

CIVIL SOCIETY AND AID EFFECTIVENESS

SYNTHESIS OF FINDINGS AND RECOMMENDATIONS

SECOND WORKING DRAFT – April 16, 2008

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

Advisory Group on Civil Society and Aid Effectiveness

Contents

EXECUTIVE SUMMARY	I
About the Advisory Group on Civil Society and Aid Effectiveness	i
CSOs and Aid Effectiveness.....	i
Recognition and voice.....	ii
Enriching the aid effectiveness principles	ii
CSO Effectiveness	iii
The Forward Agenda	iv
BACKGROUND.....	1
Lessons from the AG-CS process to date	2
About this paper	2
RECOGNITION AND VOICE	3
Distinctiveness and importance of civil society organizations	3
Who are CSOs and what makes them different?	3
CSOs as development actors and change agents	4
CSOs as aid donors, recipients and partners	4
CSO voice	5
Recommendations on Recognition and Voice of CSOs	6
Recognition.....	6
Voice.....	6
CIVIL SOCIETY AND THE PARIS DECLARATION.....	7
Implementing and Enriching the International Aid Effectiveness Agenda	7
Local and democratic ownership	8
Alignment	9
Coordination and Harmonization.....	9
Managing for results and accountability.....	10
CSO EFFECTIVENESS.....	12
An enabling environment for civil society.....	12
Good donorship.....	13
CSO partnerships	13
THE FORWARD AGENDA	14

EXECUTIVE SUMMARY

1. This document summarizes the main findings and recommendations emerging from our work and consultations as members of the OECD-DAC's 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.

About the Advisory Group on Civil Society and Aid Effectiveness

2. The Advisory Group was created in January 2007 in reaction to growing interest on the part of CSOs to engage with donors and partner country governments on issues of aid effectiveness. Created to advise the DAC's Working Party on Aid Effectiveness, the Advisory Group brought together three representatives from each of four stakeholder groups: donors, developing country governments, and CSOs from 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.

3. CSOs speak with their own voice on aid effectiveness issues, and have launched an independent process of reflection on CSO effectiveness. The role of the Advisory Group is not to substitute itself for the voice of CSOs. We have interpreted our role to be that of securing a seat at the table for CSOs and developing a broader understanding of the aid effectiveness agenda that includes a place for CSOs as development actors and as aid donors, recipients and partners in their own right. Our work has included in depth analytical work, wide ranging consultations, and case study work intended to deepen our understanding of the issues.

CSOs and Aid Effectiveness

4. The role assigned to CSOs in the Paris Declaration is a limited one. 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. This is a worthwhile objective, and the Paris Declaration is, in that regard, a historic document. The underlying development model of the Paris Declaration is one in which donors and governments work together closely to implement national development plans under national government leadership.

5. The Paris Declaration 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. By taking a narrow view of CSOs' roles, the Paris Declaration 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.

6. CSOs are often particularly effective at reaching the poor and socially excluded, mobilizing community efforts, speaking up for human rights and gender equality, and helping to empower particular constituencies. Their strength lies not in their representation of society as a whole, but in their very diversity and capacity for innovation, and in the different perspectives that they bring to the issues when engaging in policy dialogue. Although the development roles played by CSOs vary enormously from country to country, CSOs are often major service providers and major players in helping the poor to organize themselves. Policy dialogue and cooperation

between governments and CSOs allows greater articulation of their actions under national development strategies and programs.

7. CSOs play important roles also in international development cooperation. CSOs from developed countries are an important complementary source of aid funds for instance. We estimate that they channelled at least \$40B of their own resources to developing country partners in 2005, a not insubstantial amount compared to official flows of about \$104B. They also act as channels for about 20% 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.

8. These observations lead us to propose three categories of recommendations under the following headings.

Recognition and voice

9. Our first recommendation to the Accra High Level Forum is simply to recognize these important facts – both the importance of CSOs as development actors, and the special character of their contributions. We call for CSOs to be brought into the aid effectiveness dialogue because they are important development actors in their own right, because they bring fresh and different perspectives to the table, and because of the role they can play in helping to keep other players accountable, while being accountable themselves to their constituencies, to governments and donors. Our own experience to date confirms that CSOs have much to contribute, and that they are prepared to engage as active and constructive partners.

