

CIVIL SOCIETY AND AID EFFECTIVENESS

CONCEPT PAPER

Version of June 10, 2007

Please consult the Advisory Group's extranet site (<http://web.acdi-cida.gc.ca/cs>) for the most recent version of this document at any time.

Advisory Group on Civil Society and Aid Effectiveness

CONTENTS

Executive Summary	1
I. Introduction and Background	3
II. Defining and Framing the Agenda – an Outcomes Perspective	4
III. Recognition and Voice	4
A. Civil society and development	4
Definition	4
Civil society and citizen participation.....	5
Civil society and development programs.....	5
Civil society and social empowerment	5
B. Civil society as part of the international aid architecture	6
C. Voice.....	7
IV. Applying and enriching the International Aid Effectiveness Agenda	8
A. The Paris Declaration as a reference point	8
B. Applying and Enriching the Paris Declaration	10
Appreciating the roles of civil society in development and change	10
Local ownership, alignment and partnership	11
Donor coordination and harmonization and program-based approaches	13
Managing for results	14
Mutual accountability	15
V. Towards Lessons of Good Practice.....	16
VI. Summary and Next Steps.....	19
Annex A: Advisory Group Mandate.....	20
Annex B: Issues and Questions to Guide AG Consultations.....	21
A. The roles of CSOs at country level and factors of effectiveness.....	21
B. Roles of Northern and Southern CSOs.....	21
C. Enabling environment for civil society	21
D. Models of donor support	22
E. Accountability and policy dialogue.....	22

LIST OF ACRONYMS

AE	Aid Effectiveness
AG	Advisory Group
CCIC	Canadian Council for International Cooperation
CIDA	Canadian International Development Agency
CS	Civil Society
CSO	Civil Society Organization
DAC	Development Assistance Committee
HLF	3 rd High Level Forum on Aid Effectiveness scheduled for Accra in Sept. 2008
INGO	International Non-Governmental Organization
MDGs	Millennium Development Goals
N-CSO	Developed-country Based Civil Society Organization
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PBA	Program-Based Approach
PRSP	Poverty Reduction Strategy Paper
SC	HLF Steering Committee
WP-EFF	Working Party on Aid Effectiveness

Executive Summary

1. This paper is intended to provide a common, though evolving, frame of reference to guide AG-sponsored consultations in the pursuit of three outcomes:

- Better understanding and recognition of the roles of CSOs as development actors and as part of the international aid architecture, and engagement of CSOs in general discussions of aid effectiveness (**recognition and voice**)
- Improved understanding of the applicability and limitations of the Paris Declaration for addressing issues of aid effectiveness of importance to CSOs, including how CSOs can better contribute to aid effectiveness (**applying and enriching the international aid effectiveness agenda**)
- Improved understanding of good practice relating to civil society and aid effectiveness by CSOs themselves, by donors and by developing country governments (**lessons of good practice**).

2. The paper addresses each of these three outcomes in turn.

Recognition and voice

3. Three general categories of normative roles are identified for civil society and CSOs. These include:

- Promoting citizen participation
- Providing effective delivery of development programs and operations
- The social empowerment of particular groups and the realization of human rights.

4. CSOs are also seen to be part of the international aid architecture in three ways:

- As donors
- As channels or recipients of official donor assistance
- By virtue of their role as watchdogs of the public good pushing for donor funds to be used in ways that maximize their impact on the poor.

5. The importance of civil society's involvement in development and as part of the aid architecture suggests that CSOs deserve a voice in discussions of aid effectiveness, and one of the roles of the AG will be to provide advice to the WP-EFF and to the HLF3 Steering Committee on how best to engage civil society in the dialogue on aid effectiveness.

Applying and enriching the international aid effectiveness agenda

6. The AG takes the Paris Declaration and the aid effectiveness principles contained therein as a reference point upon which to build as required to meet the requirements of its specific mandate. However, it notes that the Paris Declaration was designed to provide guidance to official donors and partner governments with emphasis on the needs of low income and relatively aid dependent countries.

7. In order to address aid effectiveness issues of importance to CSOs, the paper enquires into the role of civil society that is implied in the Paris Declaration and how that perspective could be enriched in order to reflect more fully the contributions of civil society to development and social change.

8. It then explores the aid effectiveness principles underpinning the Paris Declaration, asking how those principles could be applied to civil society and how the principles might have to be enriched to enhance their applicability. Four areas are covered:

- Local ownership, alignment and partnership
- Donor coordination and harmonization and program-based approaches
- Managing for results
- Mutual accountability.

9. In considering the application of these subject areas to civil society, the paper takes into account a number of considerations, including the following:

- An appreciation of the various roles of CSOs as development actors in their own right
- Explicit recognition of political considerations
- A broader understanding of the concept of partnerships to include partnerships involving CSOs
- More explicit allowance for a range of aid delivery models
- Recognition of institutional performance as a key dimension of aid effectiveness.

Towards lessons of good practice

10. Section V, finally, takes a closer look at the various relationships involved when dealing with CSOs as part of the aid architecture, and proposes to address each of these from a good practice perspective. From this understanding of the primary relationships involved can be seen to emerge four issue areas that the AG has targeted for the preparation of issue papers to guide consultations.

- How civil society operates at the country level and the factors conditioning its effectiveness in pursuing development results
- CSOs from donor countries as donors in their own right or as channels of official donor aid and how they relate to their developing-country partners
- The role of partner country governments in establishing an enabling environment and as channels of official donor aid for CSOs and
- Models of donor support.

11. A fifth thematic issue area worthy of special attention is a cross-cutting one focused on issues of accountability and policy dialogue. Although this subject could in principle be dealt with separately in each of the other four issue areas, it is of special interest and complexity and may deserve separate treatment.

12. The next step will be the preparation of these issue papers, while preparatory work proceeds for the organization of consultations at the national, regional and international levels over the coming months.

