ADVISORY GROUP ON CIVIL SOCIETY
AND AID EFFECTIVENESS

# Synthesis of Findings and Recommendations

3rd High Level Forum ON AID EFFECTIVENESS
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**Advisory Group on Civil Society and Aid Effectiveness**

# SYNTHESIS OF FINDINGS
# AND RECOMMENDATIONS

**August 2008**

# Contents

# EXECUTIVE SUMMARY

This document summarizes the main findings and recommendations emerging from the analytical work, multi-stakeholder consultations and case study work of the Advisory Group on Civil Society and Aid Effectiveness. We direct these recommendations to a broad community of stakeholders, including developing country governments, donors, and civil society organizations (CSOs) from developing and developed countries.

## Background

The Advisory Group was created in January 2007 in reaction to growing interest among CSOs to engage with donors and developing country governments on issues of aid effectiveness. Created to advise the DAC's Working Party on Aid Effectiveness, the Advisory Group brought together donors, developing country governments, and CSOs from both developed and developing countries. The aim was to seize the opportunity of the upcoming Accra High Level Forum on Aid Effectiveness in Sept. 2008 to engage civil society in the international aid effectiveness debate and consensus-building process.

The role of the Advisory Group was not to substitute itself for the voice of CSOs, who speak with their own voice, but rather to secure a seat at the table for them. We also sought to develop a broader understanding of the aid effectiveness agenda that includes a place for CSOs as development actors in their own right and as aid donors, recipients and partners.

## Recognition and Voice

The Paris Declaration rightly flags CSOs as potential participants in the identification of priorities and the monitoring of development programs. However, it does not recognize CSOs as development actors in their own right, with their own priorities, programs, and partnership arrangements. It thus fails to take into account the rich diversity of social interveners in a democratic society and fails to recognize the full range of roles played by CSOs as development actors and change agents.

CSOs are quantitatively important, both in general and in terms of their importance as aid donors, recipients and partners. They are often particularly effective at reaching the poor and socially excluded, providing humanitarian assistance, mobilizing community efforts, speaking up for human rights and gender equality, and helping to empower particular constituencies. CSOs are also often major service providers. Their strength lies in their diversity and capacity for innovation. In these various capacities, CSOs complement government and the private sector. CSOs help to enrich policy discussions by bringing different, sometimes challenging, perspectives to policy dialogue and public accountability, and involving CSOs in policy dialogue thus helps to ensure the inclusion of different stakeholder perspectives in national development strategies and programs.

While drawing upon their strengths as development partners, CSOs from developed countries are also an important complementary source of aid funds. The OECD-DAC Secretariat estimates that CSOs channelled from $20-25B of their own resources to developing country partners in 2006, compared to official flows of about $104B. They also act as channels for approximately 10% of official flows. At the receiving end, CSOs from the North and South are also important recipients of aid. It follows that aid effectiveness is not only the business of donors and governments. It is also the business of CSOs.

Our first recommendation to the Accra High Level Forum is simply to recognize these important facts and to actively bring CSOs into the aid effectiveness dialogue. Our own experience to date confirms that CSOs have much to contribute, and that they are prepared to engage as active and constructive partners with governments and donors.

While the Paris Declaration already recognizes the role of CSOs as democratic actors, we recommend that the Accra Agenda for Action (AAA) go further than this by recognizing the independence of CSOs and the various ways that CSOs contribute to development. We also recommend that regular and systematic space be provided for the voice of civil society to be heard at all stages of the development process, from policy and program development through to program implementation and accountability for results. At the same time, measures should be taken by all parties to maximize the value of CSO contributions to such dialogue. Such measures should include efforts by civil society to organize itself in the most efficient and representative way possible, and support for both civil society and government to strengthen their capacity to engage in constructive policy dialogue.

## Civil Society and the Paris Declaration

Our second set of recommendations pertains to the interpretation of the Paris Declaration aid effectiveness principles themselves. Although we recognize the essential importance of the Paris Declaration principles for aid effectiveness, the Declaration does not elaborate on the principles themselves, but focuses on their application to the improvement of donor-central government relationships. We recommend a return to basics in interpreting and applying these principles so that their relevance to CSOs becomes more evident.

More specifically, we suggest that the interpretation of ownership be broadened to reflect the depth and breadth of ownership that is required for sustainability – not just ownership by central government agencies, but also by parliaments, local governments, communities, and CSOs. Ownership so interpreted also applies to much more than the design of national development strategies. It should be applied to all aspects of program development and implementation. When applied to government programs, it should be understood as democratic ownership of those programs.

Similarly, we should interpret the notion of "alignment" broadly to include alignment by all external development actors to the priorities and strategies of local counterparts, and the use of all country-based institutional structures, including those of developing country CSOs.

With regard to the principles of coordination and harmonization, CSOs are concerned that an excessively rigid application of these principles to CSOs could stifle initiative, hamper innovation, or divert energies from other pursuits. We therefore recommend a balanced application of these principles that would certainly involve the promotion of more collaborative, comprehensive, and inclusive approaches but would also respect the need for diversity, division of labour and innovation.

A balanced approach to coordination and harmonization of this sort should include the following elements:

- recognition by all actors of the complementary roles played by governments and CSOs and the implications of this for the coordination and harmonization of efforts;
- greater efforts by governments and donors to support the participation of CSOs in government-led programs (as independent actors or contractually

where appropriate), and greater efforts by CSOs to engage in these programs;

- greater efforts by CSOs to coordinate and harmonize their activities with those of other CSOs and of governments;
- recognition that the strengthening of civil society is itself an objective worth pursuing in a more comprehensive way;
- recognition that responsive funding formulas continue to have an important role to play for tapping into the energy and innovative ideas of citizens and CSOs as agents of change and development.

