

Fostering Democratic Ownership

Towards Greater Impact on Poverty



IMPRESSUM

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Foreword

This report "Fostering Democratic Ownership – Towards Greater Impact on Poverty" has been commissioned by Alliance2015 as a contribution to preparatory discussions in advance of the third High Level Forum on Aid Effectiveness to be held in Accra in September 2008.

It focuses on the extent to which the Paris Declaration – the subject of that High Level Forum – promotes "democratic ownership" in specific country contexts. Its point of departure is the absolute necessity for such ownership, which enables participation of civil society and parliaments in defining, implementing and monitoring development policies and strategies at local and national levels. The importance of linking aid effectiveness to actual impact on intended beneficiaries is a second point of departure reflected in the title itself.

The report has a specific and deliberate focus on civil society as one actor in the development process. The role of parliament is crucial and recognised throughout. However, it is the expectations and experience of civil society and their actual engagement by governments which is focussed upon both in the case studies underlying this study and in the report itself.

The report considers the rhetoric and reality in relation to engagement with civil society. It raises concerns about the extent to which decisions on aid and development priorities are based on meaningful consultation. It considers the consequences of absent or weak consultation on the impact and effectiveness of aid and development programmes. It considers too donor policy conditions and the extent to which governments can as a result appear more accountable to donors than to their own societies. It points to the importance and necessity of strong civil society organisations, enabled to play their part and participate fully in the development process.

That process involves many actors and the report concludes by suggesting how donors, recipient governments and local and international civil society organisations can contribute to increasing democratic ownership in order to improve the effectiveness of aid and to increase the impact on poverty.

Alliance2015 is committed to maximising the resources with which we are entrusted. Our work should be measured by our impact on poverty reduction and our ability to create social change in favour of poor and marginalised people. We believe that democratic ownership must be expanded and deepened. We will continue to build capacity among civil society in all its diversity to enhance democratic ownership and hold governments and donors to account. We will strive to increase predictability and transparency of our own aid and call on donors to do the same.

Aid is inherently political and the development process is one which draws together the interests of donors, recipient governments and citizens north and south. In seeking to navigate through this range of interests, the needs and rights of those living in poverty must remain centre-stage and the achievement of the Millennium Development Goals by 2015 development goals must remain the measure by which we judge our success or failure.

Vagn Berthelsen
President Alliance2015
Copenhagen, April 2008

Executive Summary

Changes in Civil Society Participation

Civil Society participation in sector level policy processes is currently highly constrained.

Though platforms for engagement at sector level have been created in most of the countries reviewed, the quality of participation has typically been poor. This is due to the nature of spaces available to civil society, to government attitudes towards civil society participation, and to weak capacity amongst those civil society actors who do engage.

Despite the fact that Civil Society is included in formal dialogue, in the case of Ghana and Mozambique these processes are seen primarily as a means by which the Aid Effectiveness agenda is legitimized. While platforms are being created for Civil Society input, many of its views are not being captured due to poor quality of dialogue and citizen participation. As a result, Civil Society is routinely being left out of determining national and local level priorities. Findings from the Nicaraguan case suggest that government officials do little to facilitate opportunities for Civil Society participation. A further constraining factor relates to donors' policy conditions which limit the scope for national decision making and therefore the value of engaging in dialogue.

Changes in Government Funding Trends

Across the four countries studied, **the main funding trend has been towards shared modalities** such as multi-donor budget support and funding for sectoral strategies (SWAPS). However, not all donors follow this

trend. In Ghana, for example, USAID and Japan still operate according to other modalities and remain largely outside the harmonisation agenda. These donors should be urged to become part of the harmonization process, to align with government plans in support of national ownership. The **second main trend has been the move to programme funding.** In accordance with implementing the Paris Declaration, similar measures have been applied across the four countries examined in this report, while the perception of their impact on civil society differs from country to country. Across Ghana, Nicaragua, Bolivia and Mozambique, funding levels for civil society have not changed dramatically though funding patterns suggest a move towards multi-donor basket funds. This is due to donor interest in strengthening the capacity of civil society to act as government watch dogs in a situation where donors are increasingly using general or sector wide budget support. As a result of these trends, funds are increasingly centralised, while the challenges of funding the needs of local Civil Society Organisation activities at provincial and local level persists. While it may be too early to gauge overall impact of the Aid Effectiveness agenda, and while the development of new funding arrangements such as dedicated funding streams for Civil Society are relatively new, they are likely to have considerable impact as the role of Civil Society undergoes major changes.

Conclusions on Thematic Analysis of Country Studies

Democractic Ownership

The Paris Declaration is intended to increase country ownership and to focus on the national context. **This requires collective national efforts amongst a range of**

stakeholders and the existence of representative and participatory democratic processes.

The focus must be on a country's level of democratic consolidation, institutional strength and the existence of a social contract between government and citizens. A theme emerging from all four country studies is that ownership needs to go beyond 'government ownership' to include Civil Society, women's organisations and parliament in the formulation and delivery of development policies.