I. Introduction and Background

13. This concept paper is intended as a reference document of the Advisory Group on Civil Society and Aid Effectiveness (AG). Its role is both to define and help circumscribe the issue agenda on which AG-sponsored analyses and consultations are expected to shed light and to help lay the groundwork of a shared conceptual and analytical framework on aid effectiveness issues relating to the role of civil society in development in the run up to the Accra High Level Forum (HLF3) scheduled for Sept. 2008. The paper is meant to evolve over time as our understanding matures.

14. The AG is a multistakeholder group consisting of 12 members, including three members each from developing country partner governments, donors, and civil society organizations (CSOs) from developed and developing countries. It was established by the Working Party on Aid Effectiveness (WP-EFF) and is intended to function at least until the HLF3.¹

15. That CSOs play an important role in development has long been recognized, but CSOs have not, to date, been significant players in the international discussions on aid effectiveness. Although a number of umbrella CSO organizations were present at the Paris High Level Forum in March 2005, they were not an integral part of the process, and the role of civil society as part of the international aid architecture is barely acknowledged in the Paris Declaration.²

16. The creation of the AG was intended as a way to help bring CSOs into the process, most notably as part of the dialogue that will take place from now until the Accra Forum, which could provide opportunities for CSO engagement. In addition to promoting an enhanced role for CSOs in discussions of aid effectiveness, the AG seeks to promote improved understanding of aid effectiveness issues relating to the roles of civil society in development, including what constitutes good practice by CSOs themselves, by donors and by host-country governments. It hopes to use the Accra meeting as a launching pad for bringing this improved understanding forward.

17. The AG takes the Paris Declaration and the aid effectiveness principles contained therein as a reference point upon which to build as required to meet the requirements of its specific mandate.

18. At its second meeting on March 5-6, 2007, the AG identified the principal elements of a consultative process leading up to the Accra Forum. Preparation of this concept paper is the first step in that process. The AG will also prepare a series of issue papers intended to further stimulate and guide the discussions. The consultations themselves will include six regional consultations (two in Asia, two in Africa, one in Latin America and one in the North), an international conference scheduled for February 2008 in Ottawa,

¹ See the AG's official terms of reference for details on the rationale behind the creation of the AG. Annex A, below, reproduces the AG's mandate as included in the terms of reference.

² See section IV B below.

and an indeterminate number of national consultations. The aim of these consultations will be to improve understanding of aid effectiveness relating specifically to the roles of civil society in development, including what constitutes good practice. The AG will produce a synthesis report of its deliberations and consultations and provide advice and recommendations on how to incorporate aid effectiveness issues relating to the role of civil society and development in the Accra HLF and beyond.

II. Defining and Framing the Agenda – an Outcomes Perspective

19. The mandate of the AG is potentially very broad, and involves consultations with a wide range of stakeholders. For these consultations to be effective requires a fairly clear understanding of the types of outcomes being pursued. The principal outcomes desired by the AG stakeholder groups can be reduced to three:

- Better understanding and recognition of the roles of CSOs as development actors and as part of the international aid architecture, and engagement of CSOs in general discussions of aid effectiveness (**recognition and voice**)
- Improved understanding of the applicability and limitations of the Paris Declaration for addressing issues of aid effectiveness of importance to CSOs, including how CSOs can better contribute to aid effectiveness (**applying and enriching the international aid effectiveness agenda**)
- Improved understanding of good practice relating to civil society and aid effectiveness by CSOs themselves, by donors and by developing country governments (**lessons of good practice**).

The following sections offer some elaboration on each of these agendas and provide some conceptual guidance intended to facilitate the dialogue.

III. Recognition and Voice

A. Civil society and development

20. One of the objectives of the AG consultative process will be to achieve more explicit consensus about the roles that civil society and CSOs play in development. Pursuit of this objective is not just about creating a taxonomy of roles. It is about securing or consolidating a consensus on the legitimacy and importance of these various roles.

Definition

21. The concept of civil society encompasses a wide range of organizations. In a broad sense, it includes all non-market and non-state organizations and structures in which people organize to pursue shared objectives and ideals. In the development field, there is a tendency to think primarily in terms of non-governmental organizations (NGOs) whose missions are explicitly and uniquely developmental in character. However, civil society also includes farmers' associations, professional associations, community-based organizations, environmental groups, independent research institutes, universities,

churches, labour unions, and the not-for-profit media, as well as other groups that do not engage in development work. This broad definition is widely accepted in the world of development practitioners.

22. However this definition, in and of itself, does not tell us anything about the roles that civil society is thought to play in development. To speak of “roles” requires the identification of a normative framework or frameworks regarding the positive roles that civil society is thought to play. Three such frameworks may be identified from the literature and from common usage.

Civil society and citizen participation

23. The predominant normative framework from the literature is to approach the idea of civil society as the third leg of a three-legged stool, complementing the private sector and the state as pillars of any organized and well-functioning society. Civil society from this perspective is the social space in which citizens organize themselves on a voluntary basis to promote shared values and objectives. From this perspective, civil society is usually seen as essential to the proper functioning of a democratic society and to the growth of social capital.

24. A related view is one that views civil society as one of five pillars of democracy, along with the executive, the legislature, the judiciary and the independent media. This view provides a good-governance perspective on the role of civil society.

Civil society and development programs

25. People who work with development CSOs or NGOs on a day-to-day basis often have a different, more operational perspective. From this perspective, civil society consists of a constellation of CSOs that are actively engaged in development programs and operations. The value of each CSO depends on the particular values that it brings to the task, and the effectiveness of its operations. From this perspective, civil society is not an abstract construct that is good or bad, but a collection of actors among which some discrimination is possible on the basis of their values and perceived effectiveness. The richness of civil society provides opportunities for donors, governments, citizens, and other CSOs to identify partners with whom to engage in the pursuit of development objectives and the public good. This view provides a more discriminating and operational perspective on the role of civil society.

Civil society and social empowerment

26. Yet another approach focuses on civil society from a human rights perspective, seeing civil society as a mechanism for the social empowerment of particular classes of society, such as the poor and dispossessed, women, ethnic groups, or other groups.