10. The Paris Declaration already recognizes the role of CSOs as democratic actors. However, we suggest that the Accra Agenda for Action (AAA) should go further by encouraging stakeholders to define the conditions required for the voice of civil society to be as effective as it can be, locally, nationally and internationally. We suggest that efforts should be envisaged to help civil society to develop its capacity to engage in constructive policy dialogue.

Enriching the aid effectiveness principles

11. Our second set of recommendations pertains to the interpretation of the Paris Declaration aid effectiveness principles themselves. We recommend a return to basics in interpreting those principles. As noted earlier, the Paris Declaration does not dwell upon the meaning or justification of the principles, aiming, rather to apply those basic principles to donor-central government relationships. However, the interpretation of the principles in a multi-actor world including CSOs requires a richer understanding of the aid effectiveness principles.

12. More specifically, we suggest that ownership is indeed fundamental to the sustainability of development efforts, but that the expression “country ownership” found in the Paris Declaration seems to suggest that there is only one expression of ownership and does not reflect the depth and breadth of ownership that is required – not just by central government agencies, but also by parliaments, local governments, communities, and CSOs. We need to deepen our understanding of how to implement the Paris Declaration through ways that emphasize local and democratic ownership. Similarly, the notion of “alignment” should be interpreted more broadly to include alignment to the priorities of local development actors and working with all country-based institutional structures, including developing country CSOs.

13. The concepts of coordination and harmonization are important for various reasons, including the need to reduce dispersion and duplication of effort and the desire to reduce unnecessary transactions costs. They reflect a commitment to take a more comprehensive view of development priorities. However, coordination and harmonization come with costs of their own that are widely recognized. CSOs are concerned that a rigid application of these principles can stifle initiative, hamper innovation or divert energies from other pursuits. We therefore recommend a balanced application of these principles in which more collaborative, comprehensive, and inclusive approaches are promoted, in ways that do not undermine diversity, division of labour and innovation.

14. This can include the adoption of a more programmatic approach in supporting CSO development partnerships and initiatives, or for strengthening civil society as a whole in particular countries, compared to the current approach focused on individual projects. It should also include the identification by governments and CSOs of scenarios where civil society can provide significant support for public policies.

15. Managing for results and accountability is, likewise, as relevant for CSOs as it is for other stakeholders. Our consultations have found this to be an area that evokes much passion among CSOs. CSOs have for many years pressed donors and governments to demonstrate greater accountability for development results. But CSOs have raised concerns that these principles can be used as instruments of control by donors rather than for measuring meaningful change and promoting accountability to those whose welfare is at stake.

16. We recommend that stakeholders adopt a more meaningful approach to results, making more room than has been the case in the past 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 also encourage development partners to adopt the highest standards of openness, transparency and access to information, including important practices such as attention to sex disaggregated data for gender equality targets and indicators.

CSO Effectiveness

17. The third topic covered in this report is what we call “CSO effectiveness” – the ability of CSOs to deliver development results. Our core recommendation in this area is that stakeholders should promote CSO effectiveness as a joint responsibility. While CSOs are responsible and accountable to their constituencies for their own behaviour, CSOs are more or less effective depending upon the environment in which they work. That environment, in turn, depends upon the actions and policies of governments, or donors, and of other CSOs. Because CSOs are non-profit, they also depend to a significant degree on donors and governments as sources of funds. Their effectiveness is affected both by the availability of funding and by the conditions and modalities that accompany such funding. CSOs, finally, depend on each other – working, most often, in partnerships, or in networked arrangements that enhance their effectiveness.

18. This report organises our findings and recommendations on CSO effectiveness in three areas where multistakeholder dialogue and consensus building could make a difference:

- The enabling environment
- Funding
- CSO partnerships.

19. We understand by an enabling environment a wide range of conditions including a favourable regulatory and legislative environment, the openness of government and donors to engaging with CSOs, the transparency and accountability with which information is shared, and organizational structures of the CSO community itself. We recommend that stakeholders take stock of the enabling environment for civil society in different countries and that programs be put in place to create an enhanced environment in which CSOs can operate.

20. With respect to funding models, the current approach is heavily skewed towards project funding, most often channelled through Northern-based CSOs and North-South partnerships. There is a need to carefully explore new approaches focused on how best to support and strengthen civil society in the South, in collaboration with Northern CSO partners.