The level of democratic ownership by a range of stakeholders seems weak and the extent to which they are determining national and local priorities appears low.

Mechanisms to strengthen national ownership across a broader range of stakeholders need to be enhanced. To date the platforms created for stakeholders such as Civil Society have not worked well and various factors have limited the scope for democratic ownership. If the Aid Effectiveness agenda is not implemented in a way which allows for effective engagement of Civil Society, this will actually serve to diminish democratic governance and the strength of institutions at national level. **Narrow timeframes set by donors for deciding on national development strategies is a structural limitation to high quality Civil Society Participation.** There needs to be much greater participation by Civil Society Organisations in policy processes if appropriation of the Aid Effectiveness agenda is to take place.

Accountability and Transparency

The current implementation of the Paris Declaration is strengthening accountability mechanisms between donors and governments. **Strengthening mutual accountability among stakeholders in the countries is a further and necessary step.**

Civil society organisations can play a key role in ensuring accountability and transparency in the use of aid. However, tracking of donor funds is largely absent from the work of Civil Society Organisations. The reasons for this include lack of resources, lack of opportunity to participate in policy processes and weak internal capacity. In addition, Civil Society often lacks timely and transparent information from public entities and donors which undermines participatory monitoring and evaluation of the impact of aid.

Civil Society Organisations' autonomy from government as well as their own accountability mechanisms need to be strengthened. Partner countries and donors should open dialogue on increased involvement of Civil Society Organisations in mutual government/donor accountability processes. Global Civil Society should continue to advocate for donor and government accountability and transparency in aid management.

Enabling Environment for Civil Society

Civil Society is not being included in a systematic way as part of the new harmonised and aligned aid framework. Civil Society Organisations are partners in the fight against poverty. Governments can actively support their role in this partnership by creating favourable environments for their operations. Civil Society Organisations for their part need to create opportunities for the voices of the poor to be heard. Though Civil Society Organisations exist independently, they also form part of the architecture of international aid whether as donors, channels or recipients of official development assistance or defenders of public interest. Donors and governments recognition of this role is an essential step towards meaningful partnership in any development process.

The extent to which Civil Society Organisations are recognised and engaged with as independent development actors is limited. The observatories in Mozambique are a case in point. These have become isolated "events" rather than a process of engagement in the assessment of policy results. In other words, they appear to be legitimising policies determined by governments and donors, rather than a means of creating open dialogue with Civil Society.

In many cases, it is a change in attitudes towards Civil Society and deeper reform of Civil Society-State relations which are required in order to advance the impact of Civil Society on national, local and district policy making. For this to happen, a more enabling environment for Civil Society must be created.

Fostering Democratic Ownership to Impact on Poverty

At the heart of the Paris Declaration is an agreed will to improve development cooperation. At present the Paris Declaration encompasses the government-to-government relationship between aid donors and aid recipients. This scope excludes other development actors and most notably **Civil Society Organisations**, who have a legitimate and significant stake in the impact of development processes. Many of the things that need to change to make the Paris Declaration an instrument for effective poverty reduction and human development, which foster democratic processes are already well-known:

Multilateral and bilateral donors should refocus efforts on **improving genuine mutual accountability and country ownership by principled good practice in reviewing policy conditionality and leaving policy space for national democratic processes.**

It is important that politically independent resources are available to Civil Society. Not all

donor funding for Civil Society Organisations should be channelled through national governments. When harmonising and pooling their funding sources under the Paris Agenda, **donors should continue to consider the appropriate balance of funding sources in order to support adequately the needs at local as well as regional and national levels.**

Information should be provided by donors and government to enable Civil Society Organisations monitor government spending and decisions.

Governments should recognise Civil Society Organisations as important development actors in their own right. This requires change to government-Civil Society interactions, the creation of a legislative and funding 'enabling environment' and the support of Civil Society Organisations. Governments could take the initiative to support substantive and **ongoing Civil Society dialogue** on development with the possibility that these views could then be incorporated into policy decisions. In Mozambique, the **Development Observatory** is a consultation mechanism that brings the Civil Society coalition G20 and government together and is a first step which could be significantly improved.

Local NGOs should be assertive about Civil Society impact on development and proactive about using available forums for engagement. Less adversarial and more evidence-based advocacy is often the most productive way to engage with government. **INGOs** need to **lobby their own governments in consultation with developing country partners** in order to improve the poverty and inequality focus of aid. They also need **sound understanding of the context in which Southern partner countries operate**; socio-political reasons for variations in partner capacity; and the power differentials between actors.

1. Synthesis – Main Findings

1.1 Changes in Civil Society Participation

Across the four country studies the scope for Civil Society participation in policy processes at sector level is highly constrained. Though platforms for engagement at sector level have been created in most of the countries reviewed, the quality of participation has typically been poor. This can be attributed to a range of factors including constrained space for partner country participation in defining their own development paths; restricted space available to Civil Society; the attitude of some governments to the participation of Civil Society and weak capacity amongst those Civil Society actors who do engage.

