

The Task Team on CSO Development Effectiveness and Enabling Environment, 2011

CSO Development Effectiveness and Enabling Environment: A Review of the Evidence

Task Team on Civil Society Development Effectiveness
and Enabling Environment

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About this paper

This document has been prepared by the multi-stakeholder Task Team on Civil Society Development Effectiveness and Enabling Environment as evidence of progress and gaps in meeting the civil society-related commitments of the Accra Agenda for Action (AAA). It is submitted to Cluster A and the Working Party on Aid Effectiveness (WP-EFF) as evidence that has informed the Task Team's *Key Messages* for discussion and further commitment at the Fourth High Level Forum on Aid Effectiveness (HLF-4).

This *Review* summarises evidence drawing from a selection of the most recent resources available to and discussed by the Task Team over the past 18 months.

Introduction

The recommendations of the Advisory Group on Civil Society and Aid Effectiveness (Advisory Group), which was formed under the WP-EFF in 2007 to address civil society issues for HLF-3, informed and strongly influenced the civil society content of the AAA.¹ In the absence of indicators of progress for the AAA, the Task Team refers to the AAA commitments and Advisory Group's associated recommendations as the framework against which to review progress.

The inclusion of civil society in the Accra Forum agenda was considered by many as the hallmark of HLF-3. Significant gains were made in recognising the importance of civil society organisations (CSOs)² as independent development actors, and in the agreement to work together to address CSO effectiveness as a responsibility shared among CSOs, donor and developing country governments. Paragraph 20 of the AAA invited CSOs to reflect on application of the Paris principles from a CSO perspective, and welcomed CSOs' initiative to develop their own principles of CSO development effectiveness. Donor and developing country governments agreed to engage with CSOs to provide an enabling environment in developing countries and through donors' CSO support models to maximise CSOs' contributions to development.

The AAA also called for higher levels of engagement and inclusive dialogue on development policy between donor and developing country governments, CSOs, parliaments and other development actors, including in the preparation, implementation and monitoring of governments' national development policies and plans (AAA, paragraph 13). It further committed donor and developing country governments to enhance transparency and accountability to each other and to their citizens (AAA, paragraph 24).

The Task Team has chosen to address progress against these commitments under five key topics that focus on the civil society-related commitments of the AAA:

1. CSOs as independent development actors
2. Enabling environment for CSOs
3. Donors' CSO support models
4. CSOs' effectiveness
5. Accountability and transparency

¹ The core of the Advisory Group's research and analytical work was published by the OECD-DAC in 2009 as *Civil Society and Aid Effectiveness: findings, recommendations and good practice*.

² The Task Team on CSO Development Effectiveness and Enabling Environment uses the Advisory Group on Civil Society and Aid Effectiveness definition of CSO as follows: All non-market and non-state organisations outside of the family in which people organise themselves to pursue shared interest in the public domain (OECD-DAC 2009:26).

As the evidence gathered for this *Review* attests, progress in meeting the civil-society related AAA commitments has been uneven. In particular, implementation by donors and developing country governments of paragraph 20c's objective of working with CSOs to provide an enabling environment is lagging and a growing body of evidence suggests an increasingly restrictive, rather than enabling environment for civil society, with a narrowing of democratic, legal and financial support space for CSOs in varying degrees in both developing and donor countries.

1. CSOs as independent development actors: distinct but complementary roles in development

The inclusion of civil society at HLF-3 was a welcome complement to the Paris Declaration, which emphasised the conditions required for increased effectiveness of government-to-government aid. In recognising CSOs as agents of development in their own right, the AAA acknowledged that the Paris Declaration principles could not simply be transferred to CSOs, but needed to be enriched to take into account the nature of CSOs, their varied roles in development distinct from other actors, and the complementarity of CSOs' roles in relation to those actors. The AAA welcomed therefore the CSO-led Open Forum process to identify principles of CSO development effectiveness, which since Accra has established the *Istanbul Principles for CSO Development Effectiveness (2010)*, and will further elaborate guidance on implementing these principles in the coming months.

It has become apparent to the Task Team that there is also a need to clarify and deepen understanding of the implications of CSOs as independent development actors in their own right. Building a common understanding is fundamental to fulfilling the civil society-related commitments in the AAA and a deepening of these commitments at HLF-4 in Busan. In this regard, the Open Forum will bring to Busan an *International Framework for CSO Development Effectiveness*.

