

Headline	
INSTITUTIONAL ADAPTATION TO SPA 2022-2025 REQUIREMENTS	
Domains of change	
Please mark each domain that is significantly covered within the case study. At least one box should be marked, and as many as appropriate. You should only mark a box if there is reported change, not if it is only expected in the future.	
Changes in the lives of people facing poverty, marginalisation or vulnerability, and/or the realisation of their rights	
Changes in laws, policies and practices that affect people's rights	
Changes in the capacity of organisations and communities to support people's rights;	X
Changes in partnerships and collaborations that support people's rights;	X
Changes in the participation of groups facing poverty, marginalisation or vulnerability in their own development	
Changes in local leadership and ownership of development and humanitarian work.	
Basic Information	
Name of Danish CSO	Forests of the World
Name of Southern partner(s)	N/A
Year of submission	2022
Name of project / programme / approach	Institutional adaptation to SPA 2022-2025 requirements
Project / programme period	Jan 2022 - ongoing
Country	Denmark, Honduras, Nicaragua, Panama, Uganda, Ethiopia, Bolivia
Constituency	N/A
Summary (1000 characters only, including spaces)	<p>FoW have done several strategic and organisational changes in order to adapt to the Strategic Partnership Agreement (SPA) framework and the updated requirements for the 2022-2025 modality. With a relatively small SPA grant it has been challenging for FoW to adjust to this and it has been at the expense of the Latin American portfolio as well as the hitherto approach to partner and target group advisory services. The available SPA funds for Latin America have been instrumental to the effort to secure new and continued donor diversification for the Latin American portfolio.</p> <p>We encourage the MFA to enhance flexibility for various types of approaches to sustainable development work and in particular to be more flexible in terms of the geographical focus related to environmental protection given the crucial importance of Latin American forests to the global climate and biodiversity.</p>
Context	
<p>The case describes the organisational dilemmas, challenges and structural adaptation which FoW has considered and implemented in relation to the transition from the CISU framework to SPA 2022-2025. After a historical institutional focus on development work and forest protection in Latin America, the introduction of priority countries mainly in Africa (from 2016) started a transition within FoW, which has been further escalated by the new requirements under the SPA 2022-2025 framework. This transition has been necessary in the process of obtaining a strategic partnership, but has also initiated a process of cultural and organisational change from being an organisation with a strong internal emphasis on the Latin American context and language, as well as a heavy focus on delivering very context specific high quality technical advisory.</p>	
Objectives	

FoW has a target of becoming the Danish Ministry of Foreign Affairs' most trusted and preferred partner in terms of developing green solutions within the development aid sector to the immediate benefit of forests, climate, biodiversity and forest adjacent peoples.

This not only entails developing solutions in collaboration with implementing partners, but also scaling these solutions and showcasing the potential for replication where they will have the biggest impact in terms of forest conservation and ultimately alleviation of the three global crises of climate, biodiversity and inequality.

With the new requirements from the SPA 2022-2025 modality the pathway to realising this vision has changed and a number of institutional changes have been initiated in order to comply to namely;

- Requirement of 50 percent portfolio focus in Africa
- Requirement of maximum 20 percent spent at HQ level in Denmark
- Limitations for the tasks to be solved by the Global Entity internally named the Knowledge and Innovation Hub

These new requirements have resulted in institutional changes in regards to our;

- prioritisation of geographical focus to the advantage of Africa but at a relatively high cost of the Latin American portfolio;
- focus on an escalation of regional hubs and a revised concept of advisory delivery;
- structure of the Knowledge and Innovation hub to exclude topics such as day-to-day monitoring and compliance, and the local technical advisory for a more global outset.

Change

The requirement of a 50 percent funding priority to Africa has naturally given a boost to the African portfolio but also had a quite negative impact on the programme in Latin America which has been reduced significantly. FoW has a long and institutionally important history in Latin America. Although we completely acknowledge the absolute critical state of forests and biodiversity in Africa, Latin America remains with the biggest potential for climate protection, forest and biodiversity conservation and protection, as the countries here are still to a large degree forested and being ruled by governments that generally see potential in further deforestation for economic and agricultural exploitation. Our intervention countries in Africa are to a larger degree deforested already and governed by decision makers who at least officially try to implement a conducive environment for forest conservation and development, although the actual implementation of positive policies is challenged. Basically, it is more effective in the short and medium term to protect the global climate and biodiversity by preserving forests than trying to re-establish forests.

The changed geographical focus means reducing initiatives with some of our most long term and trusted partner organisations and establishment of a number of relatively new partnerships with relatively larger budgets, which comes with certain investments in terms of transaction costs but also additional work in terms of building trust as well as administrative and monitoring burdens.