In the case of Ghana, though Civil Society is included in formal dialogue, these processes are seen primarily as a means by which the Aid Effectiveness agenda is legitimised. Civil Society is invited to meetings and allowed to make formal presentations on a more and more regular basis. However, they do not feel included in follow-up implementation meetings or part of the formal dialogue on development partnerships. In the decentralisation and local governance sector for example, little progress has been made. The local government network for Civil Society (LOGNET) has had little room for consultation or review of the national decentralisation policy. **Furthermore, the mode for engagement has not facilitated meaningful input, with key decisions being made in Accra¹, behind closed doors between government and donors. Action is necessary in order to strengthen the inclusion and participation of**

national and local Civil Society Organisations (CSOs) in policy processes at sector level. This includes ensuring the dissemination of reliable and timely information to CSO in order to enhance their participation in monitoring and implementation of sectoral strategies at national and local level. **CSOs also need to lobby for participation and space in sector dialogue.** Amongst other measures this may require some capacity building of Civil Society in areas such as policy analysis, dialogue, advocacy and coalition-building. Reorganisation of **Civil Society Organisations** into sector clusters might help strengthen their involvement in sector issues (Alliance2015, Nicaragua Country Study, 2007).

The instrument for implementation of the Education SWAP in Ghana is the ESP (Educational Strategic Plan). **Though a platform has been created for Civil Society input, many of its views are not captured as the quality of country dialogue and citizen participation in the Education Strategic Plan is poor. Civil Society is routinely absent from discussions determining national and local level priorities.** Similarly, Civil Society (and particularly gender-based groups) needs to be included in the formulation of sector policy benchmarks, especially at district level. Despite these difficulties, Civil Society Organisations have made a significant contribution through a consultative process to the abolition of school fees, to the demand for grants for pupils and on financing of tertiary education with the School Performance Appraisal Meetings (SPAM). This has been reported as an example of good practice (Ibis, Ghana Country Studies, 2007). The wider role of Civil Society in the delivery of education and more specific instances of achievement and success deserves greater acknowledgement.

¹ Precluding innovative practice from NGOs working in the field at regional and district level.

In Nicaragua, despite the existence of sectoral commissions in the National Assembly, these have not yet been linked to sectoral working groups or to the development or follow-up of sector-wide approaches. Involvement of Civil Society in the sector-wide approaches (ES) has been weak. The Sectoral Coordination Working Group for example is principally an arena for dialogue and negotiation between government and donors. **Government officials do little to facilitate opportunities for Civil Society participation and this is reflected in the fact that Civil Society Organisations have not been included more systematically in the implementation of the Paris Declaration itself.** As one interviewee suggested:

"We feel that we are being invited to harmonize but not to participate or be directly involved in the effective mechanism that a systematic negotiation and dialogue process should be" (Alliance2015, Nicaragua Country Study, 2007).

In relation to the Nicaraguan common fund for Education, some experience of positive participation is noted but details are not yet available. Civil Society has been very active in terms of public policy but their impact is limited by the absence of transparent and timely information from state entities and donors. **Greater Civil Society Organisation participation is necessary both in the sectoral working groups and in the formulation of policies.**

In Mozambique, once again Civil Society participation in policy processes is generally weak. Technical and sectoral working groups do include Civil Society Organisations in the preparation of joint review processes. These fora tend to be premised on consensus-building (Alliance2015, Mozambique Country Study, 2007). In the area of Education there are opportunities at national and provincial level to discuss education issues. However, **the quality of participation is constrained by three factors (i) the modes of**

engagement at these meetings (ii) the attitude of the government to the participation of Civil Society and (iii) limited representational capacity as well as the motivation of Civil Society actors who do engage. A further constraining factor relates to donors' conditions and the accountability links between donors and governments, which limit the scope for national decision making and therefore the value of engaging in dialogue.

1.2 Changes in Government Funding Trends

Across the four country studies, the main trends in relation to funding to governments have been the move to shared modalities such as multi-donor budget support and funding for sectoral strategies (SWAPS). Not all donors are following multi-donor budgetary support or pooling of funds. While similar measures have been applied across the four countries in terms of implementation of the PD, perceptions as to their effects on Civil Society differ. The second main trend has been the move to programme funding. This section explores in greater depth the key findings related to these trends across the country studies.

In Ghana, USAid and Japan still operate according to their own modalities. In Mozambique, the three largest donors also operate according to their own modalities and remain outside the harmonization agenda.² These donors should be urged to become part of the harmonization process, to align with government plans in support of national ownership.

² According to the Alliance2015 Mozambique report (2007) these funds are dedicated to "government projects" and stand therefore outside SWAP and General Budget Support. Their use includes for example expenditure on road building.