27. These three perspectives are different but complementary, emphasizing three general categories of normative roles for civil society and CSOs:

- As a necessary component of a healthy society, of an accountable and effective governance system, and of a healthy democracy

- As organizations providing effective delivery of development programs and operations
- As mechanisms for social empowerment of particular groups and the realization of human rights.

28. What is required is an awareness of these sometimes competing perspectives, a conceptual framework that is broad enough to encompass all three, and greater understanding of the implications of each for aid effectiveness.

B. Civil society as part of the international aid architecture

29. Civil society organizations are also a part of the international aid architecture in various capacities as donors, as channels or recipients of official donor assistance, and by virtue of their role as watchdogs of the public good. Recognizing this role, and understanding how it manifests itself, is important both in legitimizing the place of civil society organizations at the table on aid effectiveness, and for understanding how to divide up issues of good practice.

30. As donors, developed-country based (or Northern) civil society organizations (N-CSOs) mobilize billions of dollars in voluntary contributions in cash and in kind for development purposes. The latest estimates of the OECD-DAC (the Development Assistance Committee of the Organization of Economic Cooperation and Development) put the amount of such contributions at approximately \$14.7B US in 2005, equal to about 14% of all Official Development Assistance (ODA) or 18% of ODA exclusive of debt cancellations (OECD-DAC Statistics on Line, 2006: Table 1). This amount is most likely underestimated by a considerable factor.³

31. CSOs also act as channels or recipients of official donor assistance, receiving funds from official donors for use in their development programs or for redistribution to other CSOs. The share of donor funds to CSOs varies considerably from donor to donor. In 2004, flows to and through CSOs from the DAC's top 15 CSO funders ranged between 6 to 34% of their bilateral ODA, totalling approximately \$4.6 B US, although this amount, too, is underestimated.⁴

32. Finally, CSOs play an important role as advocates and watchdogs of both governments and donors. In this capacity, CSOs can promote aid effectiveness even where the funds do not flow through CSOs themselves, by pushing for donor funds to be used in ways that maximize their impact on the poor.

³ These are country estimates made by donors in their report to the DAC, which are often educated guesses (Canada) and for some countries are not even reported to the DAC (e.g. France, Norway, Spain and the US). Furthermore, reporting is for "private voluntary organizations" rather than the full range of CSOs.

⁴ Compiled from DAC statistical data Table 1, line items 015, 076, 077, 421. These figures under-represent DAC members' flows to CSOs as direct funding to local CSOs is often not included, nor are flows through other institutions such as multilaterals. In addition, some donors, such as the U.S., do not report their flows to and through CSOs.

C. Voice

33. The objective of securing a greater voice for civil society in general discussions of aid effectiveness is closely related to the above discussion, since it is the place of civil society in a democratic society and its role as part of the international aid architecture that justify CSOs' claim to a seat at the table in discussions of aid effectiveness at both the international and country levels.

34. CSOs aspire to engage in the international dialogue on aid effectiveness in the context of the OECD-DAC and the HLF3 planned for Accra. The umbrella CSO *Reality of Aid* has in fact engaged with the OECD-DAC on aid effectiveness and other aid issues for many years. More recently, consultations have been organized between a number of umbrella CSOs, the OECD-DAC, and the Working Party on Aid Effectiveness.

35. CSOs engaged in these various discussions have acknowledging the importance of efforts to improve aid effectiveness to produce development results for poor people, but have pointed to gaps in the Paris Declaration as a document addressing some issues of central interest to them.⁵

36. The AG is charged with advising the WP-EFF on future consultations of this sort by considering how best to ensure the effective participation of CSOs in the aid effectiveness discussions, and how to ensure that the agenda itself allows enough space for important issues of concern to CSOs to be addressed. Recent discussions involving CSOs and the DAC in Paris indicate that there is considerable interest in engaging in this sort of dialogue.

37. A second way that CSOs can intervene in the policy dialogue on aid effectiveness is at the country level, where multi-stakeholder processes of policy dialogue are increasingly present as part of budget support operations or sector-wide approaches. CSOs could also play an important monitoring role as part of mutual accountability processes to be developed in implementing the Paris Declaration.

38. As development actors, CSOs share an interest in aid effectiveness for keeping development efforts on track, for drawing attention to outcome and impact level results,

⁵ See the meeting notes of the March 2007 dialogue between CSOs and the Working Party on Aid Effectiveness. Among the issues raised were the following:

- The absence of a clear linkage between effective aid delivery mechanisms as emphasized in the Declaration and impact on the priorities of those living in poverty
- Lack of sufficient attention to meaningful stakeholder participation in the development of national poverty strategies
- Gender blindness in the aid effectiveness agenda
- Donor imposition of policy conditionalities despite the emphasis on local ownership
- The need for stronger targets on aid untying
- The need for attention to the democratic governance and accountability of the major aid institutions.

and for drawing lessons of good practice from accumulated experience. The shared pursuit of aid effectiveness provides a legitimate entry point for dialogue among all development cooperation actors, including CSOs.

39. The rest of this paper is focused on aid effectiveness as it relates to the role of civil society in development and as part of the international aid architecture, as this corresponds to the substantive part of the AG's agenda. This is not meant to preclude stakeholders involved in AG-sponsored consultations from addressing other aid effectiveness issues as well.

IV. Applying and enriching the International Aid Effectiveness Agenda

40. This section addresses the second outcome envisaged by the AG: improved understanding of the applicability and limitations of the Paris Declaration for addressing issues of aid effectiveness of importance to CSOs. What follows is an attempt at providing such an understanding for discussion and further elaboration and refinement as part of the upcoming consultation process.

41. The material is organized in two parts. The first part considers the Paris Declaration, as a basic point of reference. The second part begins by considering how civil society is covered in the Paris Declaration. It considers the view of civil society that is implied in the Paris Declaration to be an "instrumental" one and argues for a perspective allowing greater room for CSOs as agents of social change. It goes on to address the various Paris principles of aid effectiveness from a civil society perspective.