21. The identification of principles and good practices for more effective CSO partnerships is an effort that CSOs from the North and South are engaging upon in an independent capacity, but which other stakeholders can support, either financially or through contributions to the dialogue.

The Forward Agenda

22. There is much that remains to be done, and we see the work being conducted in the run-up to the Accra meeting as the start of a longer-term process of engaging with CSOs on aid effectiveness. We recommend the following:

- That national multistakeholder processes be undertaken wherever possible around the issues identified in this report
- Internationally, that processes be established to ensure a more comprehensive approach to aid and development effectiveness that takes the role of civil society fully into account
- That stakeholders seek to pilot good practice in relation to the recommendations put forward in this report, and track progress of these practices to inform future agreements on development and aid, post Accra.

BACKGROUND

23. 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.

24. As development actors, civil society organizations (CSOs) share an interest in the concept of aid effectiveness as an important one 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 or their effectiveness as channels for aid delivery.

25. 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.

26. 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 have to play both as development actors in their own right and as agents of development cooperation, in their capacities as aid donors, recipients and partners. We were brought together as an explicitly multistakeholder group involving parity of representation by donors, developing country governments, CSOs from the North and CSOs from the South.

27. Our mandate included the following:

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

28. Our work has included the following:

- Creation of an extranet site (<http://web.acdi-cida.gc.ca/cs>) in order to make reports from various consultations and case study material 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 in the second half of 2007, including an international conference in Härnösand, Sweden, a number of national seminars and consultations, several regional consultations in the South, and two CSO-only consultations in Brussels and Nairobi;
- A Synthesis of Advisory Group Regional Consultations and Related Processes, which aimed to capture the results of these consultations;
- An International Forum, held in Gatineau Canada on Feb. 3-6, 2008, involving the participation of 200 participants from the four stakeholder groups represented in the AG-CS, a *Final Report* of which is now available for consultation.

Lessons from the AG-CS process to date

29. There are lessons to be drawn from the AG-CS process itself to date. First among these is that there is considerable interest in engaging in this sort of dialogue. We have found as well, that the multistakeholder approach has helped to encourage 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, based on its particular role and place in the aid architecture.

30. 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, and the quality of relationships involving all of the stakeholder categories represented in the AG-CS. A multistakeholder approach allows all partners to explore together how they can contribute to CSO development and aid effectiveness.

About this paper

31. 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's 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 provide a framework for a more collaborative relationship among stakeholder groups.

32. Recommendations of a more operational character will be provided in a Good Practice Paper and illustrated in a Case Book of examples. The Good Practice Paper will provide a guide for further discussion on the issues, and could constitute a basis for further work and consensus building after the Accra High Level Forum to convert these lessons of good practice into practical commitments.

RECOGNITION AND VOICE

Distinctiveness and importance of civil society organizations

Who are CSOs and what makes them different?

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

34. CSOs can be defined to include all non-market and non-state organizations 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.

35. 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 structure. 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.

36. 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. Neither do 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.

37. 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. They represent particular segments of the population whose rights might otherwise not be fully represented, or particular causes such as improved services for the poor or environmental sustainability.

38. CSOs are considered "legitimate" based on 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.

39. These and other features of CSO legitimacy and accountability are not fixed, and may be enhanced over time through efforts by CSOs themselves, combined with an appropriate legislative and regulatory framework, and supportive measures from donors and CSOs.

CSOs as development actors and change agents

40. CSOs fill 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 provide a mechanism for citizens to express themselves on political, social and economic issues of concern to them, complementing other avenues for holding governments accountable to citizens through democratic participation and discourse.

41. 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. By engaging and working with government and donors, CSOs can help to enhance public policy results.

42. CSOs are quantitatively important, although their relative importance to society varies considerably from one country to another. There are reportedly over 1M CSOs in India, and 200,000 in the Philippines. Among the development roles that CSOs play are the following:

- a) Mobilizing grassroots communities and poor or marginalized people;
- b) Monitoring the policies and practices of governments and donors and reinforcing the accountability of government and donor bodies through the application of local knowledge;
- c) Engaging in research and policy dialogue ;
- d) Delivering services and programs;
- e) Building coalitions and networks for enhanced civil society coordination and impact;
- f) Mobilizing additional financial and human aid resources;
- g) Educating the public, and helping to shape social values of solidarity and social justice.