The 20 percent cap on HQ expenses served as a difficult but also welcomed challenge. The most straightforward impact has been that the International Department at HQ was reduced by one staff (one of four advisors) and the financial space was dedicated to regional offices and partners. Still the requirement made the approval of the global entity necessary in order not to reduce the HQ staff further, which would be a severe challenge to the critical mass of staff resources at HQ level. Combined with the requirements for the global entity this regulation means that more time for technical advisors needs to fall within the scope of the global entity and otherwise global tasks such as day-to-day global programme monitoring need to be funded by staff hours outside the global entity. Relevant to the partnerships, this means that technical advisors need to focus more on developing global tools, which needs to encompass similar thematics but in very different local contexts. Eventually this causes less direct interaction between Danish advisors and local partners and target groups, which FoW has always been renowned for and which has been a big part of our prior development policy. On the other hand, it has served to strengthen the regional hubs with a few additional staff hired at local hubs. This also means that at least in a transition phase, partners and target groups receive relatively weaker technical support, as with the local budgets available it is not possible to attract candidates with the same level of expertise as our Danish technical experts.

In conclusion the new requirements have a strong effect on the internal priorities and structures of the organisation. As such the changes are sustainable, but it will have a long term effect on partnerships in the

sense of the added value from FoW's side, as we are not able to attract the same level of technical expertise abroad, and fewer technical advisors at HQ need to provide advisory for more partners. We will not be able to maintain our modality of highly context specific advisory from HQ, and therefore we will need to build partnerships with stronger and bigger partner organisations and to a larger degree rely on their approaches and solutions rather than working on co-developing tailor-made solutions closely with the partners and target groups.

Generally speaking, it is assessed that the structural changes are better suited to handle a quantitatively larger portfolio but also at a lower quality. Naturally, our hope is that we will be able to build and retain resources at regional hubs and partners to the same technical level as our HQ staff, and that future top-ups under the SPA modality will acknowledge the importance of the Latin American forest ecosystems in the global effort to fight the crises of climate, biodiversity and the shrinking civic space.

Contribution

Being an internal organisational focused case, naturally the biggest contribution to these changes derive from the decision making bodies at the FoW HQ in Denmark as a reaction to the new requirements under the SPA 2022-2025 modality. However, as the impact of the changes will especially affect regional hubs and local partners, these have contributed by doing organisational adjustments in order to align to the organisational changes at FoW HQ.

As an example some partners with specific technical resources obtained through past capacity building from FoW HQ based technical advisors have agreed to contribute to FoW's internal training of new hub based staff, so monitoring and advisory missions will not only be a one-way capacity building.

But mainly the changes will affect the level of responsibility of hub staff especially in terms of both local and global monitoring tasks, but to a high degree also an increased focus on securing funding from other resources than the core SPA funding in an effort to maintain our programmatic focus in Latin America. Up to this time, unfortunately this has mainly been successful for relatively smaller grants which increase transaction costs and ultimately decrease the level of value addition in relation to the implementation. This latter is evidenced by the successful acquisition of four 12-14 month projects, a three-year EU project and one four-year project in Latin America throughout 2022.

Lessons

The key challenges in terms of complying to the new requirements under the SPA 2022-2025 framework was to 1) strategically reprioritise our programme portfolio to the benefit of Africa and at the expense of Latin America, 2) retaining core HQ resource staff and maintain necessary level of value addition, and 3) adapting the Knowledge and Innovation Hub to guideline for Globale Entities.

In order to meet these challenges, we 1) reduced budgets in Latin America and established new partnerships and increased budgets for existing partners in Africa, 2) reduced HQ staff by one member and restructured the work for other core staff members to fit within the regulations of global entities and 3) restructured the Knowledge and Innovation hub in line with regulations for global entities, and removed certain elements formerly functioning under the Knowledge and Innovation Hub.

Throughout the process of adapting to these challenges several staff members have been forced to change and rephrase their typical working modality, which has caused some difficulties and eventually have limited direct collaboration with partners and target groups and to some extent reduced the quality of value addition.

We encourage the MFA to consider the effects of such new regulations on all SPA organisations as a relatively small organisation with a limited budget such as FoW has a relatively bigger challenge to adapt to such requirements than organisations with significantly larger funding. Without the approval of the global entity we would not have been able to accept the SPA. Further we encourage MFA to consider the geographical scope for especially climate and environment oriented grants to include Latin America, where the opportunities for climate protection and natural conservation are bigger.

Evidence

Being an internal organisational focused case, evidence lies in the structural changes inside the FoW organisation, which is evident in a comparative analysis of budgets between the CISU funding era from 2020-2021 and the SPA budget from 2022-2025.

The challenges in relation to the expected level of value addition will be assessed based on partner feedback in the coming years, as the changes have not yet seen its full effect.

IATI Tagging

This case study should be listed under relevant activities in the IATI Registry and tagged using following categories:

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- DAC 5 Digit Sector ([DAC 5 Digit Sector - iatistandard.org](https://iatistandard.org))
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