The principles of managing for results and accountability are well accepted by CSOs as standards against which their own performance should be assessed. As well, CSOs play an important role as advocates for donors and governments to demonstrate greater accountability for development results. CSOs involved in Advisory Group consultations expressed a desire to ensure that these principles should be used for measuring meaningful change and promoting accountability to intended beneficiaries. This requires a shift away from current practices that emphasize quantitative indicators and upward accountability to donors.

We recommend that stakeholders adopt a more qualitative and participatory approach to results, making more room for indicators of social change – such as improvements in gender equality or the improvement of human rights and democratic practice – and for mechanisms of accountability to the intended beneficiaries of aid and development programs. We encourage development partners to adopt the highest standards of openness, transparency and access to information, including sex-disaggregated data.

## CSO Effectiveness

The third section of this report enquires into the sorts of measures that we need to take as a multi-stakeholder community to ensure that CSOs are as effective as possible at what they do both as development actors and as aid actors more specifically. We recognize that while CSOs are responsible and accountable to their constituencies for their own behaviour, their effectiveness also depends on the actions and policies of governments, official donors, and other CSOs. We thus recommend that the stakeholder community should promote CSO effectiveness as a joint responsibility.

More specifically, we recommend that stakeholders take stock of the enabling environment for civil society in different countries – including the regulatory and legislative environment, the openness of government and donors to engaging with CSOs, the transparency and accountability with which information is shared, and the CSO community's own collective mechanisms for self-monitoring, accountability and collaboration – and that programs be put in place to create an enhanced environment in which CSOs can operate.

CSO effectiveness is also affected by the availability of funding and by the conditions and modalities that accompany such funding – whether we are talking about official donor funding or funding by Northern and International CSOs in support of CSOs in developing countries. We note that the current approach to funding of CSO activities is heavily skewed towards project funding, most often channelled through Northern-based CSOs and North-South partnerships. While collaboration with Northern CSO partners will continue to be of value, there is a need to carefully explore new approaches involving mechanisms such as core or program-based support for CSOs based in developing countries, and more comprehensive efforts to support and strengthen civil society as a whole in the South. In their capacities as donors or recipients, all development actors – donors,

governments and CSOs – should collaborate to implement and enrich the Paris Principles of aid effectiveness, along the lines proposed in this Synthesis Report.

CSO effectiveness depends, finally, upon the quality of partnerships among CSOs in networks, alliances, umbrella organizations, or ad hoc partnerships in which CSOs collaborate to better achieve their objectives. We recommend that CSOs be supported in their efforts to better coordinate their efforts, and that Northern and Southern CSOs work together to define their respective areas of comparative advantage to encourage Southern CSOs to thrive and strengthen their place in society over time.

## Forward Agenda for Multi-stakeholder Dialogue

Much has been achieved over the last 18 months, but much remains to be done to promote concrete actions on civil society and aid effectiveness. We thus see the work being conducted in the run-up to the Accra meeting only as the start of a longer-term process of engaging with CSOs on aid effectiveness.

In this regard, we welcome the recent June 2008 launch of an ambitious CSO-led global initiative of dialogue and consensus building to establish principles and guidelines for

CSO development effectiveness. Including the involvement of all stakeholder groups, this process will extend and deepen the work initiated by the Advisory Group in the past 18 months.

With this in mind, we recommend the following:

- That sustained multi-stakeholder processes be undertaken at the country level wherever possible with the aim of taking collective action in priority areas as appropriate in different country contexts.
- That stakeholders seek to pilot good practice in relation to the recommendations put forward in this report, and track progress on these practices to inform ongoing learning and dialogue.
- Internationally, we invite Ministers in Accra to endorse and support the CSO-led process mentioned above. We suggest that this process be formally recognized in the Accra Agenda for Action and that donors and developing country governments collaborate with CSOs on this initiative.
- Finally, we recommend that CSOs and CSO effectiveness should be an integral part of any future processes and agreements on development and aid, post-Accra.

# BACKGROUND

The Paris Declaration of March 2005 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. There is a general recognition that the Paris Declaration is a crucial component of a larger aid effectiveness agenda that could engage civil society actors in a more direct manner.

As development actors, civil society organizations (CSOs) share an interest in the concept of aid effectiveness as an important tool for keeping development efforts on track, for drawing attention to outcome- and impact-level results, and for drawing lessons of good practice from accumulated experience. This shared interest in aid effectiveness provides a legitimate entry point for dialogue among all development cooperation actors, including CSOs. CSOs are important and distinctive contributors to aid and development effectiveness as a function of their independence, their advocacy and watchdog roles, their close connections to the poor and their effectiveness as channels for aid delivery.

This document summarizes the main findings and recommendations emerging from our work as members of the OECD-DAC's Advisory Group on Civil Society and Aid Effectiveness (AG-CS). We direct these recommendations to the whole community of stakeholders, including donors, developing country governments and CSOs from both developed and developing countries.

The AG-CS was created by the Working Party on Aid Effectiveness (WP-EFF) in January 2007, in recognition of the important role that CSOs play both as development actors in their own right and as agents of development cooperation, in their capaci-ties as aid donors, recipients and partners. It was brought together as an explicitly multi-stakeholder group involving parity of representation by donors, developing country governments, CSOs from the North and CSOs from the South.

Our mandate included the following:

- To look into the two overarching functions of civil society: its role as a development actor in the broad sense, and more specifically, its role in promoting accountability and demand for results.
- To facilitate a multi-stakeholder process that aims to clarify:
  o the roles of civil society in relation to the Paris Declaration;
  o CSO aspirations to deepen the wider national and international aid effectiveness agendas; and
  o 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 civil society and aid effectiveness and other issues in the agenda of the Accra Forum, in a manner that builds on the Paris Declaration.
- In consultation with the Steering Committee, the WP-EFF and civil society organizations, to prepare proposals on Aid Effectiveness and Civil Society for discussion as part of the Accra agenda.