Distinguishing among development actors

Governments, donors, the private sector, and civil society are the main political and socio-economic actors that contribute to development. Each respond to development challenges, in different but complementary ways, with different answers. Governments, ideally democratically elected, have the mandate to deliver a minimum of public goods, services, and democratic governance to the widest number of people within their territory. Donors are government bodies, usually guided by a poverty reduction mandate, that provide Official Development Assistance (ODA), through various channels of cooperation, to various development actors. Private sector actors engage in commercial activities for profit, making goods and services available for purchase.

CSOs are “voluntary expressions of citizen action” (Open Forum 2010a:1) and their numbers and variety are a vibrant and essential feature in the democratic life of all countries. They reflect a multiplicity of concerns, specialisations and organisational types, and contribute to development in diverse ways from provision of services, organizing citizens' voices in policy dialogue, or influencing government and international policy directions. Their mandates and legitimacy derive primarily from shared values and objectives with the people they serve or represent.

It follows from their different origins and mandates that the norms, standards and conditions that make each of these actors most effective

in development will differ. What makes for more effective government programs as emphasized in the Paris Declaration, may not apply to the same degree in the private sector, or for CSOs.

Recognising CSOs as development actors in their own right implies acknowledging that they may have independent approaches and agendas for change. For CSOs to fulfil their own various mandates as actors in their own right, and to be able to contribute to wider social, economic and democratic development, Paris effectiveness principles such as ownership and alignment take on a different meaning. For CSOs, the most relevant priorities, plans and leadership should be those of the individuals and communities they serve or represent. Local ownership in this context means ownership and alignment of donor country CSO programs with their developing country CSO partners or beneficiaries, and ownership of developing country CSO programs by the people the CSO seeks to serve or represent, who are their primary stakeholders.

International precedents

While the AAA is the first international document to affirm CSOs' independence in the context of development cooperation, the concept is not new. Recognition of CSO independence and the associated AAA commitment to provide an enabling environment for civil society are extensions of existing obligations of all signatories to the Paris Declaration and AAA seen in international and regional human rights instruments³. Core civil society freedoms of expression, association and assembly are grounded in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, as well as in various regional and national instruments.

Enabling the AAA notion that CSOs are independent development actors therefore, requires that a minimum number of principles in line with these existing rights be met, specifically⁴:

1. The right of CSOs to entry (i.e. the right to form and join CSOs, freedom of association)
2. The right to operate free from unwarranted state interference
3. The right to free expression
4. The right to communicate and cooperate
5. The right to seek and secure funding and other resources
6. State duty to protect⁵

³ "Instruments" meaning covenants, conventions, charters and declarations.

⁴ Extracted from International Principles Protecting Civil Society by World Movement for Democracy and the International Centre for Not-for-Profit Law, February 2008.

⁵ Each of these principles represents rights guaranteed in one or more existing legally binding instruments, including for example: International Covenant for Civil and Political Rights; International Covenant on Economic Social and Cultural Rights; International Convention on the Elimination of All Forms of Racial Discrimination; Convention on the Elimination of All Forms of Discrimination against Women; Convention on the Rights of the Child; African Charter on Human and Peoples' Rights; American Convention on Human Rights; Arab Charter on Human Rights; European Convention for the Protection of Human Rights and Fundamental Freedoms. Other relevant, non-binding but widely adopted international declarations include the Universal Declaration of Human Rights and Resolution on Freedom of Assembly and Association. Various bodies have also instated these principles for example the Council of Europe's Recommendation relating to the legal status of NGOs in Europe, or the U.S. State Department's Guiding Principles on Non-Governmental Organisations.

2. Enabling environment for CSOs in donor and developing countries

AAA paragraph 20c calls upon developing country and donor governments to work with CSOs to provide an enabling environment that maximises CSOs' contributions to development. Yet a growing body of evidence suggests that the environment for CSOs has worsened in an increasing number of countries.