A. The Paris Declaration as a reference point

42. This section enquires into the implications, opportunities, and limitations of the Paris Declaration principles as a point of reference for civil society and aid effectiveness at country level.

43. The concept of aid effectiveness has acquired growing importance in international discussions. The expression refers to the extent to which aid resources succeed in producing sustainable development results for poor people. In international circles, the emphasis on aid effectiveness can help to ensure that the international aid system as a whole remains true to its primary purpose, as opposed to political or bureaucratic interests, foreign policy goals, or commercial objectives.

44. One can also speak of aid effectiveness "principles" that incorporate shared lessons of experience based on empirical evidence and research, and of the prevailing aid effectiveness "agenda" that goes beyond principles and includes specific commitments intended to promote enhanced aid effectiveness, based on international negotiations and dialogue.

45. Organizations like the OECD-DAC have endeavoured for years to draw systematic lessons learned from development cooperation efforts. This has been complemented by

the considerable work of the World Bank, academics, bilateral donors, and multilateral organizations, which has accelerated in recent years. This work has led to a vast literature and to a growing official consensus⁶ among these actors regarding the elements of success. Increasingly, it is possible to speak in official circles of an “international aid effectiveness agenda.”

46. This international agenda has evolved over time, and will continue to evolve. Its principal manifestation at this time is the Paris Declaration of March 2005. As the latest major international statement on aid effectiveness, the Paris Declaration represents a landmark achievement that brings together a number of key principles and commitments in a coherent way. It also includes a framework for mutual accountability, and identifies a number of indicators for tracking progress.

47. The central thrust of discussions in the Accra HLF will be the implementation of the Paris Declaration, and it is thus important that the AG consider how its own work will contribute to this implementation process and how the aid effectiveness principles embedded in the Paris Declaration might apply to CSOs.

48. Principles such as the need to respect and promote local ownership, to align with Southern-driven priorities, to make use of local systems, to harmonize donor efforts, to focus on results and to hold partners mutually accountable, are clearly relevant to a wide range of development actors and activities, including CSOs. However, the application of those principles by CSOs may require interpretation in terms that CSOs find more applicable.

49. For example, civil society organizations have raised questions about the identification of a country’s poverty reduction strategy as the sole reference point for alignment to partner country priorities. CSOs often ask how democratically owned those strategies are, and whether priorities lying outside of those strategies cannot also be locally-owned.

50. While the Paris agenda contains a number of relevant and important entry-points for discussions on civil society and aid effectiveness, it is worth recalling that the Paris agenda was negotiated with a particular problem in mind. Quite clearly, the focus of the Declaration is to provide guidance to official donors and partner governments – in particular those of low-income and relatively aid-dependent countries. Aid effectiveness is associated, in this context, with:

- The successful scaling up of country-level poverty reduction efforts,
- More harmonized aid efforts aligned around country priorities,
- Success in strengthening the institutional apparatus of partner governments, and
- Policy space for partner government to direct resources towards those efforts.

⁶ We emphasize here the official character of the consensus, because the Paris Declaration was drawn up with very limited CSO involvement.

51. Although general in intent, the choice of principles upon which to focus attention was thus clearly inspired by a particular agenda. This raises questions of what an aid effectiveness agenda designed to address issues of civil society and aid effectiveness might look like and how it might differ from the Paris Declaration. One of the issues to be addressed by the AG consultations on civil society and aid effectiveness is thus the international aid effectiveness agenda itself, and how it may need to be enriched in order to address issues of aid effectiveness pertaining to the role of CSOs in development and as part of the international aid architecture.

52. In what follows, the paper considers various aspects of the international aid effectiveness agenda from a civil society perspective.

B. Applying and Enriching the Paris Declaration

Appreciating the roles of civil society in development and change

53. By virtue of its character as an agreement between donors and partner governments, the Paris Declaration does not include commitments by CSOs themselves. However, the Paris Declaration recognizes the roles of non-state actors, including CSOs, in three places:

- In commitment 14, in which partner countries commit to “take the lead in coordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector”
- In commitment 39, in which donors commit to “align to the maximum extent possible behind central government-led strategies or, if that is not possible, donors should make maximum use of country, regional, sector or non-government systems”
- In commitment 48, in which partner countries commit to “reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies.”

54. The intent to engage CSOs in the ways identified above deserves to be monitored to determine the extent to which that intent is being realised. One way that the AG can help contribute to the implementation of the Paris Declaration is thus to identify examples of good practice and assess the effectiveness of participatory processes under commitments 14, 39, and 48.

55. However, the roles identified for CSOs in the Paris Declaration are quite limited: CSOs can help to enrich participatory processes under government leadership or they may serve as alternative vehicles for official donors to align around host-country priorities in fragile states. This is consistent with the view of civil society as one of the pillars of a democratic state, and with the particularly important role that CSOs are thought to play in conflict-affected or undemocratic states. However, the perception of civil society in the Paris Declaration is an instrumentalist one in which the role of CSOs is to help governments and donors to improve their own performance. This perspective fails to recognize CSOs as development actors in their own right whose objectives and

activities are not necessarily defined in terms of their relationship with government, and whose role is often to play a challenge function with respect to government.

56. A remarkable feature of the Paris Declaration is the implication of national consensus on a country's needs and priorities. The sense that one gets is that local ownership is defined by the existence of a single poverty reduction strategy owned by the central government, and that this is the only legitimate expression of country needs. Only in limited ways is there any sense of political debate or of the roles that donors themselves play in shaping these poverty reduction strategies. There is no recognition that CSOs might legitimately represent alternative points of view, or that debate over alternatives might itself be worth supporting.

57. Indeed, the opposite is true, to the extent that the concentration of efforts behind government programs under the Paris Declaration might deprive independent actors of support and thus limit the articulation and expression of alternative points of view.