CSOs as aid donors, recipients and partners

43. 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 a wide range of policy choices and actions. We have also found that CSOs’ effectiveness as aid donors, recipients and partners is intrinsically linked to their effectiveness as development actors and as change agents.

44. 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). We estimate that CSOs raised at least \$40B on their own in 2005¹, compared to official development assistance (ODA) of \$104B, including debt relief (DAC news, April 4, 2008). CSO effectiveness as donors is thus fundamentally important to the success of the world's overall aid effort.

45. CSOs are also recipients of aid. CSOs both from the North and South are often the recipients of ODA to support their development activities in the South. And of the resources that are mobilized by Northern CSOs, a good part is directed, in fact, to other CSOs: 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. CSO effectiveness is thus not just a question of good donorship. It also requires effectiveness in program delivery and accountability for delivering results.

46. CSOs also act as aid "channels" of official development assistance (ODA). This covers ODA that flows directly to CSOs for use in their own programs, and ODA that flows to CSOs acting as intermediaries in managing donor funds. CSOs operating as channels in this sense are estimated to account for at least 20% of ODA flows to developing countries.

CSO voice

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

- a) 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
- b) Because of the place they hold in development cooperation as aid donors, recipients, and partners.

48. 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 playing the roles that they do as development actors and as aid donors, recipients and partners. Secondly, 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.

49. 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. When CSOs are invited to engage in policy dialogue with other stakeholders (including other CSOs), there can be a certain tendency for the dialogue to take

¹ See paragraph 32 and footnotes 3 and 4 in the AG's Concept Paper, Sept. 17, 2007. This figure includes an official figure of \$14.7B from the OECD-DAC. However, since the US is not included in the DAC figures, we have added an estimate on the US of \$26.2B derived from *The Index of Philanthropy*, 2007. As explained in footnote 4 of the AG Concept Paper, the latter figures excludes contributions from corporations and foundations as well as individual remittances.

place among the like-minded. 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, with particular emphasis on women's organizations, rural-based organizations, and other CSOs representing the disenfranchised.

Recommendations on Recognition and Voice of CSOs

Recognition

50. 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 political and development actors in their own right;
- b) That CSOs as development actors have distinctive and legitimate contributions to make to development and aid effectiveness, and whose efforts complement the efforts of other development partners;
- c) That while development is in part a political process and CSOs are therefore “political” actors there is an important distinction to be made between the work of CSOs in favour of their constituencies in the public realm, and partisan politics;
- d) That a strong civil society is a strength in and of itself that is worth developing as part of a society's efforts to transform itself and deepen democratic practice that includes accommodation and support for competing visions and dissent.

Voice

51. 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 more generally.

52. We recommend that regular and systematic spaces should be provided for effective CSO participation in policy dialogue on aid and development effectiveness in 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 the international.

53. However, we recommend that more work be undertaken by stakeholders to define the conditions required for the voice of civil society to be as effective as it can be. Among subjects that would benefit from greater attention are the following:

- a) How CSOs can best add value to the policy process in different contexts – which types of CSOs at what levels, how, and in what types of discussions?
- b) Measures that CSOs and the aid community as a whole can take to enhance CSOs' own accountability as development actors and aid partners;
- 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 to engage in policy dialogue can be built up over time in a sustainable way;

- e) How to build on the established multilateral forums of the multilateral system and the recognition and norms of that system for CSO participation;
- f) Whether and how to create a permanent mechanism associated with the OECD-DAC and the WP-EFF for continuing dialogue with CSOs on aid effectiveness beyond Accra.

CIVIL SOCIETY AND THE PARIS DECLARATION

54. The importance of CSOs in development is widely recognized, and this is acknowledged to a limited 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 the international aid and development efforts. The unspoken but unambiguous specificity of the Paris Declaration is that it addresses a particular issue: 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 undermining it, as was so often the case in the past.

55. 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. 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. Many CSOs conclude that the Paris Declaration marginalizes them as agents of development and change in their own right, whose priorities might not always mesh with those of governments.