There are a number of issues related to CSO operations that are often pointed to as a rationale for restricting CSOs' environment. While all development actors point to a lack of a comprehensive picture of aid and development activities in a given country, some developing country and donor governments raise concerns regarding a lack of information on CSO activities in a given country. Developing country and donor governments, and CSOs, point to their experience of insufficient coordination among CSOs (Open Forum 2010b:10, 11) and between CSOs and governments. Some governments are interested in having more information about aid investments to help avoid duplication of effort and undermining the responsibility of governments to deliver public goods accessible to all. Some developing country governments raise sovereignty concerns with respect to foreign aid financing of CSO activities. The imperative to contain threats of terrorism is also cited as a basis for governments' concern. However, while these issues merit attention, it is essential that efforts to address them do not hamper CSO effectiveness with overly-restrictive policies and regulatory frameworks.

The Open Forum's consultations revealed that CSOs around the world are increasingly vulnerable in the face of more restrictive financial and regulatory regimes, and that some governments are limiting CSO activities, with particular attention to those of CSOs seeking to influence government policy or to defend human rights (Open Forum 2010a:15). The Open Forum identified challenges faced by CSOs in relation to the enabling environment, many of them in developing countries, including: absence of or a highly restrictive legal framework; political interference; limitations on freedom of expression; limitations on governments' engagement with CSOs as development partners; and lack of access to government information on policies and development initiatives (Ibid:16).

Monitoring by CIVICUS and other sources including other CSOs, governments and UN human rights bodies attest to this challenging environment. Significantly, in September 2010, the UN Human Rights Council adopted a resolution establishing a UN Special Rapporteur on the rights to freedom of peaceful assembly and association.⁶

⁶ On September 30, 2010, the Human Rights Council adopted Resolution A/HRC/15/L.23 to establish the mandate of a UN Special Rapporteur on the rights to freedom of peaceful assembly and of association for a period of three years. The Special Rapporteur will submit an annual report covering activities relating to his mandate to the Council and to the United Nations General Assembly.

A few examples, drawing from cases that have emerged in the past eighteen months, are showcased below.⁷ In some instances these cases point to interpretations and applications of Paris effectiveness principles (on ownership and alignment) in ways that they were not intended and that affect the space for CSOs as independent development actors.

Interpretations of country ownership and alignment

An aspect of the ownership principle, raised in the Paris Declaration and strengthened in the AAA, has been the need to engage in open and inclusive dialogue on development policies through broad consultative processes. The implications of the notion of inclusive ownership can be quite complex, as discussions in Cluster a acknowledge, but an important concept is that of “broad-based democratic ownership” (Tomlinson 2011:5-7). Under this concept, the setting of national priorities and design of policies and programs become not the role of national governments alone, but include civil society, local communities, local governments and parliaments through institutionalized structures and processes.

A second important concept is that of ownership of CSO-led programs by CSOs and their primary stakeholders. When CSOs, or other non-governmental actors, take the lead in identifying development priorities and defining and implementing programs in close collaboration with their primary stakeholders, these programs are “locally owned” and should be considered as a contribution to the principle of inclusive country ownership, even if they may not necessarily fit directly into a government’s plans and priorities.

Two Paris aid effectiveness principles closely related to ownership are those of alignment and harmonisation. The Paris Declaration requires that donor countries align their development cooperation to recipient countries’ national development strategies and align their support to developing country government systems. While these are sound principles, in some developing countries, where people may have limited influence on government priorities, it means that aid money may have a lesser chance of addressing the needs of those that find themselves excluded or on the margins of official policies. At the same time, CSO-led programs that should address needs identified by their primary stakeholders may be marginalised by their government for not aligning with official policies and programs.

There are cases wherein aid policies, associations/ non-governmental organisations (NGOs)/ charities laws and other government directives are being used to assert governments’ interest in ensuring that all aid is used exclusively in the pursuit of government priorities, and/or to narrow opportunities for CSOs to seek to influence government policy and programmes.

CSOs seeking to play a role in innovative approaches, addressing the needs of excluded constituencies, or in shaping official policies, are finding themselves increasingly marginalised (Tarawallie 2009). Restrictions on freedom of expression and of association exist in some

⁷ All are extracted from Tiwana, M. and N. Belay (2010). “Civil Society: The Clampdown is Real! Global Trends 2009-2010”. For CIVICUS, December 2010. Also extracted from International Center for Not-for-Profit Law (2010). “Global Trends in NGO Law: a quarterly review of NGO legal trends around the world”, Volume 2, Issue 2, Special Edition of December 2010.

countries where increasingly severe legislation threaten to effectively deny access to foreign funding for a range of CSOs deemed a potential menace to government due to their human rights and policy monitoring activities. This squeeze on international funding has resulted in the closure of NGOs seeking to monitor and influence government policy and practice as domestic sources of funding are scarce (CIVICUS 2009c). Sometimes there is a requirement for CSOs to seek permission from the authorities to obtain funds from abroad, designating government agencies to control the receipt and disbursement of international funds (International Center for Not-for-Profit Law 2010b). In other cases, bureaucratic hurdles are being put in place requiring local and international CSOs wishing to work together to seek permission from multiple governmental offices, and giving government wide powers to arbitrarily terminate developing country CSOs' agreements with foreign CSOs (CIVICUS 2009a).