Our work included the following:

- creation of an extranet site (http://web.acdi-cida.gc.ca/cs) where reports from various consultations and case study material can be made available to the interested public;
- research and analysis, leading to the production of two core documents: a *Concept Paper* and an *Issues Paper*;
- an extensive consultation process, including an international conference in

Härnösand, Sweden, organized by the Swedish International Development Agency's Civil Society Centre, national seminars and consultations in 35 countries, six multi-stakeholder regional consultations in the South, and two international CSO-only consultations in Brussels and Nairobi; by the time of the Accra High Level Forum these consultations will have involved over 4,800 participants from approximately 3,600 CSO, donor and government organizations;

- a *Synthesis of Advisory Group Regional Consultations and Related Processes*, which aimed to capture results from the first round of consultations to December 2007; and
- an International Forum, held in Gatineau, Canada on Feb. 3-6, 2008, involving the participation of 203 participants from the four stakeholder groups represented in the AG-CS, from which a *Final Report* was produced.

### *Lessons from the AG-CS process to date*

There are lessons to be drawn from the AG-CS process itself. The first of these is that there is considerable interest in engaging in this sort of dialogue. Secondly, we have found the multi-stakeholder approach to be a useful one for encouraging constructive dialogue among the participants based on shared objectives. This dialogue has been enriched by the distinct perspectives that each stakeholder group brings to aid effectiveness.

Also increasingly evident is that just as donors and governments must combine forces if aid relationships between them are to be improved, so too does CSO effectiveness depend not only on CSOs themselves, but also on the behaviour of donors and governments. A multi-stakeholder approach allows all partners to explore together how they can contribute to CSO effectiveness.

### *About this paper*

Our work has involved discussions of both general recommendations and specific recommendations of a more operational character aimed at all four of the AG-CS stakeholder groups: donors, developing country governments, and civil society organizations (CSOs) from both donor and recipient countries. This *Synthesis of Findings and Recommendations* focuses on general recommendations whose implementation would help to promote a more collaborative relationship among the stakeholder groups.

Guidance of a more operational character is provided in two companion documents titled respectively *Civil Society and Aid Effectiveness: An Exploration of Experience and Good Practice – a Reference Document* and *Civil Society and Aid Effectiveness Case Book*. These documents help to illustrate the practical and operational feasibility of the various recommendations proposed in this *Synthesis* report. We hope that these documents will serve as a reference point for further discussion of the issues after the Accra High Level Forum.

# RECOGNITION AND VOICE

## Who are CSOs and what makes them different?

Although the Advisory Group's title refers to "civil society" in general terms, the focus of its work has been more specifically on CSOs as agents of change and development. These are the organizations with which donors and governments interact on a regular basis.

CSOs can be defined to include all non-market and non-state organizations outside of the family in which people organize themselves to pursue shared interests in the public domain. They cover a wide range of organizations that include membership-based CSOs, cause-based CSOs, and service-oriented CSOs. Examples include community-based organizations and village associations, environmental groups, women's rights groups, farmers' associations, faith-based organizations, labour unions, cooperatives, professional associations, chambers of commerce, independent research institutes, and the not-for-profit media.

The definition of CSOs as non-market and non-state actors points to the non-profit character of CSOs and their reliance on voluntary contributions and outside sources for resources. However, this is only part of the story. Also important to understand is that CSOs operate on the basis of shared values, beliefs, and objectives with the people they serve or represent. This responsiveness to different primary constituencies explains the extensive diversity of CSOs in terms of values, goals, activities, and structures. It also explains the particular emphasis on human rights and social justice, including women's, children's, and indigenous people's rights, which many CSOs take as a starting point for their development work.

It is important not to idealize CSOs compared to other organizational forms. CSOs reflect the conditions and challenges of their respective countries. In countries with authoritarian cultural traditions, racial, minority and gender discrimination, social inequality, and corruption, one will find some of these traits within CSOs themselves. The struggle for internal democratic values and transparent organizational behaviour is as much a challenge for CSOs as for others.

Also worth noting is that not all development CSOs focus on human rights. Some CSOs are deliberately exclusive, while others may focus on satisfying the needs of their members independent of the promotion of human rights.

It is difficult, therefore, to generalize about "civil society" writ large. However, in seeking to promote the involvement of development and aid effectiveness, we believe that it is possible to focus on CSOs characterized by relationships of social solidarity with marginalized populations and concerns for social justice.

Issues of CSO legitimacy and accountability frequently arose in the consultations sponsored by the AG-CS, and have been a major theme of intra-CSO discussions.

Unlike governments, CSOs do not claim to represent the general population and do not derive their legitimacy from the ballot box. However, they do have a claim to legitimacy in their own right by representing particular segments of the population whose rights might otherwise be marginalized or particular causes such as improved services for the poor or environmental sustainability.

CSOs derive their legitimacy from the values that inform their actions and institutional philosophy, the results they deliver, their expertise and experience, the governance and accountability mechanisms that they have in place, and the transparency of their

operations. They may also be representative of particular categories of the population. Umbrella organizations or networks of organizations often have a high level of institutional credibility by virtue of the groups they represent.

## CSOs as development actors and change agents

CSOs fill a number of significant roles. As development actors in their own right, they are fundamental to the vibrancy of democratic rule and good governance, drawing attention to issues that might otherwise be ignored by politicians, partisan political organs, and governments. They thus provide a mechanism for citizens to express themselves on political, social and economic issues of concern to them, and complement other avenues for holding governments accountable to citizens through democratic participation and discourse.

CSOs play particularly important roles in situations requiring humanitarian interventions or peace building, or in failed or fragile states, where the state is not in a position to fully play its development role.

Many would argue that CSOs are particularly effective at achieving certain types of results, because of their connections with marginalized populations or segments of the population that experience systemic discrimination in development processes, such as women, indigenous peoples, or landless people. This is not always true, but the existence of some CSOs that are particularly effective is a strong argument for trying to build on the dynamism, local knowledge and representational skills of those CSOs. They are important actors also in South-South cooperation.