56. 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 "[From Paris 2005 to Accra 2008: Will Aid Become More Accountable And Effective? A Critical Approach To the Aid Effectiveness Agenda.](#)" This position paper echoes the calls of developing country partners themselves 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. They include a critique of aid 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 partner countries, and an appeal for independent assessments of adherence to the commitments made under the Paris Declaration.

Implementing and Enriching the International Aid Effectiveness Agenda

57. Two perspectives are possible when considering how CSOs relate to the Paris Declaration:
- a) 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.
 - b) 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.

58. There are thus two inter-related agendas here: a) implementation of the Paris Declaration as a specific agreement on aid effectiveness between donors and developing-country governments; and b) enriching the international aid effectiveness agenda to facilitate CSO engagement in that agenda. These agendas are both legitimate, and both important. We have not always found it easy to keep them apart.

59. 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 *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.

60. From this perspective, our general recommendation regarding the Paris Declaration and aid effectiveness is that all development actors 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 partner countries at a particular point in time, to address a particular set of issues and mutual obligations;
- b) Deepening understanding 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.

61. More specifically, we offer the following for each of the Paris Declaration principles.

Local and democratic ownership

62. 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 “country ownership,” which is associated in turn with government leadership of a country’s poverty reduction strategy.

63. We recognize ownership as the key principle underlying the Paris Declaration – without which sustainable development is not possible. However, this requires ownership that extends beyond government ownership, and that is both widespread and deep-rooted. Ownership, from this perspective is “local,” meaning that it is not limited only to the definition of national development priorities in the country’s national development plans or poverty reduction strategies. It applies, rather, to all levels of development programming, implementation, and monitoring down to the community level. It is also “democratic,” deriving its legitimacy from democratic participation. Such “local and democratic ownership” thus needs to include, in some way, all of those who are involved in and affected by the planning, design, implementation, and monitoring of development programs whose aid effectiveness is in question, and accountability to those for whose benefit these programs are being implemented.

Recommendations

64. As the expression “country ownership” suggests a narrow or centralized interpretation of ownership, we recommend a transition to the concept of “local and democratic ownership”

emphasizing ownership not just by central government agencies, but also by parliaments, local governments, citizens, communities, and CSOs.

65. More specifically, we also recommend the following:

- a) Significantly broadening the range of “stakeholders” in the design, implementation and assessment of national development agendas, engaging parliaments, political parties, local governments and different categories of CSOs including social movements, women’s organizations, and community-based organizations.
- b) Capacity development initiatives to support the strengthening of parliamentary processes, civil society organizations, and other democratic institutions;
- c) A new approach to 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

66. On the issue of alignment, the emphasis of the Paris Declaration is on donor alignment with the priorities identified in the PRSP and alignment to country systems of public financial management, procurement and results management.

67. However, CSOs emphasize a plurality of views, and Northern CSOs often work directly with host-country CSOs. As a result, they are likely to understand alignment in term of the priorities identified by their Southern CSO partners and constituencies, resulting from decentralized country systems of priority setting and program implementation.

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

Recommendations

69. We recommend that alignment be understood broadly to mean respect for local and democratic priorities and emphasis on the use and strengthening of country systems in general. This will require attention not only to the centralized government mechanisms required for more effective aid management, but also to local and democratic structures of good governance and decentralized programming.

70. In terms of specific actions that might be included in the Accra Agenda for Action, this suggests that efforts to develop and use country systems should extend beyond the current emphasis on public financial management, procurement systems, and results-based management, to also include parliaments, local governments, and CSOs.

Coordination and Harmonization

71. 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 and the desire to reduce unnecessary transactions costs. It involves recognition also of the need to take a more comprehensive view of development programming. However, coordination and harmonization comes with costs of their

own that are widely recognized. For CSOs, in particular, the concern is that they may stifle initiative, hamper innovation or divert energies from other pursuits. More fundamental may be the need to take a more comprehensive and inclusive view of development programming that encourages coordination and harmonization of efforts, but allows for division of labour, diversity and innovation. This perspective should include finding a place for CSOs in government-led program-based approaches, and adopting a more comprehensive approach to strengthening civil society itself, in its different capacities.

Recommendations

72. We recommend a balanced approach to coordination and harmonization that encourages collaboration and harmonization of efforts and more comprehensive approaches to development programming, without undermining diversity, division of labour, and innovation.