Findings from the Open Forum national consultations in donor countries also point to a lack of opportunities for engagement with both donor and developing country governments on policies to improve development effectiveness (Open Forum 2010a: 16, 26).⁸ While CSO respondents to the DAC survey expressed dissatisfaction with the quality of many donor-initiated consultations, and questioned the degree to which their inputs are given consideration, all DAC donors reported that they consult, primarily with their national CSOs, on their aid and development policies (OECD-DAC 2011:19-20).

⁸ There are indications that some donors have recently reduced or eliminated funding to their national CSO platforms. Platforms can provide a means for donors to engage in policy dialogue with CSOs in a coordinated way.

3. Donors' CSO financial support models

The work of the Advisory Group on Civil Society and Aid Effectiveness leading to Accra included recommendations and examples of good donor practice for donor financial support models that can help enable CSOs to reach their full potential as agents of change. Donors undertook commitments in the AAA to create enabling conditions to maximize CSOs' contributions to development. On the whole, the evidence suggests that progress among official donors in their policies and practices has been uneven across and within donor agencies. In many donor countries, the pressures to focus and scale-up investments, to reduce transaction costs in the face of shrinking operations and administration budgets, and to produce short term development results, have led to restrictive funding modalities that may affect CSOs' capacities to be effective development actors.⁹

This section reviews evidence of progress in donors' financial support to CSOs and gaps that remain in order for donors to live up to their AAA commitments. Much of this evidence is from a (forthcoming 2011) OECD-DAC study, *How Donors work with CSOs*

Levels of financial support to CSOs

There has been a slight increase in the share of ODA allocated “to” (for CSO-initiated programs) and “through” (implementing donor-initiated programs)¹⁰ DAC donors' national and international CSOs over the last decade, from a 5.5% average in 2001 to a 6% average in 2009 (OECD-DAC 2011:4, 10).¹¹ The amounts of ODA transferred to and through CSOs differ substantially across donors, varying from 1% to 37% of total bilateral ODA in 2009 (Ibid:10). Almost half of DAC donors provide more than 20% of their bilateral ODA to and through CSOs (Ibid:11).

Policies and strategies

Twenty-one out of twenty-four DAC members have developed a policy and/or strategy for working with CSOs in development cooperation (OECD-DAC:14). The parameters for what constitutes a policy or strat-

⁹ CSOs working through the Open Forum have proposed that there be a review of the effectiveness of different donor funding mechanisms for CSOs, their terms and conditions, giving priority to enabling CSO roles in development, and using the *Istanbul Principles* as a basis for assessing CSO development outcomes, though this proposal has not been taken on by the Task Team.

¹⁰ Refer to OECD-DAC 2011: 4, 43-44 for more complete definitions of funding “to” and “through” CSOs. Readers should be aware that there is some discussion as to whether “donor-initiated” is an appropriate definition of flows “through” CSOs, given that it includes co-financing for project or program proposals originating from CSOs.

¹¹ Aid to and through CSOs reported in the activity-level “Creditor Reporting System” database, on the other hand amounted to USD 15.5 billion in 2009, representing 13% of total ODA (OECD-DAC 2011:4, 10). The difference between Creditor Reporting System data and the DAC database is largely attributable to the fact that the database does not capture U.S. flows to and through CSOs.

egy are quite varied, with some covering high level statements on the roles and value-added of civil society in development, and others focusing on operational guidelines for civil society support.

Most donors are steering some or all of their CSO support to specific sectors, themes, or geographic areas (OECD-DAC 2011:18, Open Forum 2010a:16). Sixteen DAC members identify priority sectors/themes for the CSOs they fund, and nine identify priority geographic areas (OECD-DAC 2011:18). Others take a hands-off approach and let CSOs determine the sectors/themes/geographic areas they work in, while some combine the two approaches (Ibid).