In Ghana and Bolivia, aid flows to Civil Society do not appear to have altered significantly, though new initiatives have been established to support Civil Society. In Nicaragua there is a strong perception that new modalities have limited Civil Society Organisations access to funding:

"Regarding multi-donor funds, CSOs have maintained their advocacy and participation role but this has not translated into additional funding. Also, though multi-donor trust funds have been created for CSOs, these are with the same funds donors had from before with differences relating only to their management and administration" (Alliance2015, Nicaragua Country Study, 2007).

In the case of Ghana, it is reported that the implementation of the Paris Declaration has not yet altered the structure of aid flows to Civil Society significantly (Alliance2015, Ghana Country Study, 2007). There are neither government policies nor budget lines to support NGOs. For this reason, three innovative funding mechanisms for Civil Society have been launched. These are supported by RNE, DFID, CIDA and the Royal Danish Embassy and are seen as a sign of progress. They are (i) The Ghana Research and Advocacy Programme (G-RAP); (ii) Rights and Voice Initiative (RAVI) and (iii) BUSAC Fund. G-RAP and RAVI are innovative programmes to support Civil Society engagement with Ghana's poverty reduction strategy. The country study suggests that donors could consider this model as a means of establishing separate funding mechanisms to sustain Civil Society Organisations in an independent manner.

The projected support to Civil Society Organisations in Ghana is set to fall by 29% over the coming three years. It appears that donors have projected about US\$ 58 million in direct support to Civil Society under the Ghana Joint Assistance Strategy (G-JAS) period. Aid Effectiveness marks a shift from direct project funding to budget

support through instruments such as the G-JAS. The G-JAS defines the relationship between government of Ghana and donors. It is a framework within which Civil Society Organisations monitor the implementation of the aid partnership framework. It is not however legally binding.

As regards the Education sector in Ghana, there is a distinct shift from direct project funding to budget support. That said, not all donors are following multi-donor budgetary support mechanisms with key donors such as USAID and Japan not adopting these. The UN is also still geared towards project funding. **These donor resources remain designated as project funds hence project funding still dominates at sector-level.**

In terms of the impact of recent changes, the Ghana country studies suggest that transaction costs have not been reduced as anticipated under harmonization and that the impact on poverty reduction is also limited "processes and procedures do not reduce poverty" (Alliance2015, Ghana Country Reports, 2007). Donor involvement in aid management has neither increased nor decreased. An "obtrusive" partnership management regime has been introduced but aid to Ghana has not been scaled up as anticipated. Finally, the Ministry and GES have become overburdened by implementation of the ESP through the SWAP.

In the case of Nicaragua, new aid modalities appear to be limiting Civil Society Organisations access to funding. Sector-wide approaches, Common Funds, and Budgetary Support are predominant among the new modalities and Civil Society Organisations access to funding through them appears limited. Funds have been channelled directly to the General Budget of the Republic (PGR) or to the lead ministries of the different sectors (Alliance2015, Nicaragua Country Study, 2007). That said, there are some examples of new modalities focusing on Civil

Society. This includes the Common Support Fund to Civil Society for Democratic Governance. Bilateral donors including The Royal Embassy of Denmark, The Embassy of The Netherlands, (COSUDE), DFID, the Embassy of Norway and the Embassy of Finland are the main actors in the Common Fund of support to Civil Society. This is aimed at strengthening Civil Society capacities and networks. A technical secretariat is in charge of programme administration and technical assistance to Civil Society Organisations. This is made up of INGOS interested in programme implementation (i.e. OXFAM, SNV, TROCAIRE, Oxfam-Novib). Its main function is to assign resources from the Common Fund in order to support democratic governance.

Nicaragua has received increased levels of ODA in recent years. The impact of these increases on funding for Civil Society Organisations is not yet clear. Common funds and budgetary support represent less than 20% of total ODA and less than 10% of the General Budget. In terms of sector-wide approaches, the primary funders are the Common Education Fund, the PRORURAL Common Fund and the Common Health Fund (FONDSALUD). Despite the existence of aligned budgetary support, a large amount of project funding remains. Conditionalities³ still exist at the level of specific projects and the Joint Financing Agreement on Budget Support (ACF). A further modality is the Sector-Wide Approach (ES) which is a strategy for applying the national Harmonization and Alignment process through the creation of sectoral programmes. **In Nicaragua, it is however notable that very few donors support sectors through this Sector-Wide approach.**

Further support to the educational sector comes from PROASE and is supported through the UNICEF-DANIDA Trust Fund. This is designed to achieve syner-

gies between Civil Society and the State, enabling Civil Society to play a more active role in concretizing Nicaragua's education policies. This programme has three areas of focus (a) mobilising local communities (b) improving students' knowledge of prevention of early pregnancies and diseases including HIV&AIDS and (c) supporting activities aimed at coordination and dialogue between Civil Society and the public sector. To implement PROASE a \$US 3 million cooperation agreement was signed in 2006 between Royal Embassy of Denmark and UNICEF, with a four year implementation period in close coordination with the Ministry of Education.