73. More specifically, this should include greater efforts to make space for the various roles that CSOs can play in program-based approaches as independent development actors.

74. Stakeholders should also explore how to coordinate and harmonize their efforts to promote the strengthening of civil society in more comprehensive ways, and put in place funding formulas for tapping into the energy and innovative ideas of citizens and CSOs as agents of change and development.

Managing for results and accountability

75. The issues of managing for results and accountability are closely related. Our consultations have found this to be an area that draws considerable attention from CSOs. This is an important subject for CSOs, which have for many years pressed donors and governments for robust accountability and the demonstration of development results. However, CSOs consider that current tools of “managing for results” 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.

76. As principles of aid effectiveness, managing for results and accountability have implications for CSOs both in their capacity as development actors in their own right – for which they are themselves accountable – and in their watchdog role in promoting accountability by governments and donors for the use of public funds.

77. Management for results and accountability for results raises numerous questions from CSOs about what to measure, about the division of responsibilities, about access to data and transparency, and about 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.

78. There are questions also about the types of results that are most relevant to CSOs as agents of change and accountability. 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 operating as agents of change is likely to require greater attention to indicators of institutional and social changes, 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.

79. 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.

80. 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. The concept of mutual accountability needs to be expanded to emphasize the ultimate accountability of all development partners for results benefiting poor and marginalized populations. This raises the challenge of how to fully engage those who are the intended beneficiaries of aid in the assessment of results and the realization of commitments made by both governments and donors.

81. To be effective, mutual accountability will require greater institutional commitments to transparency and inclusive processes than is currently the case. CSOs can play, and are already playing, significant roles (e.g. in research and in monitoring the implementation the Paris Declaration at the country level) to enrich processes of mutual accountability at national and global levels, but find themselves hampered by lack of access to information.

Recommendations

82. We recommend the following with respect to results management and accountability:

- a) The adoption of a more meaningful approach to results that includes greater attention to indicators of institutional and social changes of importance to CSOs operating as agents of change, including attention to sex disaggregated data for gender equality targets and indicators
- b) 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
- c) An approach to accountability that emphasizes a rebalancing of accountability for results in favour of beneficiaries, and the reinforcement of accountability systems in country for all development actors (donors, government and CSOs).

83. In terms of monitoring the Paris Declaration and other aid effectiveness agreements, we recommend that partners should promote a multistakeholder approach to monitoring that includes the effective and timely engagement of CSOs and beneficiary populations, including representation from women's rights organizations and other socially marginalized groups.

84. We also encourage development partners to adopt the highest possible standards of openness, transparency and access to information. This has implications for each of the stakeholder groups represented in the AG-CS:

- Donors and international financial institutions should commit to delivering timely and meaningful information to other stakeholders on aid flows and policies.
- Developing countries' governments should work with elected representatives and CSOs to set out open and transparent policies on the sources and expenditure of aid funds and how those are monitored and accounted for.

- CSOs need to exercise transparency and primary accountability to their constituencies and stakeholders, while accounting to donors and governments for the use of public funds.

CSO EFFECTIVENESS

85. 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 for division of labour, diversity, inclusiveness, and innovation, and a model of results and accountability that is more participatory and responsive to local constituencies.

86. We turn now to the subject of CSO effectiveness as development actors, and as aid donors, recipients and partners and how that effectiveness could be promoted. What measures can be taken to ensure that CSOs are as effective at what they do as they can be? The challenges that this question evokes are not just for CSOs. They are for the whole community of development partners, including all four of the stakeholder groups represented in the AG-CS.

87. Below are some of the principal results and good practice recommendations emerging from our analysis and consultations to date.

An enabling environment for civil society

88. For civil society to flourish requires a favourable enabling environment. 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.

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

- The general legal and judicial system and related mechanisms through which CSOs can seek legal recourse
- 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
- The degree to which multistakeholder dialogue between and among CSOs, government, elected representatives, and donors is encouraged and practiced
- Measures to promote philanthropy and corporate social responsibility.