Regarding donors' objectives for supporting CSOs, over half of DAC members' first reason for support to CSOs is "to reach a specific development objective (i.e. implement aid programmes linked to service delivery)" (OECD-DAC 2011:15) helps to explain why donors steer some or all of their CSO support to specific themes or countries in which donors' have pre-identified objectives. Steering is also a product of donors' efforts to improve coherence between the bilateral, government-to-government aid activities and the CSO activities they finance (Ibid: 18). This direction is particularly understandable for CSO activities funded by donors' geographic/country programs, which tend to have country strategies or plans that are aligned with the developing country government priorities, and reflect a division of labour among donors.

However, as donors steer their CSO support, as noted in the Open Forum consultations (Open Forum 2010a:16, 30) there may be a tension with CSOs' "right of initiative" and the principle of CSOs as independent development actors in their own right. A balance needs to be struck between support to CSOs to meet CSOs' defined objectives and priorities, and support that steers CSOs to help donors' meet their own development cooperation objectives (OECD-DAC 2011:19).

A 2010 study of donor practice commissioned by DfID pointed to an evolution in donors' policies whereby the policy objective is to support the development of strong civil societies in developing countries as an end rather than a means to other development objectives (Griffin and Judge 2010:5). However, donors' tendency to steer CSOs to donors' own thematic priorities, versus support to civil society as such, runs counter to the concept of strengthening civil society as an objective in its own right. It may also jeopardize CSOs' ability to pursue locally-owned programming priorities that have been identified by their primary constituents.

Donors see a role for CSOs in stimulating public debate about development, advocating for increasing ODA quantity and quality, and holding governments accountable for development commitments (OECD-DAC 2011:15). The DAC consistently recommends to its members to engage with civil society in raising public and political support and awareness of development. Promoting awareness about development cooperation is the second objective stated by DAC members for their support to CSOs. However, CSOs in the consultations undertaken by the Open Forum point to their experience of a trend of marginalisation of CSOs' development education programming to engage domestic constituencies in donor countries (Open Forum 2010a:26).

Financial support mechanisms

DAC donors use a variety of funding mechanisms for channelling funds to and through CSOs (OECD-DAC 2011:21). While this is in keeping with the Advisory Group recommendations to maintain a diversity of funding mechanisms in support of a diversity of CSOs of different sizes, priorities, capacities and approaches, CSOs point to terms and conditions that may reduce this diversity and undermine CSO effectiveness (Open Forum 2010a:16, 27).

The most commonly used funding mechanisms are for project/programme implementation through CSOs based in DAC member countries, with these CSOs usually working in partnership with CSOs based in developing countries.¹²

Some donors' focus on a narrow concept of "value-for-money", rather than the full development effectiveness of these CSO partnerships, alongside growing emphasis on strengthening civil society in developing countries, is leading many to explore value-added and role of these CSO partnerships (Griffin & Judge 2010:ii). Other observers, including some developing country CSOs, have challenged the current roles and operational modalities of donor country CSOs, and their impact on the quality of partnerships and relationships of solidarity, as well as the mixed impact of their presence on the ground on the strengthening of developing country civil society (Open Forum 2010b:10, 11).

Core support – a contribution to a CSO's overall budget – is considered a more effective means of funding CSOs than project or programme support, at least for CSOs that have the strategic and organizational capacity to manage it and to deliver results. Core funding can promote local ownership as the priorities and plans supported are those of the CSOs' and their local stakeholders. It is also conducive to alignment with local partner systems, predictability and multi-annual planning, and to donor coordination based on a CSO's program framework, all of which can reduce transaction costs. However, donors are not providing nearly as much of their CSO aid as core support "to" CSOs compared to what they provide "through" CSOs¹³. In 2009, one third of total ODA for CSOs was "to" CSOs (OECD-DAC 2011:9). The level of core support "to" CSOs has remained constant since 2001, while flows "through" CSOs have, on average, increased (Ibid: 10, 23).

This shortage of core support is confirmed by the Open Forum's country consultations, which revealed that CSOs are concerned about the following issues and challenges with respect to donors' financial support models: unpredictable finance; lack of funds for management and program oversight; one-off project-oriented competitive funding; heavy directive donor conditionality; and high transaction costs (Open Forum 2010a:27-28). These are many of the same challenges in the donor-developing country government relationship that the Paris Dec-

¹² Twenty DAC member respondents to the DAC survey stated that they also provide funding directly to developing country CSOs, with the allocation varying between 1% and 30% of their total CSO support (OECD-DAC 2011:25). From 2011 DAC members will be requested to report these allocations to the DAC and so more precise figures should be available in future.