CSOs are quantitatively and qualitatively important, although their relative importance to society varies considerably from one country to another. There are reportedly over one million CSOs in India, and 200,000 in the Philippines. Their numbers are growing rapidly in many countries in Africa, Eastern and Central Asia and elsewhere.

Among the development roles that CSOs play are the following:

- mobilizing grassroots communities and poor or marginalized people;
- monitoring the policies and practices of governments and donors and reinforcing the accountability of government and donor bodies through the application of local knowledge;
- engaging in research and policy dialogue;
- delivering services and programs;
- building coalitions and networks for enhanced civil society coordination and impact;
- mobilizing additional financial and human aid resources; and
- educating the public, and helping to shape social values of solidarity and social justice.

## CSOs as aid donors, recipients and partners

CSOs include a wide range of actors. Although some may be considered donors in their own right, many others play a wide range of development roles. As a group, compared to official donors, whose mandate is more uniformly centred on foreign aid, CSOs thus often resist taking "aid effectiveness" as a starting point, preferring to situate the aid effectiveness agenda within a large "development effectiveness" agenda that includes the effectiveness of non-aid resources, policies and actions. Indeed, CSOs' effectiveness as aid donors, recipients and partners is intrinsically linked to their effectiveness as development actors and as change agents.

That said, it is important to recognize the quantitative importance of CSOs in development cooperation – as aid donors, recipients and partners. As donors, Northern CSOs raise considerable resources for development in addition to what governments provide as Official Development Assistance (ODA). The OECD-DAC Secretariat estimates that CSOs raised from $20-25B on their own in 2006[i], compared to official development assistance (ODA) of $104B, including debt relief. CSO effectiveness as donors is thus fundamentally important to the success of the world's overall aid effort.

CSOs are also recipients of aid, and as such, it is their development effectiveness that matters most. CSOs both from the North and the South are often the recipients of ODA to support their development activities in the South, while CSOs from the South are often recipients of non-ODA resources from Northern CSOs. These recipients CSOs include community groups, village associations, women's rights groups… a whole range of partner CSOs in the South who are the ones to effectively deliver CSO programs in those countries.

CSOs also act as aid "channels" of ODA. This covers ODA that flows to CSOs acting as intermediaries in managing donor funds. It is estimated that CSOs operating as recipients of channels of ODA accounted for approximately 10% of ODA flows to developing countries in 2006.[ii] CSO effectiveness is thus not just a question of good donorship. It also requires effectiveness in program delivery and accountability for delivering results.

## CSO voice

CSOs are thus important in discussions of aid and development effectiveness for two reasons:

- because of their importance as development and democratic actors in their own right: as contributors to more inclusive development processes, as advocates of the interests and human rights of their constituencies, and as a source of public policy alternatives; and
- because of the place they hold in development cooperation and humanitarian activities as aid donors, recipients, and partners.

The importance of CSOs in these respects provides good reason for bringing them systematically into the development policy dialogue and more specifically into the international institutions and processes where aid effectiveness is discussed. By virtue of the important roles that they play, stakeholders have a collective interest in ensuring that CSOs themselves are as effective as they can be. In addition, CSOs can act as advocates of the public good, helping to promote accountability for results, and bringing to bear a richer, deeper understanding of the aid effectiveness agenda, based on particular attention to human rights and social justice.

Such, then, is the basic case for what we have called the "voice" of CSOs. As noted above, CSO legitimacy depends on various considerations and differs in character from the political legitimacy of elected bodies. Similarly, while one can argue that CSOs are "political" in the sense that they advocate for particular groups or positions, their legitimacy depends on the non-partisan character of their engagement. CSOs differ in this respect from political parties. The legitimacy of CSOs' voice in policy dialogue and in discussions of aid effectiveness more specifically follows from the recognition of CSOs as legitimate development actors.

A vibrant democracy requires space for alternative points of view. When CSOs are invited to engage in policy dialogue by governments or donors, the latter are inclined to invite those CSOs that they consider like-minded. However, this comes at a cost if it means that different perspectives are stifled or that marginalized populations are excluded. CSOs involved in the AG-CS consultations suggested the need for mechanisms that ensure a range of viewpoints, including those of women's organizations, rural-based organizations, and other CSOs representing the disenfranchised.

### *Recommendations on Recognition and Voice*

1. Based on the above considerations, we recommend that all development actors recognize the following:

   a) the importance and diversity of civil society and of CSOs as development and humanitarian actors in their own right;
   b) that CSOs have distinctive and legitimate contributions to make to development and aid effectiveness, and that their efforts complement the efforts of other development partners; and
   c) that a strong civil society is an asset that is worth developing as part of a society's effort to transform itself and deepen democratic practice in a way that includes accommodation and support for competing visions and dissent.

2. We recommend that regular and systematic spaces should be provided for the voice of CSOs of different persuasions and orientations to be heard at all stages of the development process (planning, negotiation, implementation, monitoring, and evaluation), and that this be recognized as standard practice that needs to be actively promoted at all levels from local to international.

3. In parallel, we recommend that more work be undertaken by all stakeholders to define the conditions required for the voice of civil society to be effective and to maximize the value of their contributions to policy dialogue. Among subjects that would benefit from greater attention are the following:

   a) how CSOs can best add collective value to the policy process in different contexts, by clarifying the contributions that different categories of CSOs – from grassroots organizations to think tanks – can make at different levels and in different types of discussions;
   b) measures that CSOs can take to ensure that they accurately and accountably represent the interests of the communities and groups they claim to represent;
   c) measures to encourage the meaningful expression of the voices of women and other socially excluded groups, and dissenting points of view;
   d) how the capacity of CSOs and governments to engage in policy dialogue can be built up over time in a sustainable way;
   e) what lessons can be drawn from established multilateral forums that already recognize the role of CSOs and have established norms for CSO participation; and
   f) whether and how to create a permanent mechanism involving the OECD-DAC and the WP-EFF for continuing dialogue with CSOs on aid effectiveness beyond Accra.