90. While governments are responsible for many of these conditions, donors also exert an important influence on the enabling environment, through the openness that they themselves display towards CSOs and their efforts to encourage the involvement of CSOs in policy dialogue. How CSOs relate to each other is also an element of the enabling environment. Transparency and access to information is fundamental, and is vital to constructive policy dialogue and shared accountability.

Recommendation

91. We recommend that the creation of an enabling environment for a vibrant, democratic, and diverse civil society should be considered a basic element for CSO effectiveness and that a review should be conducted to understand the enabling conditions required for a vibrant civil

society, including different models of CSO support, registration and legislation, with a view to identifying and disseminating best practice.

Good donorship

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

93. 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. One issue is the balance that currently exists between three different forms of support such as: funding channelled through Northern CSOs; direct support for the projects and programs of Southern CSOs; and an approach in which donors provide support for the strengthening of civil society as a whole.

94. 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 programme-based, as well as about the effect of donor harmonization and coordination on civil society.

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

96. 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.

Recommendations

97. We recommend that donors adopt a more comprehensive and inclusive perspective in the support that they provide to and through CSOs, and that they consider strengthening civil society in developing countries as an objective worth supporting in a more systematic way.

98. More specifically, donors and supporters of CSOs should identify, on a country-by-country basis, measures for strengthening civil society through core or program support, capacity development, the creation of special funding mechanisms, and the harmonization of contracting, funding and reporting modalities.

CSO partnerships

99. 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, as well as 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.

100. CSO partnerships also include those between Northern and Southern CSOs in which a donor-recipient relationship applies. Such CSO partnerships can be characterized by some of the same dependencies and power imbalances as may characterize official donor-recipient relationships. Some CSOs, such as regional and international women's rights organizations,

point to similar concerns in their relationships of financial support from International NGOs. Although these 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 CSO aid effectiveness.

101. Among the issues that have been flagged as meriting attention in CSO partnerships, particularly those in which a donor-recipient relationship applies, are the following:

- The desirability of more equitable, longer-term partnerships between CSOs involving investments in multi-annual core funding, organizational strengthening and capacity building, a long term commitment, and a philosophy of local empowerment, partnership and participation;
- The responsibility of donor CSOs to advocate for inclusive policy dialogue that provides equitable and appropriate space for their CSO partners to influence debates and decision-making processes on funding priorities of donor CSOs;
- The need for reduced duplication of efforts and appropriate coordination and harmonization of efforts, within a framework of respect for different approaches to human rights, social change and advocacy;
- The need for relationships based on mutual accountability.

102. Other than partnerships intended to achieve specific outcomes, CSOs may collaborate in the development of common principles or norms of good practice. We welcome and encourage the recent initiative by CSOs participating in AG-sponsored consultations in Brussels and Nairobi to launch an independent process for the identification of CSO effectiveness principles and good practice, with particular emphasis on North/South CSO relationships.

Recommendations

103. We recommend the following:

- That CSOs be supported in their efforts to organize themselves in umbrella organizations, working groups, networks and coalitions;
- That Northern and Southern CSOs work together to define their respective areas of comparative advantage and appropriate division of labour, in such a way as to encourage Southern CSOs to thrive and strengthen their place in society over time;
- That support be provided to independent CSO efforts to develop principles of good practice;
- That stakeholders engage in dialogue on how they can best work together to promote more effective CSO development partnerships.

THE FORWARD AGENDA

104. Although considerable progress has been made in the last 18 months in terms of improved understanding and sharing of that understanding across multistakeholder groups, much remains to be done.

105. We believe that much of the work that is required to improve CSO contributions to aid effectiveness should take place at the country level. Multistakeholder dialogue on these issues should be formalized to a greater degree in all countries, and the stakeholder community should adopt a comprehensive perspective on how civil society could be strengthened over time, made

more sustainable, and become progressively more effective in delivering development results and contributing to social change.

106. We also endorse and encourage independent CSO processes of dialogue and consensus building on aid effectiveness principles, guidelines and good practices relating to CSOs.

107. We recommend that all stakeholders, jointly and individually, seek to pilot good practices in relations to these recommendations, and to track progress of these practices to inform ongoing learning and dialogue.

108. Finally, we recommend the need for further work in building up an international consensus on civil society and aid effectiveness, and propose that CSOs and CSO effectiveness should be an integral part of any future processes relating to future agreements on development and aid, post-Accra.