National NGOs in Nicaragua have spoken out about being excluded from participation in different financing schemes due to the harmonization and alignment process. Though multi-donor trust funds have been created for Civil Society Organisations, they argue that the volume of the funding has not increased and that existing funding has been 'repackaged' as part of the aid effectiveness agenda.

In the case of Mozambique, the trend amongst the so called G19 (comprising bilateral agencies from Europe, The African Development Bank, Canada and The World Bank) is towards providing more aid directly to the government of Mozambique. This happens through direct budget support and as general budget support paid to the treasury or to priority programme areas through pooled funding for sector strategies (SWAP). Education and health ministries have their own strategic plans linked to the MDGs. These ministries get support through SWAPs and through general budget allocations via the treasury. HIV &AIDS and gender are managed as cross-cutting issues. Whereas HIV&AIDS has a separate common fund, gender does not.

The education sector in Mozambique benefited from a common fund as early as 1998. In 2007, 19 donors committed US \$435 million to direct budget support,

³ As recognised in much of the literature, ownership cannot be increased without treating the question of conditionalities.

representing 23% of total external aid for 2008. This increase was due to an increase in overall investment and in budgetary support. However, sixty per cent of external aid is still channelled through projects (EU, USAID – Millennium challenge fund and PEPFAR- World Bank etc). Whereas the Ministry of Finance is keen to increase GBS, social ministries (health and education) prefer more control over their budgets and thus prefer to receive funds directly. For the education sector budgeting and allocations are made at central Ministry level. In terms of these health and education ministries, there is limited decentralisation.

As in Ghana, the three largest donors to Mozambique – IDA, USA and to some extent EC⁴ – remain outside the harmonization agenda.

These donors are significant in size and number. Others such as China, Brazil and India are also not aligned, unlikely to be influenced by the harmonization agenda and unlikely to favour programmatic support or engagement of Civil Society in policy processes.

Some funds come through the harmonized system with Civil Society Organisation 'labels' attached, while two specific funding lines are identifiable.⁵ According to a study by the Southern Africa Trust⁶ more money is becoming available to national CSOs through new mechanisms being set up by donors.

Dedicated Civil Society funding streams in Mozambique are a new phenomenon. The main new fund *Mecanismo de Apoio à Sociedade Civil* (MASC) spans five years and represents \$13 million. This is a Civil Society support mechanism co-sponsored by DFID and Irish Aid. It is aimed at sup-

porting Civil Society capacity to demand improved governance and accountability. A second fund is being proposed by the Commonwealth Education Foundation for advocacy work in education. Basket funds for individual Civil Society Organisations are also emerging, where donors pool funds to support key umbrella organisations with a national remit. Mozambican Network of AIDS Service Organization (MONASO) and *Movimento de Acesso de Tratamento Mozambique* (MATRAM) which campaigns for access to treatment benefit from such common funds as does *Centro de Integridade Publica*/the Centre for Public Integrity (CIP). While information about these mechanisms is reasonably well disseminated via websites and newspapers, this does not necessarily ensure broad access at local level.

In the provinces of Mozambique, little change has been noticed by locally focused organisations. INGOs continue to engage local partners and this engagement appears to be increasing. INGOs also appear to be reducing their provincial bases and some of the reasons for this reduction may relate to harmonization measures. Before the existence of the Paris Declaration, donors worked in specific provinces with specific local funds for Civil Society Organisation projects. This presence on the ground now appears to be disappearing. The presence of, for example, Irish Aid in the provinces can provide good evidence of poverty reduction via both government institutions and Civil Society Organisations. However, it is not clear if this approach can be sustained as the Paris Declaration is further implemented. Under the Aid Harmonization agenda funds are increasingly centralised. At the same time, ensuring sufficient funding for local CSO activities at provincial and local level remains a significant challenge.

Education delivery under *Fundo Apoio Sector de Educacao*/Education Sector Support Programme (FASE) is seen primarily as a government function. Several

4 EC continues to provide significant funding to projects (A2015 Mozambique country study)

5 Though, as detailed in A2015 Mozambique country study (2007), the Odamoz website does not present a full picture of support available to CSOs.

6 Aid effectiveness: Trends and impacts of shifting financial flows to CSOs. Southern Africa Trust (SAT) March 02, 2007.

INGOS and national NGOs used to be involved in different aspects of education provision but this range of engagement appears to be decreasing. **Funds for education have increased via the SWAP but there is a strong perception that they are not reaching those in need and are being underutilised at central level.**

In the area of HIV&AIDS, Civil Society Organisations and Community Based Organisations are understood to have a key role in delivery of services and there are in theory funds for Civil Society Organisations via CNCS (Conselho Nacional de Combate SIDA – i.e. The National Aids Council). The management of these funds however has been a source of frustration. While there is significant funding available through CNCS, confidence in this council's ability to deliver is low. This has been recognised by all stakeholders and has been acted on by the Common Fund. However, there is limited evidence that Civil Society Organisations work collectively to voice their concerns in relation to management of funds by government at provincial or national level.