# CIVIL SOCIETY AND THE PARIS DECLARATION

The importance of CSOs in development is widely recognized, and is acknowledged to a degree in the Paris Declaration. However, the Paris Declaration provides only limited guidance on how the roles of CSOs can be enhanced as part of international aid and development efforts. The Paris Declaration focuses on the way that donors and central government agencies relate to each other and the need for a new approach to development cooperation that will help to reinforce the state rather than undermine it, as was so often the case in the past.

The Paris Declaration is, in this respect, an important achievement and this was widely recognized in the AG-CS consultative process. However, the Paris Declaration needs to be seen as a particular step in the international strengthening of aid effectiveness that needs to be further pursued and enriched. Focusing as it does on the relationship between donors and partner governments, the Paris Declaration provides only a limited picture of development cooperation, of the various players involved, and how those players need to relate to each other in order to secure sustainable development results. CSOs consider that the Paris Declaration fails to recognize them as agents of development and change in their own right whose priorities might not always mesh with those of governments.

By virtue of their position as independent development actors and of the commitment to aid and development effectiveness that they share with other stakeholders, CSOs have expressed views on the Paris Declaration that deserve to be heard and considered. Some of these views are reflected in the position paper produced by the International Civil Society Steering Group for the Accra High Level Forum, titled *Better Aid: A Civil Society Position Paper for the 2008 Accra High Level Forum on Aid Effectiveness.[iii]*

This position paper echoes the calls of developing country governments for greater efforts to untie aid and enhance predictability and reflects widespread calls for greater attention to crosscutting issues such as human rights, social exclusion and gender equality. It also includes a critique of policy conditionality as a barrier to country ownership, a call for greater transparency as a basis for policy dialogue and mutual accountability, a rebalancing of power relationships between donors and developing countries, and an appeal for independent assessments of adherence to the commitments made under the Paris Declaration.

## Enriching and Implementing the Paris Principles

Two perspectives are possible when considering how CSOs relate to the Paris Declaration.

- One perspective asks whether and how CSOs can contribute to the better implementation of the Paris Declaration itself, understood as an agreement between donors and governments on the better management of Official Development Assistance.
- The other asks whether the Paris principles of aid effectiveness can be applied to the work of CSOs and whether these are well adapted and sufficient for that purpose.

There are thus two agendas here:

- implementation of the Paris Declaration as a specific agreement on aid effectiveness between donors and developing-country governments; and
- enriching the international aid effectiveness agenda to facilitate CSO engagement in that agenda.

These agendas are both legitimate, and both important.

Our recommendations with regard to the Paris agenda and the international aid effectiveness agenda more generally are based on a broad understanding of aid effectiveness, which is taken to mean "the extent to which aid resources succeed in producing sustainable development results for poor people"

(AG-CS *Concept Paper*, par. 46). The Paris Declaration must thus be seen as a particular agreement at a point in time, whose interpretation may be enriched, and that can be supplemented or replaced over time with new understandings and commitments. In what follows, we offer both general and specific recommendations regarding the Paris Declaration principles of aid effectiveness.

*Recommendation*

4.   Our general recommendation is that all development actors, including donors, governments, and CSOs, should work together to implement and enrich the international aid effectiveness agenda by:

   a)   recognizing the character of the Paris Declaration as a historic agreement between donors and developing countries at a particular point in time, to address a particular set of issues and mutual obligations; and

   b)   deepening their understanding and application of the Paris Declaration principles in ways that emphasize local and democratic ownership, social diversity, gender equality, and accountability for achieving results of benefit to poor and marginalized populations as essential conditions of effectiveness.

More specifically, we offer the following for each of the Paris Declaration principles, beginning with the ownership principle.

*Local and democratic ownership*

Although the ownership principle is key to understanding the Paris Declaration, the Declaration itself does not explore this principle in any depth. The reference is in fact to "countries" and to government leadership of a country's poverty reduction strategy.

The fundamental importance of ownership, including government leadership of national development strategies and policies, is unquestionable, because aid will not lead to sustainable development if developing country actors are not committed to aid-supported endeavours. This is, indeed, why imposing policy conditionalities on developing countries has proven unsatisfactory and why so many development projects collapse once donors leave.

However, the sort of ownership and commitment that is required goes far beyond central government leadership of a country's national development strategy. What is required is ownership that that is both widespread and deep-rooted, including ownership by all who are involved in, and affected by, the planning, design, implementation, and monitoring of aid-supported development programs.

The lack of clarity of the Paris Declaration on this point has led to considerable confusion about the meaning and importance of this all-important principle. This has been exacerbated by the use of the expression "country ownership," which suggests a consensus-based or centralized interpretation of ownership by the "country" as a whole. What is required is an understanding of ownership that is broad-based and derives its legitimacy from democratic participation.

5.  We recommend a return to basics regarding the ownership principle, including a change of vocabulary away from the commonly used expression "country ownership," which we consider misleading. More accurate would be an expression such "local and democratic ownership," which emphasize ownership not just by central government agencies, but also by parliaments, local governments, citizens, communities, and CSOs.

6.  We also recommend the following:

   a)  significantly broadening the range of "stakeholders" engaged in the design, implementation and assessment of development strategies, programs, and initiatives, including parliaments, political parties, local governments and CSOs;

   b)  recognizing that ownership of specific initiatives and programs may involve leadership by different actors, including national governments, decentralized government bodies, or CSOs;

   c)  reinforcing different stakeholders' capacity to exercise ownership through capacity development initiatives and support for democratic processes; and

   d)  related to this, a new approach to policy conditionality in which donors emphasize their role in facilitating policy options that are democratically developed and discussed, and invest in strengthening the capacity of governments, parliament and CSOs to develop locally-owned policy solutions.

*Alignment*

On the issue of alignment, the emphasis of the Paris Declaration is on donor alignment with the priorities identified in national development strategies such as Poverty Reduction Strategy Papers and alignment to country systems of public financial management, procurement and results management.

