CSO Development Effectiveness and the Enabling Environment

Key Messages for the Fourth High Level Forum on Aid Effectiveness

The Task Team on CSO Development Effectiveness and Enabling Environment, Working Party on Aid Effectiveness, Cluster A

April 2011

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The Task Team is a multi-stakeholder group launched in April 2009 within Cluster A (Ownership and Accountability) of the Working Party on Aid Effectiveness (WP-EFF) to promote implementation of civil society-related commitments in the Accra Agenda for Action (AAA) and the Advisory Group on Civil Society and Aid Effectiveness' 2008 recommendations to the Working Party in their preparations for the 2008 Accra High Level Forum (HLF-3).

The Task Team is co-chaired by Sweden (Sida), Mali (Office of the President), and the Canadian Council for International Cooperation (CCIC, representing the Open Forum for CSO Development Effectiveness). Membership of the Task Team includes over a dozen donor governments, a few developing country governments, and a number of CSOs representing the two key global CSO-led processes to HLF-4: the Open Forum and BetterAid.

The Key Messages are a collective product of the Task Team. Individual Task Team members are not necessarily bound by all of the statements in the paper.

More information on the Task Team can be accessed at http://www.cso-effectiveness.org/-multi-stakeholder-task-team,079-.html.

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The Task Team on CSO Development Effectiveness and Enabling Environment, WP-EFF Cluster A

Outcomes of the Task Team meeting, Härnösand, Sweden, March 2011

About this document

This document has been prepared by the multi-stakeholder Task Team on Civil Society Organisation (CSO)[1] Development Effectiveness and Enabling Environment. It elaborates key messages for the Busan Fourth High Level Forum on Aid Effectiveness (HLF-4) in a number of issue areas that build upon the civil-society related commitments of the Accra Agenda for Action (AAA), as a basis for further dialogue and commitments at HLF-4.[2] The Task Team has chosen to group these messages under five headings:

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

The Task Team has prepared a background paper to accompany these messages, providing a rationale for addressing these topics with reference to evidence.[3]

Background

The inclusion of and emphasis on civil society in the 2008 Accra High Level Forum agenda was considered by many as the hallmark of HLF-3. Significant gains were made in recognising the importance of CSOs as independent development actors, and in the agreement to work together to address CSO effectiveness as a responsibility shared among CSOs, donors, and developing country governments (AAA paragraph 20). The AAA also called for higher levels of engagement and broad-based dialogue with CSOs, parliaments and other development actors by donors and developing country governments on development policy, including 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 considers the explicit recognition of civil society at HLF-3 to be a welcome complement to the Paris Declaration, which emphasised the conditions required for increased effectiveness of government-to-government aid cooperation. CSOs' distinct roles come into play in development contexts that emphasise catalyzing change and are more focused on addressing causes of poverty - involving innovation, flexibility and bottom-up approaches.

Progress in meeting civil-society related AAA commitments has been uneven.

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[1] 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).

[2] To complement this proposal, the Task Team has also submitted a proposal in response to the WP-EFF's invitation to stakeholders to submit themes for HLF-4. The Task Team's proposed theme of CSO development effectiveness asks the question "What can donors, aid recipient governments, and CSOs do to enable CSOs to contribute more effectively to development as independent actors in their own right?", a question that touches on all of the headings in the current "Key Messages" document.

[3] A list of key sources of evidence is provided in annex.

With respect to paragraphs 20(a) and 20(b), the CSO-led Open Forum for CSO Development Effectiveness has worked with hundreds of CSOs in more than 70 countries globally to establish the *Istanbul Principles for CSO Development Effectiveness.* The *Istanbul Principles* represent the values and qualities in CSO development practice that CSOs deem as essential for them to achieve development impact. The Open Forum will present to HLF-4 an *International Framework on CSO Development Effectiveness* inclusive of guidelines and accountability instruments for the implementation of these *Principles*, which have drawn upon multi-stakeholder consultations led by CSOs. The *Framework* will be accompanied by a Toolkit for CSO implementation and monitoring that can be adapted to country contexts. The Open Forum *Framework* includes CSO proposals for minimum standards for an enabling environment for CSOs, intended for further discussion with donor and developing country governments.

In relation to AAA paragraph 20's commitment to deepen engagement with CSOs as independent development actors in their own right, and to work with CSOs to provide an enabling environment (paragraph 20(c)), there is growing evidence to suggest an increasingly restrictive, rather than enabling environment for civil society, with a narrowing of democratic, legal and financial support space for CSOs to varying degrees in both developing and donor countries around the world.