In Bolivia, four funding modalities predominate (i) project funding (ii) basket funding (iii) programme support and (iv) common funds (Alliance2015, Bolivia Country Study, 2007). Modalities include sectoral investment programmes, support to sectoral policy, budget support, basket funds, multi-donor programmes and the sectoral approach. The Sector Wide approach (SWAP) has been chosen as the ideal coordination mechanism which is applied to both the education and the sanitation sectors. The predominance of sectoral approaches reflects high levels of government/donor co-ordination. **However, despite various donor co-ordination mechanisms, real progress in the formulation of multi-agency programmes is limited.** Cooperation is not integrated into national public systems, and each agency insists on using its own formats and administration/monitoring system.

A final observation is that systematised resources – including USAid's contributions channelled through bilateral agreements, NGOs and the private sector – are not necessarily registered in Bolivia's National General Budget (PGN). Belgian resources are channelled directly and indirectly to NGOs. The Netherlands channels resources through the government and NGOs. **In Bolivia, no direct funding sources for Civil Society Organisations are available through the government.**

In summary, across Ghana, Nicaragua, Bolivia and Mozambique, funding levels for Civil Society have not changed dramatically, though funding patterns are moving towards multi-donor basket funds. This is due to donor interest in strengthening the capacity of Civil Society to act as government watchdogs in a situation where donors are increasingly using general or sector wide budget support. While it may be too early to gauge overall impact of the Aid Effectiveness agenda, and while the development of new funding arrangements such as dedicated funding streams for Civil Society are relatively new, they are likely to have considerable impact as the role of Civil Society undergoes major changes.

2. Thematic Analysis of Country Studies

2.1 Democratic Ownership

Democratic ownership is understood as the broad participation of Civil Society and parliaments in defining, implementing and monitoring development strategies at national and local level in policy sectors. Tensions exist between the goal of Democratic ownership and certain conditionalities imposed by donors where those conditions limit the scope of Civil Society to act in the national interest. The questions addressed in the country studies synthesised here were:

- » To what extent is Civil Society able to lead and support democratic ownership in the sectors analysed?
- » What factors are limiting the scope of democratic ownership and what factors are conducive to democratic ownership?
- » What is the role of donors, governments and Civil Society in promoting democratic ownership?

The Paris Declaration is intended to increase country ownership and to focus on the national context. **This requires collective national efforts amongst a range of stakeholders and the existence of representative and participatory democratic processes.** The focus must be on a country's level of democratic consolidation, institutional strength and the existence of a social contract between government and citizens. A theme emerging from all four country studies is that ownership needs to go beyond 'government ownership' to include Civil Society, women's organisations and parliament in the formulation and delivery of development policies. This point is corroborated by evidence from other sources and regions:

"According to many interviewees this concept of 'government ownership' needs to be expanded. Civil society organisations in Sierra Leone repeatedly said the concept of ownership had to include the views of the country as a whole." (EURODAD, Sierra Leone, 2007).

"The absence of Civil Society inclusion and engagement in the Paris Declaration indicates lack of political will and commitment to social participation from donors. It has been repeatedly argued that this is likely to lead to an exclusion of already marginalized groups in many countries of the developing world – women (who comprise 70 percent of the world's poor), the elderly, people with disabilities and the chronically ill." (Fleming et al, 2007).

In the case of Ghana ownership of the PRSPs was considered to be only partly inclusive. Few Civil Society Organisations participated in the first Growth and Poverty Reduction Strategy (GPRS I) though there was slightly more input into GPRS II. The same pattern is emerging in Mozambique, where participation appears to be restricted to consultation alone. For many, the PARPA (poverty reduction programme) is seen as a donor driven agenda. Similarly, in Nicaragua, PRSP II (the latest poverty reduction strategy) has not emerged from bottom-up input or broad sectoral consultation. In Bolivia it is argued that the National Development Plan (PND) was "disseminated through workshops with the participation of Civil Society" but the extent of their input is not clear. **To achieve democratic ownership, greater attention needs to be paid to strengthening the mechanisms for national ownership across a broader range of stakeholders than has been the case to date.**

Platforms created for stakeholders such as Civil Society have not worked well to date. Various factors have limited the scope for democratic ownership. The unequal relationships between donors and governments with the latter often highly dependent on external aid undermines to some degree the notion of country ownership. In Mozambique for example, though the government is taking some more control in setting the poverty reduction agenda, the influence of donors continues to be strong. Interestingly, in the case of Ghana it has been reported that policy prescriptions imposed by donors on governments are actually increasing under the new arrangements (Alliance2015, Ghana Country Study, 2007). Country ownership is also being undermined by poor donor behaviour in relation to tied aid. Thus though the Paris Declaration is a political agreement (and not purely a technical one), it does not seem to be addressing questions of conditionality and tied aid which undermine the very notion of democratic ownership. **Narrow timeframes set by donors for deciding on national development strategies is also a structural limitation for high quality Civil Society Participation.**