¹³ Funding "to" CSOs are contributions used to fund CSOs' own projects. Funding "through" CSOs is earmarked for specific donor-initiated projects or programs implemented by CSOs (OECD-DAC 2011:4). The latter case pertains even to joint-financing schemes wherein proposals originate from CSOs if these proposals are in response to guidelines provided by the donor (OECD-DAC 2011:44).

laration sought to address through core support to governments, in the form of sector and budget support.

The stated goal of strengthening developing country civil society in some donors' policies and strategies, combined with the desire for greater coordination, harmonisation and alignment, have informed a growing interest in establishing and supporting multi-donor CSO support mechanisms in some developing countries. Early in 2008, taking account of the Paris Declaration, a number of donors, known as the "Nordic+ Group", developed guiding principles regarding support to Civil Society in the South, including amongst others: core/programme support; joint/pooled support at country level; enhancing diversity through greater outreach and accessibility (Nordic+ 2008).

Studies show that pooled funds are not without risk however. In particular, they may reduce the diversity of funding mechanisms available for CSOs, as well as favouring the funding of fewer, larger organisations, and thus be detrimental to the objective of strengthening a diverse and vibrant civil society in developing countries (Griffin and Judge 2010 referenced in OECD-DAC 2011:26).

Administrative conditions and requirements

The Donor Group on Civil Society and Aid Effectiveness¹⁴, which has been meeting alongside the Task Team, has undertaken a "Mapping of Donors' Conditions and Requirements for CSO Funding" covering eleven bilateral donor agencies (Karlstedt 2010)¹⁵. The study demonstrated that donors' requirements vary substantially, which raises transaction costs for CSOs, especially for local CSOs in developing countries that might receive funding from several donors, often through donor country CSOs, each with its own requirements. Following the Mapping study, a sub-group of the Donor Group is piloting efforts to harmonise select conditions and requirements of their CSO funding.

Donors can be inconsistent and overly rigid in their requirements for funding proposals, monitoring and reporting, and that this can put an unnecessarily heavy administrative burden both on CSOs and donors (OECD-DAC 2011:27). CSO respondents also felt that donor requirements with regard to CSO proposal formats are too complex, identifying challenges such as requests for too much detail, formats that fall outside of CSOs' normal planning cycles, and rigid requirements for short-term results-management (Ibid). This Review's section on Accountability and transparency provides further coverage of the issue of results management.

¹⁴ The Donor Group was launched at the same time as the Task Team in April 2009, and is expected to endure beyond HLF-4. The Group's primary objectives are to learn about how members work with CSOs, undertake joint action, and feed donors' perspectives into the multi-stakeholder Task Team.

¹⁵ Led by Sweden, and covering Finland, Sweden, Norway, Denmark, the Netherlands, Belgium, U.K., Ireland, Austria, Canada and the U.S.

4. CSO effectiveness and accountability practice

Following HLF-3, the CSO-led Open Forum activated a global process of consultation involving more than 2,000 CSOs¹⁶ in 65 countries to develop principles that define and guide effective CSO development practice. The Open Forum's *Istanbul Principles for CSO Development Effectiveness* represent the values and qualities in CSO development practice that these CSOs deem as essential for them to achieve development impact. An accompanying *Framework for CSO Development Effectiveness* with guidance for CSO implementation of the *Principles* has been drafted. a Toolkit elaborating more in depth directions and indicators for CSO implementation and monitoring is forthcoming. The Open Forum and the CSO BetterAid Platform will present the *Istanbul Principles* and the *Framework* at HLF-4.

While the *Istanbul Principles* represent a consensus among CSOs on the values and considerations that ground their work, CSOs have stressed that greater country-level reflection and testing is required to ensure that the *Istanbul Principles*, guidelines and indicators are effectively adapted to strengthen CSO accountability for development results taking account unique country circumstances. This ongoing reflection and refinement of the guidelines, indicators and other tools to support implementation is taking place through 2011 and will continue beyond HLF-4.