Globally there is evidence of more restrictive financial and regulatory frameworks that severely constrain CSO activities, often threatening their very existence (i.e. right to entry, operation, expression, communication, etc.)[4] CSOs worldwide attest to shrinking space for engagement with government in policy dialogue on aid and development matters (Tomlinson 2011:16). The 2010 resolution by the UN Human Rights Council on the rights to peaceful assembly and association, and designation of the first UN Special Rapporteur monitoring these rights, attest to this ominous trend.[5]

In donor countries, the pressures to reduce transaction costs in the face of shrinking operations and administration budgets, to focus and scale-up investments, and to produce short-term development results are experienced by many CSOs in the form of increasingly restrictive funding modalities for CSOs, affecting their capacity to be effective development actors.

At the same time, CSOs, donor and developing country governments often lack a comprehensive picture of aid and development activities in any given country that can help to avoid over-dispersion, duplication of effort, or undermining developing country government efforts to meet their responsibilities to deliver public goods in as accessible and equitable a manner as possible. Information-sharing and coordination among CSOs and between highly diverse CSOs and other actors remain a challenge.[6] 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, while at the same time respecting the complexity and ownership of development processes.[7]

Since Accra, therefore, it has become evident to the Task Team that greater clarity and a deeper understanding of principles and conditions for CSOs to maximise their contributions to development is essential. There is a need for a better understanding of how the principles and conditions of effectiveness vary across different development actors based on the roles that they play in development processes. In addition, further multi-stakeholder dialogue is needed, as are

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[4] Tiwana, M. And N. Belay (2010). "Civil Society: The Clampdown is Real!" CIVICUS, December 2010; 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; Open Forum (2010). *A Draft International Framework for CSO Development Effectiveness.* November 2010.
[5] United Nations Human Rights Council (2010). *The Rights to Freedom of Peaceful Assembly and of Association*. A HRC/15/L.23, September 27 2010.
[6] OECD-DAC (forthcoming 2011). *How DAC Members work with Civil Society Organisations: An Overview*. Draft, March 2011.
[7] Ibid.

collective and individual institutional efforts, to address outstanding CSO development effectiveness issues up to and beyond HLF-4.

Unlike the Paris Declaration, the AAA civil society commitments do not include indicators of progress. However, the significance of CSOs as actors in social, economic and cultural development in both donor and developing countries suggests that continued multi-stakeholder attention to civil society issues at HLF-4 and beyond is essential to overall progress on aid and development effectiveness.

The following messages are presented by the Task Team for consideration by all stakeholder participants in HLF-4, addressing key issue areas with respect to the theme of CSO development effectiveness and enabling environment. They are derived from the Task Team's work over the past 18 months, and build upon the civil society-related commitments in the AAA. They point towards continued commitments and further engagement for progress in these important areas, which are an essential foundation of inclusive ownership and development outcomes for poor and vulnerable people.

1) Reaffirm CSOs as independent development actors in their own right and the importance of multi-stakeholder policy dialogue by:

1. Reaffirming the recognition of the full diversity of CSOs as independent development actors in their own right. CSOs play roles that complement but are distinct from those of governments and the for-profit private sector, whether in provision of services, empowering people or influencing policy and legislation.

2. Acknowledging that principles of aid and development effectiveness may differ between different development actors: CSOs, developing and donor country governments or the for-profit private sector. In particular, the principles of alignment and ownership from a CSO perspective emphasize ownership and leadership by local CSOs, communities and citizens.

3. Reaffirming the importance of effective, transparent and inclusive multi-stakeholder policy dialogue on development between CSOs, developing and donor country governments at local, national and international level, and supporting efforts to increase capacity to that end.

2) Provide, promote and monitor an enabling environment for CSOs that maximises their contribution to development:

4. Committing to and promoting an enabling environment for CSOs as independent development actors, both in law and practice, at minimum in keeping with existing commitments in international and regional instruments[8] that guarantee fundamental rights. These include: freedom of association, freedom of expression, the right to operate free from unwarranted state interference, the right to communicate and cooperate, the right to seek and secure funding, and the state's duty to protect[9].

5. Building on existing multi-stakeholder dialogue and engagement to strengthen the enabling environment, in donor and developing countries, for enhanced CSO development effectiveness.