The extent to which national and local priorities are being determined by a range of stakeholders is low. Democratic ownership assumes the existence of strong governments, a shared vision among actors with high levels of consensus, low levels of 'clientelism' and high levels of confidence between social actors (Alliance2015, Bolivia Country Study, 2007). Yet, in most partner countries, governance appears to be highly vertical rather than horizontal and participatory. Few of the countries studied have high levels of democratic consolidation and so the question is whether sufficient attention is being given to socio-economic and political contexts as the Paris Declaration is being implemented (Wright, 2007).

Dialogue between governments and donors and progress towards country ownership has sometimes

been interrupted by rapid changes in government and institutions. Bolivia is a particular case in point. **Lack of democratic governance and the absence of strong institutions at national level may be exacerbated by the roll-out of the Aid Effectiveness agenda in a largely non-inclusive manner.**

In Ghana, in terms of democratic processes related to the Aid Effectiveness agenda there are several weaknesses. First, Civil Society has not been able to enter into consultations on policy processes which are de-linked from regional and district level. Second, the mode of engagement imposed hinders Civil Society participation. Thirdly, attitudes of government officials have done little to facilitate Civil Society participation. Finally, Civil Society is highly heterogeneous, sometimes exclusive⁷ and lacks co-ordination⁸. Resources to allow Civil Society Organisations to become better mobilised and co-ordinated are often unavailable. Resources also need to be designated for civil participation at grassroots level in Nicaragua (Alliance2015, Nicaragua Country Study, 2007).

Poor quality dialogue and poor citizen participation, (for example, in development policies in the Education sector) remain major concerns for Civil Society. Sector debates are becoming highly donor driven. The support offered by donors is increasingly de-linked from real needs on the ground and attempts at stakeholder involvement are inadequate. Ghana is especially overburdened by the implementation of the Educational Strategic Plan

7 In Mozambique the CSOs that interface with Government come from quite a narrow group. This increases the risk that the G20 – created as a platform for engaging with government on key issues related to poverty reduction strategies (PARPA) – becomes "a gatekeeper and not a gate opener" (Alliance2015, Mozambique Country Study, 2008).

8 This is the case both in Bolivia and in Mozambique. In the latter case there are 4870 registered organisations (50% of which have a religious affinity) with the second largest group described as 'political associations' including, for example, trade unions and teachers. The percentage of professional organisations encompassed by national and international NGOs, represent a relatively small proportion of what is termed 'Civil Society'. These are mostly focused on service delivery rather than on policy and advocacy work.

(ESP) through the SWAP with the government unable to respond in a flexible and inclusive way to the complexities of this sector. **There is a risk that overburdening the state through implementation of the Aid Effectiveness agenda may weaken rather than strengthen government institutions (Alliance2015, Ghana Country Studies, 2007). This presents a further challenge in terms of citizen participation and democratic ownership.**

In seeking to implement the Paris Declaration, both donors and governments have been focused first and foremost on procedures (AFRODAD, 2007). The question which follows is whether the Paris Declaration goes further than simply changing the mechanisms and procedures which govern relations between donors and recipients. Does it institutionalise and embed democratic stakeholder participation? **The country studies collectively provide little evidence that procedures and mechanisms fostered by the Paris Declaration provide countries and citizens greater autonomy over their policy agenda.**

This begs a further question. What roles need to be adopted by governments, donors and Civil Society in order to achieve this greater autonomy?

Governments need to take the initiative in fostering partnership with the public sector, donors and Civil Society. Similarly, Civil Society Organisations need to be proactive in establishing their space and accessing Northern Civil Society Organisations training and skills sharing in policy dialogue and advocacy. Northern Civil Society Organisations for their part need to understand better the contextual and socio-political reasons for variation in Southern Civil Society capacity. Civil Society needs to form alliances, networks and coalitions to be able to dialogue with e.g. the Ministry of Education and donors from a position of strength. Civil Society Organisations should strategise on how to improve their

structures and representation, the quality of debate and follow up from these debates in order to achieve clear consensus on how to move forward as a collective. In the case of Mozambique for example, **Civil Society Organisations need to reflect on ways of deepening the level of Civil Society participation at "observatories" so that these go beyond being one-off "events". This would require improving the nature of dialogue, establishing a rights and obligations framework and committing to sharing with other Civil Society Organisations through an alternative forum.** This could develop as the autonomous space for Civil Society discussions which are then taken forward to the observatories. Civil Society Organisations need to improve the vertical and horizontal linkages between Civil Society actors. **For appropriation of the Aid Effectiveness agenda to take place, much greater Civil Society Organisation participation is necessary in the formulation of policies, strategies and plans.**

In summary, one of the original aims of the Paris Declaration was to foster democratic accountability by giving more power to national governments to determine the agenda in partnership with donors. To a limited extent this is being achieved but authentic country ownership will require better donor practice providing wider frameworks for national democratic decision making and collective national efforts that go beyond donors and governments. This will only be achieved through meaningful participation of a broader range of stakeholders.