In welcoming the Open Forum's efforts to promote CSO development effectiveness, the AAA specifically makes reference to the need to improve coordination of CSO efforts with government programs; enhance CSO accountability for results, and improve information on CSO activities (paragraph 20b). The *Istanbul Principles* and accompanying *Draft Framework* speak to each of these elements to varying degrees.

For example, the fifth *Istanbul Principle* commits CSOs to transparency and accountability as "the basis for public trust, while enhancing CSO credibility and legitimacy" (Open Forum 2010a:7). The sixth principle of equitable partnerships and solidarity commits CSOs to achieve development outcomes "through collaboration and coordination between different development actors". Guidelines for the seventh principle on knowledge sharing and mutual learning encourage collaboration "with a diversity of development stakeholders (government, business, etc.)" (Ibid:7, 12). The eighth principle commits CSOs to realising positive "sustainable outcomes and impacts...focusing on results and conditions for lasting change for people, with special emphasis on poor and marginalised populations" (Ibid:8).

The Open Forum's *Istanbul Principles* with their accompanying guidelines and indicators are evidence of progress in strengthening

¹⁶ A wide diversity of CSOs have been involved in the Open Forum's consultation process including developing country national and sub-national CSOs, trade unions, women's organizations, environmental organizations, and international NGOs amongst others.

CSO norms for accountability. What remains unclear is the degree to which key issues faced by developing and donor country governments in their dealings with CSOs will be addressed in the implementation of the *Istanbul Principles*. For example, governments, and CSOs, all lack a more comprehensive picture of CSOs' activities in any given country that is needed to avoid over-dispersion, duplication of effort, or undermining developing country government responsibilities to deliver public goods in as accessible and equitable a manner as possible. Information-sharing and coordination among CSOs (Open Forum 2010b:10, 11) and between CSOs and other actors remain a challenge (OECD-DAC 2011:17-18).

The Open Forum's *Istanbul Principles*, guidelines and indicators offer an important set of norms to strengthen CSO accountability. However, when aid resources are involved, donors and developing country governments are likely to continue to pursue other, complementary mechanisms in their quest for CSO accountability for the use of aid resources. While the Open Forum has made great effort to be an inclusive global process, it is difficult to predict the degree of uptake and country-specific accountability standards that can be expected from a global process. In the coming months, CSOs involved in the Open Forum process will bring the outcomes of the global process back to their own countries or international CSO families to prioritise areas for implementation.

Progress in implementing the Open Forum's draft *Framework* clearly requires initiative by CSOs at all levels, but such progress is also dependent on the enabling conditions. While CSOs are independent and autonomous, they are not development actors working in isolation. As the *Draft Framework* highlights "in the absence of some basic minimum enabling standards, it will be difficult for CSOs to implement and be true to the *Istanbul Principles*" (Open Forum, 2010b:15). Toward HLF-4 multi-stakeholder dialogue on these enabling proposals has taken place, at country level as well as through the Task Team. The outcome to date for the Task Team is a set of shared *Key Messages* on CSO effectiveness and enabling conditions developed at its March 2011 meeting. HLF-4 itself may provide an opportunity for further dialogue that could continue beyond the Open Forum's work.

5. Accountability and transparency of all actors

The subject of accountability is multi-faceted and complex. Cluster A's Task Team on Mutual Accountability and GOVNET are contributing evidence on mutual and domestic accountability. This section addresses a few issues of accountability and transparency of particular relevance to CSOs.

Accountability, transparency and results

All development actors share the need to demonstrate the results of development programming for accountability purposes. Donor and developing country governments, CSOs themselves, and the people that CSOs seek to serve or represent all have legitimate interests in evidence that CSOs' efforts are "making a difference" by achieving development results.

Regarding results, there is also growing pressure from parliaments and the public in donor countries, in the context of a lingering financial crisis, alongside misunderstanding and disenchantment with the ability of aid to achieve development impact, for all actors to demonstrate the development results of their activities. In tandem there has been increased use of results-based approaches to reporting. Twenty DAC donors now require CSOs to report using results-based frameworks (OECD-DAC 2011:28). The DAC study cautions donors about the challenges results reporting can cause for CSOs (Ibid).