58. Improved governance and government accountability are both acknowledged in the Paris Declaration, but there is little to suggest how these objectives might be achieved, beyond the call for participation in commitments 14 and 48, and the establishment of results-oriented frameworks.

59. Recognizing the political character of development processes is fundamental, because CSOs often perceive their own role largely in political terms, seeing themselves as actors whose role it is to help to mobilize citizens claim their economic and social rights. CSOs thus see development and change as political processes in which competing agendas jostle for position, in which they play a wide range of roles aimed at social empowerment of the poor and other disadvantaged groups. From this perspective, change is most likely to address the needs of the poor when there exists a diversified and vibrant civil society capable of promoting the priorities of the poor, good governance, domestic accountability gender equality, and respect for human rights.

60. Situating civil society within the international aid effectiveness agenda will thus require better understanding and recognition of the different roles played by civil society, and of the political arena in which those roles are played. As noted earlier, clearer understanding and explicit recognition of these realities is one of the outcomes being pursued by the AG.

61. Taking this richer perspective on civil society for granted, the following subsections consider various dimensions and principles of the Paris agenda from a civil society perspective.

Local ownership, alignment and partnership

62. A first issue for CSOs is how local ownership and alignment are interpreted. In the Paris Declaration, these concepts tend to be identified with government design and leadership of a poverty reduction strategy and alignment around government priorities and systems. However, CSOs are likely to interpret local ownership and alignment in ways that allow for a multiplicity of expressions.

63. For instance, CSOs from Northern countries often work with host-country CSOs and are likely to understand local ownership and alignment in terms of the priorities identified by their Southern CSO partners. Within a country, CSOs may be directly involved in supporting development at the community level, and may think of local ownership and alignment in terms of participatory approaches and mechanisms to ensure that local priorities and processes are respected.

64. From a civil society perspective, which emphasizes a plurality of views and recognizes power imbalances, there can be no single expression of local ownership and alignment around government plans, priorities, and systems. Indeed, the approach of donors, governments, and CSOs to development cooperation may sometimes be in tension.

65. Recognition of CSOs as development actors in their own right will also require some enlargement of the concept of partnership. The concept of partnership is a fundamental one to understanding the way that CSOs operate as development actors. Yet the tendency in the donor community has been to think of aid effectiveness in terms of enhanced partnerships between donors and recipient governments, while relationships with non-state actors are conceived primarily as buyer-supplier relationships.

66. CSOs do often act as service providers on a contractual basis, in competition or in collaboration with private sector suppliers. This is illustrative of the overlap that exists in the areas of activity covered by government, the private sector and civil society. However, CSOs exist with the aim of pursuing certain values and objectives, and the relationships that they establish with donors, governments, the private sector, and other CSOs in the pursuit of those values and objectives are better described as partnerships, than as service provision. This involves working together on the basis of shared values, objectives and responsibilities.

67. Addressing aid effectiveness issues from a civil society perspective will thus require some understanding of the sorts of partnerships that are involved, of what constitutes an effective partnership, and of the conditions required for such partnerships to thrive. For instance, partnerships between donors or government and CSOs raise questions about accountability to beneficiaries. Partnerships involving Northern and Southern CSO raise important issues rooted in the power of control over resources and knowledge. This raises questions for Northern CSOs about the extent to which priorities are supply-led, and about the true extent of host-partner leadership in CSO-to-CSO collaboration. This has led some Northern CSOs to respond by reforming their practices and developing codes of conduct around the way that they partner with Southern CSOs.

68. There are questions also about what should or should not count as tied aid, which is one of the aid effectiveness issues identified in the Paris Declaration. Donors channel a fair proportion of their aid through domestic NGOs, and formally, this counts this as tied aid (although services are excluded from OECD-DAC tying statistics). However, partnerships with donor-country-based CSOs need not necessarily involve the tying of aid beyond the original partnership agreement, and are not intended to procure

commercial advantage. It therefore seems inappropriate to tar such relationships with the same brush as tying for commercial reasons.

Donor coordination and harmonization and program-based approaches

69. Coordination and harmonization issues are relevant to CSOs acting as donors or as channels for official aid, just as they are for official aid donors and host-country governments. Considerations include the following:

- Donor harmonization and coordination, to reduce transactions costs for local partners and to allow them to focus their attention on strategic concerns as opposed to the details of project management
- The adoption of a systems perspective and of more comprehensive approaches such as program-based approaches (PBAs).

70. The harmonization agenda that is part of the Paris Declaration opens up new opportunities for CSOs. For example, the increased emphasis on comprehensive approaches and systems-wide interventions opens up new opportunities to engage in policy dialogue on high-level issues that affect development.

71. There are opportunities also to scale up activities in partnerships with governments or other CSO partners. For example, CSOs can become involved in PBAs either as collaborating partners in government-led PBAs, or as part of CSO-led PBAs. To date, there are few documented cases of PBAs in support of NGO programs, but those cases we do know about – cases of NGOs such as BRAC and Proshika in Bangladesh or *Haki Elimu* in Tanzania whose programs have been funded on a PBA basis – appear to be examples of good practice that could be emulated elsewhere. There are some interesting cases also of CSOs collaborating effectively with governments involved in PBAs such as the work of *Progreso*, a locally-based NGO involved in pedagogical training of government hired teachers in Northern Mozambique. Finally, there are cases of joint efforts by CSOs to rationalize their work and to take a more systemic perspective. Such cases deserve to be documented as examples of good practice that are in line with the Paris principles.

72. Project-based approaches to development have been much criticized due to the burden of transactions costs that they impose and the dispersal of efforts that they imply. Accordingly, the Paris Declaration calls for increased use of program-based approaches (PBAs), setting a target of 66% of all ODA to be provided in this form by 2010. As a way of operating, PBAs incorporate a number of aid effectiveness principles and can be applied quite flexibly to suit different circumstances and needs. The emphasis tends to be on comprehensive planning, and on the replication of standard models of service delivery at a large scale. Most PBAs are thus government-led in sectors such as education and health, where scaling up of service delivery is feasible.