However, CSOs prefer to emphasize a plurality of views, and Northern CSOs often work directly with developing country CSOs. As a result, they are likely to understand alignment in terms of the priorities and strategies identified by their Southern CSO partners and constituencies, and the use of country systems involving those partners' own systems of priority setting and program implementation.

CSOs thus contribute to alignment in their own ways through solidarity with the priorities and needs of partners and constituencies that may contribute to development goals in ways that differ from government priorities. This requires a broader interpretation of the concept of alignment in line with that of local and democratic ownership.

7.  We recommend that alignment be understood broadly to mean alignment with the priorities of developing country counterparts and emphasis on the use and strengthening of country systems broadly understood. This means that efforts to develop and use country systems should extend beyond the current emphasis on centralized government mechanisms, such as public financial management and procurement, and also include other parts of government, decentralized authorities, and CSOs.

*Coordination and Harmonization*

Both the Rome and Paris Declarations emphasize donor coordination and harmonization. Increased coordination and harmonization can be defended on various grounds, including the need to reduce dispersion and duplication of effort, the desire to reduce unnecessary transactions costs, and the need to take a more comprehensive view of development programming.

However, coordination and harmonization come with costs of their own that are not as widely recognized. For CSOs, in particular, the concern is that the inappropriate application of these principles could stifle initiative, hamper innovation, or divert energies from other pursuits. There is a need for a conceptual framework that recognizes the need for balance. Increasingly, the emphasis in aid effectiveness discussions seems to be shifting away from coordination and harmonization as such towards a more flexible principle that assumes the need for a comprehensive perspective, while recognizing the advantages of diversity and the value of focused and specialized efforts by different actors.

*Recommendations*

8.  We recommend a balanced approach to coordination and harmonization that emphasizes the value of more comprehensive approaches to development programming, while also acknowledging the value of diversity and innovation.

9.  We recommend the following measures to improve coordination and harmonization where CSOs are concerned:

a)  recognition by all actors of the complementary roles played by governments and CSOs and the implications of this for enhanced coordination and harmonization of government and CSO efforts;

b)  greater efforts by governments and donors to support the participation of CSOs in government-led sector programs (independently or under contract), and greater efforts by CSOs themselves to engage actively in these programs;

c)  greater efforts by CSOs to coordinate and harmonize their activities with those of other CSOs;

d)  recognition of civil society strengthening as an objective that is itself worth pursuing in a more comprehensive way by all development stakeholders;

e)  recognition that responsive funding formulas continue to have an important role to play for tapping into the energy and innovative ideas of citizens and CSOs as agents of change and development.

*Managing for results and accountability*

The issues of managing for results and accountability are closely related, since the most important type of accountability from an aid effectiveness perspective should be accountability for results. As principles of aid effectiveness, managing for results and accountability have implications for CSOs both in their *own* accountability for results, and in their watchdog role in promoting accountability by governments and donors for the use of public funds. CSOs have for many years pressed donors and governments to be accountable and to demonstrate development results, and have taken distinct actions to promote their own accountability through the establishment specific account-

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ability mechanisms and collective codes of conduct.

A number of issue areas emerged in the Advisory Group's consultative processes. Donors and government partners often mentioned accountability of CSOs themselves as a preoccupation. CSOs are usually accountable to donors for any funding that they receive, and to their own boards for their overall performance, but the general issue of accountability by CSOs is one that requires more attention. Of particular concern to developing country governments is the lack of information on donor funding that flows to and through CSOs and the lack of any mechanism for assessing the overall impact of CSO activity on development results in particular countries.

For their part, CSOs often criticize current tools of "managing for results" because these tend to be used more as instruments of control by donors than as instruments for measuring meaningful change in development outcomes or promoting learning and adaptation and accountability to those whose welfare is at stake. They raise questions also about what to measure, about the division of responsibilities, access to data and transparency, and the roles that CSOs can play. CSOs advocate an approach to results-based management that is based on iterative learning and adaptation, and results-monitoring mechanisms that empower the ultimate beneficiaries of aid.

There are questions also about the types of results that are most relevant to CSOs as agents of change and accountability. For instance, the emphasis of performance management frameworks under program-based approaches tends to focus either on the reform of government processes or policies or on indicators of service delivery such as access to education or primary health care. The adoption of a more meaningful approach to results for CSOs operat-

ing as agents of change is likely to require greater attention to indicators of institutional and social change, such as improvements in gender equality and women's empowerment, the reduction of social inequalities, the improvement of human rights and democratic practice and other qualitative indicators of social progress.

The need to measure progress in the promotion of women's rights and gender equality is particularly evident. This will require the inclusion of gender equality targets and indicators in the design and implementation of development strategies and programs, and systematic use of sex-disaggregated data for monitoring purposes.

The *direction* of accountability is a major issue, as well. The Paris Declaration establishes a shared donor/government responsibility for development results, but in practice, accountability in development cooperation tends to be upwards from recipients to donors. This undermines downward accountability towards citizens and beneficiaries, and the systems of accountability that would normally encourage such downward accountability. This suggests the need for a broad understanding of accountability that emphasizes the ultimate accountability of all development partners for results benefiting poor and marginalized populations and raises the challenge of how to fully engage the intended beneficiaries of aid in the assessment of results and holding governments, donors, and CSOs to account.

There are issues, finally, about mutual accountability for aid effectiveness as envisaged in the Paris Declaration. Participants in the Advisory Group consultations considered that to be effective, these processes will require greater institutional commitments to transparency and more inclusive processes. CSOs should play, and are already playing, a role to enrich processes of mutual accountability at national and global levels

(e.g. in research and in monitoring the implementation the Paris Declaration at the country level). However, they find themselves hampered by lack of access to information. We join other work streams preparing for Accra in calling for higher standards of access to information and transparency regarding aid flows and policies.