CSO respondents to the OECD-DAC survey expressed the view that results-reporting requirements are often too detailed and not necessarily productive (OECD-DAC 2011:29). In the Open Forum consultations, CSOs expressed the sense that results-based approaches are being applied too narrowly such that the long-term and often non-linear, risky and complex nature of development is not considered (Open Forum 2010a:51). Opportunities for learning and strategic program adjustment to improve development impacts for beneficiary populations are seen as too few (Ibid:30, 51). CSOs and donors together face a challenge to strike a balance between results reporting for accountability and compliance purposes, and the implementation of results-based approaches that are both appropriate to the nature of CSOs operating as "change agents" while being conducive to learning.

The DAC study suggests that results-based approaches need to address considerations such as: i) cost-effectiveness relative to the size of the initiative; ii) balancing more easily measurable and short-term concrete outputs with longer-term, qualitative and process-oriented results; iii) potential tensions between the requirement for CSOs to plan results over several years and the need to remain flexible in a way that is responsive to emerging priorities, lessons learned, innovation and risk taking; and iv) accountability to CSOs' primary stakeholders (OECD-DAC 2011:28 and OECD-DAC 2009).

Transparency of information on CSO programming

All stakeholders could benefit from access to information on official and non-official aid flows to, through and from CSOs, and their activities in developing countries. DAC members point to coordination between donors and CSOs as one of two top challenges in their work with CSOs, alongside the challenge of transaction costs of working with many small CSOs (OECD-DAC 2011:17). Information-sharing on CSO aid flows and activities can help to avoid duplication of effort, identify programming gaps, and enhance synergies.

Some donors are seeking ways to make information on their CSO programming more available. For example, Sida has in place a database to track their CSO funding which provides information to the public on CSO projects by country and region, sector and theme, budget figures, and local partners (www.sida.se/ngodatabase). USAID has established a public database documenting aid transfers to top recipient countries, sectors, and partners (www.usaid.gov/policy/budget/money). In a country-level example, donors in Tanzania have undertaken efforts to establish a public database of CSO funding flows covering geographic location, sector and budget (www.civilsocietysupport.net). InterAction, the US CSO platform, has launched an initiative to increase transparency, improve coordination, and enhance accountability and impact. They are developing a web-based platform and database that will map their members' work worldwide. These tools are intended to capture program data across all countries and sectors (InterAction 2010).

Some CSOs are also taking steps to improve the transparency of information on their activities and aid flows. An example is the NGOs for Transparency and Accountability initiative in Colombia in which members describe their mandates, activities, resources, and target groups on the web (OECD-DAC 2009:92). The Open Forum's *Draft Framework* contains transparency and accountability guidelines (Open Forum 2010a:11).

The International Aid Transparency Initiative (IATI), launched at HLF-3 in 2008, aims to increase transparency and traceability of aid. IATI is becoming operational in 2011 for donors committed to its agreed standards and mechanisms. Already DfID, Sida and the Hewett Foundation have published aid data based on the IATI standards. How IATI might cover aid flows to and through CSOs has yet to be determined, and the desirability of including at least the largest CSOs as donors is emerging as an important discussion. Some issues arising in relation to tracking CSO flows in IATI include: volume of data required for the diversity of CSO programs relative to the volume of aid concerned; challenge of distinguishing between aid to CSOs and aid to flows "on budget"; issues of confidentiality, particularly but not exclusively important in conflict-affected countries or fragile states restricting space for CSO operations.

Transparency of information on policies and budgets

The Open Forum's consultations found that a lack of access to information on developing country governments' policies and programs renders it difficult for CSOs to monitor government development priorities and the use of public resources (Open Forum 2010a:24). Lack of information on donors' CSO policies, including CSOs acting as donors, is another challenge identified by the Open Forum (Ibid:26). This latter finding is consistent with the DAC study finding that lack of transparency on and frequently changing formal and informal donor policy guidance for CSO support negatively impact CSOs' work (OECD-DAC:10).

Conclusion

This *Review* of evidence on progress and gaps in meeting the civil society-related commitments in the AAA indicates uneven progress. In effect, more attention is needed to continue and improve the ways in which the commitments are addressed. The Task Team's *Key Messages* for dialogue and further commitment at HLF-4 each reflect particular areas that in the view of the Task Team could promote CSO development effectiveness. Some are areas of responsibility for donor governments, some for developing country governments, and some for CSOs themselves. All will benefit from further multi-stakeholder efforts to build common understanding of the issues and the opportunities to find solutions that bring together each group's particular realities and interests, with a shared interest in CSOs as effective development actors in their own right.

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