73. However, not all activities are best pursued in a centralized, joined-up fashion. Attention to aid effectiveness issues of special concern to CSOs should include careful review of partnership and programming models in different areas of activity. Some activities, particularly those requiring creativity and adaptation to local circumstances, in

which CSOs tend to be involved, are best implemented in ways that are decentralized, participatory, and iterative. Examples of such activities include community development, the delivery of education and health services at the patient or classroom level, advocacy work, capacity development at a decentralized level, technology transfer, agricultural extension services and any sort of research or innovative activity.

74. Such activities cannot readily be “programmed” according to set formulas. They require a different approach that encourages diversity, experimentation, and learning, and a particular type of relationship between service providers and beneficiaries. Good practice in such cases is based on elements such as the following:

- Delivery models that are more likely to rely on professionalism than on rules and procedures
- Decentralized, participatory approaches more than top-down planning
- The pursuit of simultaneous efforts on multiple fronts, as opposed to the scaling up of known formulas.

75. This sort of discrimination among categories of activities suggests that CSOs are likely to require a greater range of models of collaboration and cooperation than may be implied in some of the discussion of aid effectiveness to date. This is not to say that existing aid effectiveness principles are inapplicable in these areas of activity. However, they need to be applied with some discretion and enriched by a deeper understanding of the limits of the planner’s model of programming.

76. What may be needed are models of development that combine the advantages of opportunistic, situation-specific interventions with those of more comprehensive approaches. For example, decentralized and participatory approaches are likely to be more fruitful if they are based on strategic considerations of a systemic character, and initiatives of an innovative or pilot nature are more likely to be successfully scaled up later if they are undertaken with that possibility in mind from the start.

Managing for results

77. By calling for a results-based approach to resource management, the Paris Declaration raises another area of joint concern to all partners – that of defining and measuring results and learning from that how to improve performance and resource allocation.

78. Management for results raises numerous questions about what to measure, about the division of responsibilities, and about access to data. Although the collection of national statistics so important to results-based approaches at the sector or national levels is normally in the government domain, there are fundamental roles to be played by CSOs in:

- Promoting enhanced access to information
- Analysing and disaggregating information

- Collecting and disseminating more qualitative or sensitive types of information having to do with the quality of services, empowerment of the poor or the achievement of human rights
- Demonstrating their own performance, as well as that of other actors
- Acting as alternative and independent sources of information.

79. An issue that comes to the fore when more attention is paid to the multiplicity of development actors, including CSOs, is the relative performance of different actors in delivering results. It is common knowledge that different development actors, including donors, developing-country governments and CSOs, each have their own strengths and weaknesses and may be best placed to play certain roles in different contexts. How aid funds are allocated among different development actors thus becomes a key aid effectiveness consideration when managing for results.

80. The Paris Declaration explicitly addresses the issue of institutional performance in its Statement of Resolve, and proposes a number of measures intended to improve the performance of core government systems over time. However, it provides no guidance on the allocation of aid among actors with different capacities, including CSOs that may have proven their capacity to deliver results in the past or that demonstrate potential to do so in the future. No set of principles on civil society and aid effectiveness would be complete without some analysis of the allocation issues involved and their relationship to the question of relative institutional performance of different development actors, with due regard for the context and enabling environment in which they operate.

Mutual accountability

81. Closely related to the subject of managing for results is the call of the Paris Declaration for mutual accountability. The Declaration contains four commitments under this chapter. These are intended to ensure that partner governments are accountable to their own citizens (commitments 48 and 49) and that governments and donors hold each other accountable for the implementation of the Paris Declaration.

82. As Commitment 48 implies (without naming CSOs specifically), CSOs have an important role to play in reinforcing the democratic process, in ensuring that donors and governments are held accountable to beneficiaries. An important topic for discussion as part of the AG consultative process will be to identify the conditions that affect CSOs ability to play this role and the legitimacy that they bring to the table.

83. However, CSOs have complex accountability of their own to deal with. As emphasized in a recent paper on this subject,⁷ CSOs are often accountable to numerous stakeholders. In the authors' words:

CSOs may owe accountability upward to donors who provide resources and to regulators responsible for their legal certification, downward to

⁷ L. David Brown and Jagadananda, "[Civil Society Legitimacy and Accountability: Issues and Challenges.](#)" The Hauser Center for Nonprofit Organizations and CIVICIS, January, 2007. Page 7.

beneficiaries and clients who use their services or to members who expect representation, outward to allies and peers who cooperate in programs and projects, and inward to staff and volunteers who invest their talents and time in organizational activities.

