considered of high priorities for donors. In addition, some participants have mentioned that some Western governments have political interests in the region so they fund projects that serve their interests. The participants also complained of the “conditioned funding” where the PRIs are forced to change their agendas in order to get funding.

### **Resource mobilization strategies**

Dr. Fadia Homeidan, the Director of the Office of Grants and Contracts at AUB shared her long experience on funding strategies and resource mobilization with the participants. The session focused on the techniques and strategies of resources mobilization which include aspects of fundraising and grants management. It discussed issues on the relationship between the donor agencies and the PRIs, how an organization can raise and manage funds successfully and the technical issues in proposal writing. Dr. Homeidan presented what an organization must have to raise funds:

- 1- Mission/vision
- 2- Good reputation
- 3- Credibility and transparency
- 4- Programs and activities with clear positive effects on society
- 5- Policies and procedures (on partnerships, financial and grant management)
- 6- Strong Monitoring & Evaluation system
- 7- Strong financial system
- 8- Ability to communicate, negotiate and attract resources

The presentation also included the Do's and Don'ts in a proposal:

- Do's in proposals:
  - Be realistic in the timeframe
  - Give time for planning, feedback and revision of the proposal
  - Be clear and concise
  - Be specific, show details
  - Use arguments to substantiate statements
  - Show that your mission fit the mission and objectives of the donor
- Don'ts in proposals:

- Be vague
- Be over-ambitious
- Lose your ideas in poor style
- Talk in jargon

She also pointed out the importance of highlighting in the proposals a case statement of why it is important to fund the project. As such, it is essential to include a comprehensive case statement that presents the organization. Dr. Homeidan stressed on the importance of writing good proposals and presenting clear budget details and correct financial reports. She also talked about the importance of partnerships in supporting proposals. Dr. Homeidan provided the participants with a list of databases (e.g. Grantsnet) where they can find a number of funding opportunities with the priorities of donors.

## **Conclusion**

PRIs in the Arab world are facing difficulties and challenges in their funding issues. International funding fluctuates and depends strongly on the priorities of donor agencies, the interests of foreign governments and the hot issues. PRIs are also facing difficulties in writing proposals and financial reports which constitute a problem with their relationship with donors.

It was identified that there is a need to pursue training for PRIs on writing proposals, financial management and preparing financial reports. Such training is important in efficiently raising and managing funds within Arab PRIs. Participants highlighted the importance of such workshops in building their capacities and enhancing their roles in advocacy and impacting public policy-making.