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[8] "Instruments" meaning covenants, conventions, charters and declarations.
[9] See World Movement for Democracy and International Center for Not-for-Profit Law's *Defending Civil Society* report (2008) for the list of international and regional instruments in which these principles are enshrined.

6. Assuring that the Paris Declaration principles, including ownership and alignment, are not in any way interpreted or applied to narrow the enabling environment for CSOs.

7. Inviting the WP-EFF and DAC, in collaboration with representatives of developing and donor country governments, CSOs and other interested stakeholders to develop and incorporate into the formal monitoring mechanisms, indicators for progress on the enabling environment and donor support models in relation to the civil society-related commitments of the AAA and the outcomes of HLF-4.

3) Implement donor support models that can contribute to CSO effectiveness by:

8. Strengthening donor aid effectiveness through policies and requirements that are appropriate to promote CSOs' roles as effective, independent development actors in their own right. These include:

   - To the degree possible, increasing core or programme support to CSOs that have demonstrated the capacity to manage it and to achieve development results.

   - Maintaining a mix of funding modalities, and encouraging the use of modalities that respect CSOs' right of initiative, in order to reach, and be relevant, to the diversity of CSOs, with their different roles, capacities, constituencies and approaches. Identification of these modalities should be done transparently and in close dialogue with representatives of civil society.

   - Increasing donor coordination of country-level support to civil society, based on the local needs identified by CSOs and their constituencies, while taking into account donor policies and priorities.

   - To the degree possible, providing support to CSO networks and coalitions to facilitate CSO coordination, policy dialogue and, as appropriate, capacity strengthening.

   - Simplifying and harmonising donor administrative requirements in dialogue with CSOs to reduce transaction costs.

9. To the degree possible, strengthening donor country CSOs' role to more fully engage the public in building broad-based awareness and action for aid and development issues. Donors and CSOs should work to review how their respective education and communication with the public can deepen awareness about common development challenges.

10. Inviting the WP-EFF and DAC, in collaboration with representatives of developing and donor country governments, CSOs and other interested stakeholders, and building on the work of the Task Team on CSO Development Effectiveness and Enabling Environment, the OECD-DAC study "How Donors work with CSOs", and the Advisory Group on Civil Society and Aid Effectiveness, to identify good practice in donor support to CSOs and develop guidelines for their application.

4) Encourage CSOs' efforts to enhance their effectiveness and accountability by:

11. Acknowledging existing efforts and progress in demonstrating CSOs' accountability. CSOs recognise the need for continued progress and commit to actively strengthening the application of self-managed accountability and transparency mechanisms and standards to improve their accountability and transparency vis-à-vis primary stakeholders with whom they work as well as donor and developing country governments.

12. Encouraging context-specific adoption and application of principles of aid and development effectiveness, including the *Istanbul Principles for CSO Development Effectiveness*, accompanying guidelines and indicators, and CSOs' own ongoing efforts to implement and monitor these self-regulatory standards and tools.

13. Encouraging CSOs to work together and with other stakeholders to identify ways to better achieve and demonstrate development results and accountability, including through better coordination of efforts and mutual learning.

5) Share responsibility for accountability and transparency on aid and development efforts by:

14. Recognizing that all development actors have a responsibility to be accountable for their aid and development efforts, and share responsibility to promote each others' accountability.

15. Encouraging and supporting cost-effective efforts by all stakeholders through dialogue to improve accountability and documentation of CSO development results, in particular through*:*

- Accounting for results and impact of individual CSOs, including their contribution to qualitative, social and institutional change pursued by and as defined by CSOs as development catalysts.

- Monitoring, evaluation and accountability mechanisms that encourage learning and improvement.

- Accountability for the collective impact of CSOs, which requires all stakeholders working together to determine how best to account for the variety of results emerging from civil society initiatives.

16. Encouraging efforts by all stakeholders to increase transparency and accountability of both official and non-official aid flows:

- Donor and developing country governments, and CSOs, to track and make accessible information on their CSO activities and funding.

- These efforts should be in keeping with their respective access to information regulations, the scale of resources and agreement on modalities that do not jeopardise the continued operations, safety and security of CSOs or individuals associated with them.

17. Beyond aid flows, encouraging efforts by all actors to improve transparency, including through timely and appropriate (language, location, technology) access to information on policies, budgets, and development initiatives.

Annex: List of key sources of evidence

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