*Recommendations*

10. We recommend the following with respect to results management and accountability for development:

a) the adoption of results-based approaches and results-monitoring mechanisms intended first and foremost as management tools to promote iterative learning and adaptation, while empowering the ultimate beneficiaries of development programs;

b) the adoption of a more meaningful approach to results that includes greater attention to indicators of institutional and social changes and to sex-disaggregated data of importance to CSOs operating as agents of change;

c) an approach to accountability that emphasizes a rebalancing of accountability for results in favour of beneficiaries;

d) the reinforcement of accountability systems in country for all development actors (donors, government and CSOs); and

e) a multi-stakeholder approach to monitoring and evaluation that includes the effective and timely engagement of CSOs and beneficiary populations, including representation from women's rights organizations and other socially marginalized groups.

11. We also encourage all development partners to adopt the highest possible standards of openness, transparency and access to information:

a) Donors and international financial institutions should commit to delivering timely and meaningful information to other stakeholders on their aid flows and policies, including official aid flows to CSOs.

a) Developing country governments should work with elected representatives and CSOs on how to achieve increased transparency of both official and non-official aid flows and improved accountability for development results.

# CSO Effectiveness

Covered above are some of the ways that CSOs can contribute to the implementation of the Paris Declaration by encouraging:

- a more democratic approach to ownership and alignment,
- a comprehensive approach to development that allows room, nonetheless, for diversity, inclusiveness, and innovation, and
- a model of results and accountability that is more participatory and responsive to local constituencies.

We turn now to the sorts of measures that we need to take as a community of development partners to ensure that CSOs are as effective as possible at what they do. We prefer in this section to speak of "CSO effectiveness" rather than "CSO aid effectiveness," to stress that it is the overall effectiveness of CSOs as development actors that matters.

From that perspective, we propose an agenda for action based on three areas of collective endeavour:

- strengthening the enabling environment;
- improving models of donor support (including both official and CSO aid flows); and
- strengthening CSO partnerships.

## An enabling environment for civil society

For civil society to flourish requires a favourable enabling environment, which depends upon the actions and policies of all development actors – donors, governments and CSOs themselves. Currently, conditions vary enormously from country to country, amounting in some cases to what could better be called a "disabling" environment, and in other cases to what might be considered models for others to emulate.

What constitutes an enabling environment is a complex set of conditions, including:

- mechanisms to ensure the promotion and protection of the rights to expression, peaceful assembly and association, and access to information;
- CSO-specific policies such as CSO legislation and taxation regulations including charitable status provisions;
- regulations and norms to promote CSO transparency and accountability to their constituencies;
- the general legal and judicial system and related mechanisms through which CSOs or their constituencies can seek legal recourse;
- the degree to which multi-stakeholder dialogue is encouraged and practiced; and
- measures to promote philanthropy and corporate social responsibility.

While governments are responsible for many of these conditions, CSOs themselves may play a role, by organizing themselves as peer groups to establish and promote agreed norms and standards of accountability and good practice. Donors also exert an important influence, through the openness that they themselves display towards CSOs, through their efforts to encourage the involvement of CSOs in policy dialogue, and by virtue of the terms and the conditions that they impose on CSO recipients.

Special attention is likely to be required to the enabling environment for CSOs in situations of fragility or conflict, where CSOs may be in particular need of protection and may often be the only vehicles available for delivering certain types of services, or engaging in peace building and reconstruction processes.

## Good donorship

As noted earlier, CSOs are quantitatively important as donors, recipients, and channels of aid funds. This puts them at the centre of the debate on aid and development effectiveness from a range of perspectives. CSOs from Northern countries are likely to be engaged as aid actors in all three ways, as donors, recipients, and channels of official flows. CSOs from the South are more likely to be recipients. Although they may be self-financing for a part of their activities, they often receive significant financial support from official donors, from other CSOs, or from their own governments.[iv]

Official donors exert an important influence on CSO effectiveness through the terms and conditions of their support for CSOs and the strategic choices they make in favour of specific CSOs, CSO networks, or umbrella organizations. Specific issues requiring attention include the following, some of which have already been identified:

- One issue is the balance that currently exists between different forms of support and whether that balance needs to be redressed. Currently, most official donor funding tends to be channelled through Northern CSOs under what can sometimes be fairly rigid terms and conditions. This raises questions about the conditions under which such support is provided, and about the advantages and disadvantages of alternative forms of support. Alternatives could include direct support for the projects and programs of Southern CSOs, or more comprehensive models of support for the strengthening of civil society as a whole.

- There are issues as well about the balance to be sought between responsive models of funding and approaches that are more directive and/or more program-based. As donors seek to harmonize and coordinate their support for civil society, we should also ask what repercussions this might have on the ability of CSOs with different approaches to human rights, social change and advocacy to secure funding.

- And questions, finally, about accountability, and the difficulties of a model in which accountability runs upwards, from recipient CSOs to donors, rather than vice versa or downwards, towards the CSOs' primary constituents.

These are complex issues that do not lend themselves to easy recommendations. More work is clearly needed, and appropriate solutions need to match the specific requirements of different contexts.

The special role of Northern or international CSOs as donors requires specific attention, as well. Where a donor-recipient relationship applies between CSOs, these relationships can be characterized by the same dependencies and power imbalances as may

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characterize official donor-recipient relationships.[v] Although these dependency issues are often tempered by the social solidarity that binds CSOs to one another,

CSOs acting as donors need to recognize that they have special responsibilities to develop and respect appropriate principles of aid effectiveness.

*Recommendations*

13. Both official donors and CSOs in their capacity as donors, recipients and channels of aid should take measures to implement the enriched aid effectiveness principles identified in the previous section, including:

a) respect for developing country partner ownership and leadership;
b) alignment with developing country partner priorities and use of local systems;
c) greater coordination and harmonization of efforts, while respecting diversity and innovation;
d) managing for results in a dynamic, iterative way; and
e) enhanced accountability, with emphasis on downward accountability, and mutual accountability in donor-recipient CSO relationships.[vi]

14. We recommend that donors consider the overall strengthening of civil society at the country, regional, and international levels as an objective worth supporting in its own right.

