

2.1.3 Please describe how you might approach facilitation of direct or indirect budget support to a nascent political institution.

1. **General.** The proposed approach allows the **donor to immediately begin budget support to a nascent political institution**, while ensuring that donor requirements for fiduciary responsibility are met.
2. **Approach.** InCoStrat's approach to facilitating direct or indirect budget support to nascent political organisations would be as follows:
 - a. **Review** the institution's three-month, six-month, year and three-year development plan. If there is no plan, or it is inadequate, host a workshop with the institution to craft a three-month, six-month, year, and three-year development plan to include budgets and plans of action. From the plan, assess what are the needs, both financial and material, for the institution.
 - b. **Create a benchmark** based on donor requirements as to what processes, procedures and technical capacity need to be established before direct budget support can be provided.
 - c. **Assess** what financial accounting mechanisms and capacity the organisation as an entity has in place, as well as what procurement mechanisms are in place.
 - d. Assess what financial accountability capacity the experienced leadership of the organisation possesses.
 - e. **In kind support.** InCoStrat would provide in-kind support to the institution based on material needs identified in their development plan if an institution that cannot meet donor requirements. These requirements include: financial transparency and responsibility; the appropriate processes, procedures, and technical capacity necessary for direct budget support. At this stage, the InCoStrat would carry the financial responsibility required by the donor until the organisation has the capacity to do so.
 - 1) Simultaneously work with the organization to build their capacity to transparently and correctly manage finances, to include budget planning and oversight; proper accounting techniques; and anti-corruption measures. This can include embedding a short-term technical assistant with the institution and/or hosting workshops.
 - f. **In kind and direct financial support.** Once the institution reaches the benchmarks we would begin providing direct support for specific projects and/or salaries. We would maintain a continuous evaluation of progress of the institution to ensure the continued to employ the established procedures and processes. Simultaneously we would provide in-kind support.
 - 1) If necessary and if not already present, provide a short-term technical assistant to be embedded with the institution to provide oversight and assistance.
 - 2) As the institution builds capacity – evidenced through successful implementation of accounting and transparency procedures – increase the amount of direct financial support provided to the institution.
 - g. **Direct Support.** If the institution can meet donor requirements concerning financial transparency and responsibility to include the processes, procedures, and technical capacity necessary for direct budget support they would be provided with direct support for specific projects. Evaluate progress of the institution in using established procedures and processes.
 - 1) If necessary and not present, provide a short-term technical assistant to be embedded with the institution to provide oversight and assistance as necessary.
 - 2) As the institution builds capacity as evidenced through successful implementation of accounting and transparency procedures, increase the amount of direct support provided to the institution.