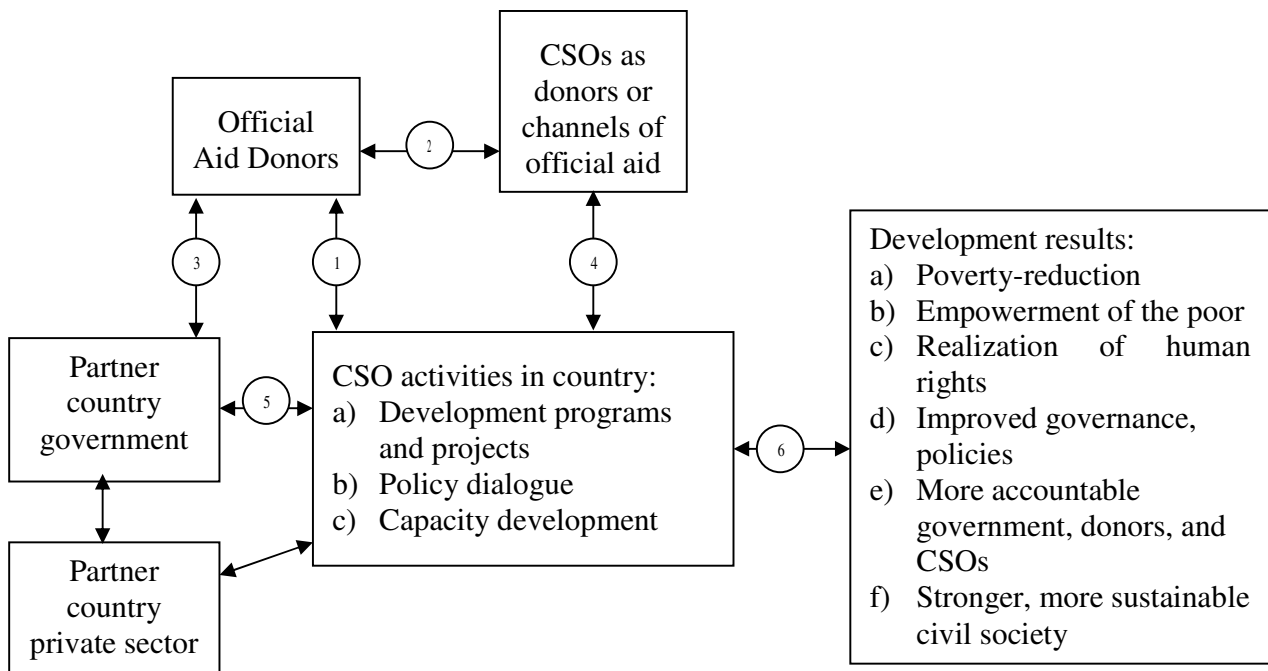
84. Where aid relationships are involved, the power dynamics of the aid relationship itself is an obvious issue, with accountability relationships tending to flow upwards towards those providing funds more than vice versa, as might be the case in a truly mutual accountability relationship. CSOs involved in partner relationships are often aware of these dynamics and have adopted codes of conduct and methods of work in these partnerships that seek to reinforce accountability to beneficiaries. This raises questions about how well this approach is working and whether there are lessons from this on how to manage mutual accountability issues between donors and governments.

V. Towards Lessons of Good Practice

85. Consider, finally, the third outcome envisaged by the AG: lessons of good practice relating to civil society and aid effectiveness by CSOs themselves, by donors and by developing country governments. We propose below a simple framework to help frame the discussions on this topic by pointing to the various aid effectiveness relationships involving civil society.

86. The figure below is intended to illustrate these relationships. Taking an aid effectiveness perspective by drawing attention to results, the figure treats aid as an input that is converted into activities by CSOs at country level, and finally, into development results.

Figure 1: From Cooperation to Results: Civil Society and Aid Effectiveness



87. In this figure, the aid relationship is considered to be that of official donors and developed-country based CSOs channelling resources to government or CSO partners in developing countries, while engaging in the exchange of knowledge and in policy dialogue. The arrows point to the primary relationships involved, and identify the nerve points where aid effectiveness issues arise. These arrows represent the flow of aid from donors to recipients, but also engagement in policy dialogue and knowledge sharing among the parties concerned. They are drawn bi-directionally to indicate that dialogue and learning are two-way processes and that aid effectiveness is likely to involve the need for adjustment on both sides of these relationships.

88. Official donors may contribute to CSO activities in three ways, as shown by the first three arrows:

- Arrow 1 shows them contributing directly to developing-country-based CSOs
- Arrow 2 shows contributions through developed-country-based CSOs
- Arrow 3 shows contributions flowing through developing-country governments.

89. Developed-country CSOs are shown here as recipients of aid from official donors and as donors in their own right. If they operate directly in developing countries as development actors, as well, these activities are shown as part of the box on CSO activities, which includes activities of CSOs that have international roots along with those of truly national civil society organizations. Arrow 4 illustrates the aid, or development cooperation, relationship between developed-country CSOs and partner country CSOs which in some cases may be an arms-length one, in others a relationship that manifests itself within the host country.

90. Arrow 5 illustrates the relationship between developing country governments and CSOs at the country level. Fundamental to this relationship is the legislative, regulatory, and fiscal framework in which national CSOs operate. This relationship also includes the way that government chooses to engage with CSOs in policy dialogue, the level of transparency with which information is shared, and the choice of CSO partners with which it chooses to engage. It may also include the provision of funding, which would be considered aid if it originates from the international donor community, but might also be national in origin.

91. CSO relationships with the private sector are also shown in the graphic. This includes domestic fundraising, and the special relationship that certain CSOs such as chambers of commerce may have with the private sector.

92. CSOs in partner countries are shown here engaging in three general types of activities:

- Development programs and projects
- Policy dialogue
- Capacity development

93. These are intended as a very concise expression of what CSOs do, and each category should be interpreted quite broadly. Development programs and project refer to all CSO activities generating direct or indirect benefits for the poor. Policy dialogue encompasses all representational, advocacy, and watchdog functions. Under capacity development, are included all activities that aim to reinforce CSOs and the capacity of civil society over the long term. This might include efforts to build up community-based organizations, the creation of umbrella groups, engagement in networking, and the like.

94. Finally are shown a number of results expected to derive from CSO activities. The results shown here cover a wide range, and include both immediate results for particular communities and intermediate results such as improved policies and a more democratic society.

95. Arrows 1 – 6 represent the logical flow from aid to development results, and as such, potential points where aid effectiveness issues may arise. These arrows can thus be used as a way to group questions about the effectiveness of aid provided through or to CSOs. For practical purposes, these arrows may be grouped in different ways. In particular, arrows 1-3 may be considered together, as they involve different ways that donors may use to channel funds to CSOs.

96. From this understanding of the primary relationships involved can be seen to emerge four issue areas:

- How civil society operates at the country level and the factors conditioning its effectiveness in pursuing development results (arrow 6)
- How CSOs from donor countries relate to their developing-country partners (arrow 4)
- The role of partner country governments in establishing an enabling environment and as channels of official donor aid for CSOs (arrow 5)

- Models of donor support.