15. Donors, including Northern and International CSOs, should identify and implement a range of better coordinated and harmonized support mechanisms including core or program support, capacity development, a long-term perspective, responsive funding mechanisms of various sorts, and the harmonization of contracting, funding and reporting modalities.

16. Finally, to the extent that official donors channel funds through Northern CSOs, donor procedures and regulations should be put in place that enable these CSOs to take on their responsibilities for implementing the aid effectiveness principles and recommendations proposed here

## CSO partnerships

The subject of CSO partnerships covers the efforts of CSOs in developing countries to organize themselves in local relationships, in networks, alliances and umbrella organizations. It also covers North-South, South-South or global partnerships in which CSOs from different countries collaborate with each other in order to better achieve their objectives. CSOs are increasingly pooling their efforts, both nationally and internationally. Improving the quality of such partnerships is primarily the responsibility of CSOs themselves. However, donors and governments can encourage such ventures by providing financial and technical support.

Among the issues that have been flagged by these CSOs and others as meriting attention, other than the donorship issues raised in the previous section, are the following:

- the desirability of CSO partnerships for greater collective effectiveness and for donors to support such partnerships;
- the desirability of more equitable, longer-term partnerships between Northern, International and Southern CSOs involving a philosophy of local empowerment, partnership and participation;
- the value of North-South, South-South and triangular cooperation among CSOs; and
- the responsibility of Northern and International CSOs to advocate for inclusive policy dialogue that provides equitable and appropriate space for their developing country CSOs to participate in policy dialogue and decision-making processes.

*Recommendations*

17. We recommend the following:

   a) that CSOs be supported in their efforts to coordinate their efforts through umbrella organizations, working groups, networks, or  coalitions; and
   b) that Northern and Southern CSOs work together to define their respective areas of comparative advantage and appropriate division of labour to encourage Southern CSOs to thrive and strengthen their place in society over time.

## FORWARD AGENDA FOR MULTI-STAKEHOLDER DIALOGUE

Although considerable progress has been made in the last 18 months in terms of improved understanding and sharing of that understanding across multi-stakeholder groups, much remains to be done, both at the country level and internationally.

Multi-stakeholder dialogue on civil society and aid effectiveness has already been initiated in over 30 countries. This dialogue has been relatively extensive in some countries – in Mali, Senegal, South Africa and Tanzania, to cite only a few – while in others it remains incipient. Such consultations are continuing. By the time of the Accra HLF, about 2,600 people representing over 1,300 CSO, government and donor organizations in these 30 countries will have participated in such discussions. Such discussions need to continue with the aim of taking collective action in priority areas as appropriate in different country contexts.

There is a need also for countries, donors and CSOs working on similar issues to be able to consult and learn from each other, regionally or internationally. This may happen in different ways. For example, a number of countries working on enabling legislation could form a community of learning to compare experiences.

However, mutual learning is more likely to happen in the context of a global framework of collaboration on CSO effectiveness. In this regard, we draw the attention of the stakeholder community to an ambitious global initiative to establish principles and guidelines for CSO development effectiveness over the next two years. This welcome initiative was launched by CSOs in Paris at the end of June 2008, following and exploratory workshop involving 80 CSO network leaders from all over the world, many of whom have been involved in the AG-CS process. As the focus is CSO effectiveness, CSOs consider that this global initiative must be CSO-led, although they recognize the importance of multi-stakeholder engagement and encourage such engagement. Detailed modalities will be elaborated by a 25-member CSO Global Facilitating Group established by those present at the June meeting.

*Recommendations*

18. We recommend that ongoing multi-stakeholder consultations on CSO effectiveness should be initiated or extended in all countries, with the aim of developing a comprehensive and actionable perspective on how civil society and CSOs could be strengthened in their various roles as agents of development, participation, and accountability.

19. We recommend that all stakeholders, jointly and individually, should pilot good practices in relation to the various recommendations emerging from the work of the Advisory Group, and track progress on these practices to inform ongoing learning and dialogue.

20. Internationally, we invite Ministers in Accra to endorse and encourage the June 2008 CSO-led process of dialogue and consensus building on CSO development effectiveness principles, guidelines and good practices, which will include multi-stakeholder participation. We recommend that this process be recognized in the Accra Agenda for Action and that donors and developing country governments collaborate with CSOs to recognize and address the responsibilities shared by all development actors for enhancing CSO development effectiveness.

21. Finally, we recommend that CSOs and CSO effectiveness should be an integral part of any future processes and agreements on development and aid, post-Accra.

[i] This figure includes an official figure of $14.7B from the OECD-DAC. However, we know from other sources that this amount is underestimated. Taking other sources into account, in particular figures for the US from *The Index of Philanthropy*, 2007, suggests a higher number somewhere between $20B and $25B (email correspondence).

[ii] Email correspondence with the OECD-DAC Secretariat.

[iii] Available at www.betteraid.org.

[iv] Government funding tends to be relatively weak in developing countries, but could increase in the future as new models of government-CSO partnerships emerge.

[v] These funding relationships usually involve Northern CSOs as donors and Southern CSOs as recipients. However, inter-CSO funding relationships may also involve Northern, Southern or International CSOs transferring funds to each other, for instance with regional and international women's rights organizations as recipients and other CSOs as donors.

[vi] We limit ourselves here to recommendations based on the enriched Paris Declaration principles. However, we acknowledge the interest of CSOs themselves to engage in further work on guidelines for CSO development effectiveness. We do not wish to pre-empt the conclusions of those efforts, or to suggest that the Paris Declaration principles – even enriched – are the only ones that may be relevant to CSO effectiveness as donors, recipients and channels of aid.

**Available electronically**

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http://web.acdi-cida.gc.ca/cs