97. A fifth thematic issue area that has been proposed is a crosscutting one focused on issues of accountability and policy dialogue. Policy dialogue is shown in the middle rectangle of the diagram as a CSO activity, but in addition, policy dialogue and accountability issues condition *all* of the relationships identified. Although accountability and policy dialogue could thus be covered in each of the four thematic issue areas identified above, there is a case for drawing these out under a separate heading.

98. These five issue areas will be further defined and elaborated upon in a thematic issues paper that will complement this Concept Paper. Annex B provides a list of some of the principal questions that have been identified to date, and should help to further define the subject matter in each of the five areas. It can be taken as a first draft of issues and questions upon which the consultations are expected to shed some light at the country, regional and international levels.

VI. Summary and Next Steps

99. To sum up, this paper is intended to provide a common, though evolving, frame of reference to guide and to some extent circumscribe AG-sponsored consultations in the pursuit of three outcomes:

- Greater recognition of the diversity of roles played by CSOS and of their importance
- An enriched understanding of aid effectiveness principles and considerations as they apply to the work of CSOs in development
- Improved understanding of what constitutes good practice by civil society itself (North and South), by official donors and by developing-country governments.

100. The next step will be the preparation of a Thematic Issues Paper, while preparatory work proceeds for the organization of consultations at the national, regional and international levels over the coming months.

Annex A: Advisory Group Mandate

The Terms of Reference of the Advisory Group establish its mandate as follows (paragraph 14).

The Advisory Group on Civil Society and Aid Effectiveness has been set up, and its terms of reference approved, by the Working Party on Aid Effectiveness (WP-EFF). It is intended to function until (and possibly beyond) the 3rd High Level Forum in Accra in 2008. The mandate of the group is:

- To look into the two overarching functions of civil society as development actors in the broad sense, and more specifically in terms of its role in promoting accountability and demand for results.
- To facilitate a multi-stakeholder process that aims to clarify:
 - The roles of civil society in relation to the Paris Declaration
 - CSO aspirations to deepen the wider national and international aid effectiveness agendas
 - Key considerations and principles that will be internationally recognized by all of the relevant parties.
- To advise WP-EFF and the HLF Steering Committee on the inclusion of Aid Effectiveness and Civil Society as well as other issues to deepen the aid effectiveness agenda in the agenda of the Accra Forum, in a manner that builds on the Paris Declaration.

To prepare, in consultation with the Steering Committee, the WP-EFF and civil society organizations, proposals on Aid Effectiveness and Civil Society for discussion as part of the Accra agenda.

Annex B: Issues and Questions to Guide AG Consultations

A. The roles of CSOs at country level and factors of effectiveness

- What roles do CSOs currently play in different countries, in terms of their relative importance? In which areas is CSO performance in playing these roles considered most satisfactory or less satisfactory, and why?
- Looking at the country experience of CSOs and development, what are some of the weaknesses that appear in terms of how the sector is organized and structured? Which segments of society are well represented or left out, and how are CSOs accountable towards these populations? How might some of these features be strengthened?
- How might CSOs organize themselves to be more effective at country level, by applying the Paris Declaration principles or other aid effectiveness principles seen to be of particular importance to civil society?
- To what extent does the critique of project-based approaches apply to support through CSOs? What examples are there of adopting more programmatic approaches, and what lessons might be derived from this experience?
- How have different countries and CSOs addressed the issue of long-term financial sustainability? How should the issue of financial sustainability affect donor strategy vis-à-vis CSOs? What are some examples of good practice in this regard?

B. Roles of Northern and Southern CSOs

- What distinctions need to be made between Northern and Southern CSOs with regard to the roles that they play in development? How might those roles complement each other more effectively?
- What models of partnership can be identified, and what is their relative importance? What are the strengths and weaknesses of each? How are these models evolving?
- How do current donor policies and practices influence the potential quality of CSO international aid partnerships and thereby their effectiveness as development actors?
- What sorts of guiding principles might shape international CSO aid partnerships to promote relationships based on mutual learning and benefit, mutual respect, and accompaniment of citizens' initiatives in developing countries to further their own development options?

C. Enabling environment for civil society

- What range of existing practice is there in developing countries in providing an enabling environment for civil society (legislation, regulatory framework, degree of opening, fiscal arrangements)?
- What lessons can be derived from these different experiences?
- How might the enabling environment for civil society be adjusted to allow CSOs to play their roles more effectively?
- What are the relative responsibilities of donors and partner governments in establishing this enabling environment?

D. Models of donor support

- How do current donor/government aid relationships affect the possibilities for CSOs to engage in policy dialogue, secure access to information, and hold governments and donors to account?
- To what extent and in what ways is the identification of “local ownership” with central government ownership conditioning support for CSOs? Would there be value in speaking instead of “democratic ownership” as some have proposed? If so, how could current practices that shape donor and partner government aid relationships, and donor-civil society organizations relationships, be redefined to accommodate this concept?
- What are some of the experiences of efforts to support capacity development of CSOs in a more comprehensive way, and what lessons might be derived from these experiences?
- What are the advantages and limitations of responsive approaches to development cooperation, such as small project funds, or other responsive mechanisms? What are the advantages and limitations of institutional support to CSOs?
- What are the pros and cons of official donors partnering with donor-country CSOs rather than supporting partner-country CSOs directly?
- How have different donors attempted to strategically target aid to CSOs? What lessons might be derived from these experiences?
- What are some of the experiences of program-based approaches to supporting the work of developing country CSOs? What lessons can be learned from these experiences?

E. Accountability and policy dialogue

- How are CSOs currently organized in different countries to engage with government and donors as advocates, in policy dialogue and as watchdogs?
- How can CSOs engage more effectively?
- What adjustments in aid relations could be contemplated at the national and international levels that might enable parliaments and CSOs to engage more effectively as public watchdogs, in performing functions such as the following:
 - holding donors and governments to account;
 - helping to develop transparent and effective accountability mechanisms; and
 - promoting mutual accountability mechanisms between donors and partner countries?
- How might the capacity of CSOs to play such functions be reinforced?