2.2 Accountability and Transparency

Transparency in negotiations between donors and governments is a prerequisite for holding both donors and governments accountable. The questions addressed in the country studies synthesised here were:

- » Are aid negotiations and disbursements transparent to Civil Society Organisations?
- » To what extent is the Aid Effectiveness agenda promoting mutual accountability between donors and governments, and to what extent is accountability extended to include Civil Society and parliaments?
- » Is monitoring and evaluation of the impact of aid participatory and transparent?

The move towards multi-donor budget support was intended as a move towards greater accountability. Whereas accountability to donors has improved a lot, there is still little donor accountability (Alliance2015, Ghana Country Studies, 2007). Belief in the need to be accountable to Civil Society appears to be also largely absent (Alliance2015, Mozambique Country Study, 2007). Civil Society is concerned in particular about the quality of engagement as key decisions are taken by ministry officials and donors behind closed doors:

"Agreements hatched behind closed doors between donors and states cannot be classified as consensus and representative of citizen interests. The Canadian Council for International Co-operation (CCIC) calls for democratic participation, transparency and accountability in relation to poverty-eradication and beyond." (Fleming et al, 2007)

The Aid Effectiveness agenda assumes strong partner countries with strong leadership capacity, donor restraint from determining development policies, transparency and widespread representation of national interests. However, this is rarely the case. Trust between Civil Society and the Ghanaian government for example has been eroded due to lack of transparency over funds disbursement by government. **The current implementation of the Paris Declara-**

tion is strengthening accountability mechanisms between donors and governments but greater attention needs to be paid to strengthening mutual accountability among all stakeholders. This will require more timely provision of information by public entities, greater dialogue among all actors and transparent agenda management. Other strategies may include Civil Society Organisations inviting donors to workshops on improving the involvement of Civil Society Organisations in the donor/government mutual accountability process.

In terms of monitoring and evaluating the impact of aid, and ensuring accountability and transparency in the use of aid, Civil Society Organisations can play a key role. They have a role to play in ensuring donors meet their commitments at local level and in encouraging governments to be accountable to beneficiaries. That said, Civil Society often lacks capacity and in some cases legitimacy in this area. In the case of Ghana, Civil Society Organisations are still not tracking aid revenue and spending in the education sector or in the local government sector. Municipal and district assemblies for their part are not providing user friendly budget information. There is also in some cases reticence in assuming this overtly political role (Alliance2015, Mozambique, 2007).

Despite opportunities offered through G-JAS in Ghana⁹, Civil Society Organisations do not track donor funds. **This is due to lack of transparency of source data, resource and internal capacity constraints and weakness of participation in policy processes.** The current Performance Assessment Framework (PAF) in Ghana¹⁰ needs to be redesigned as a mechanism for

⁹ G-JAS provides a framework for CSOs to monitor the implementation of the aid partnership framework

¹⁰ PAF is the instrument for developing high-level discussions between government and donors.

enhancing internal accountability by making reform targets and results public and by giving greater access to policy debates. There is a need for user-friendly information on public policy which can be shared with Civil Society Organisations in order to enhance their participation in the monitoring of development policies and the evaluation of impacts. Civil Society coalitions need to be strengthened in order to influence the debate on development accountability at national, regional and district levels. Finally, **global Civil Society should continue to advocate for donor and government accountability and transparency in aid management.**

Civil Society often lacks timely and transparent information from public entities which undermines participatory monitoring and evaluation of the impact of aid. This is most visible in the case of Nicaragua where lack of timely information provision by donors to SUSODA¹¹ limited Civil Society Organisations' ability to document and track funding. Failure by donors to provide timely information led the Government of Nicaragua to incorporate it as one of its indicators in the national harmonization and alignment action plan, generating a scheme of incentives and disincentives to help change this behaviour. In Nicaragua too, the Ministry of the Treasury (MHCP) maintains the Comprehensive Financial and Administrative Management System (SIGFA), which includes the spending of budgeted resources. However, Civil Society Organisations do not have access to SIGFA nor the National Public Investment System (SNIP). Moreover, SIGFA does not exist in the majority of Municipal Governments.

Some steps have been taken to open up opportunities for Civil Society and the government of Nicaragua to formulate and revise progress indicators under the

Joint Financing Agreement on Budgetary Support. However, institutionalised participation of Civil Society Organisations tends to occur only in the context of studies to measure progress and backsliding on goals and indicators. Broader attempts to enhance accountability are not approached from the perspective of Civil Society participation. If information provision and the arenas for participation are limited, Civil Society's role in monitoring and performance evaluation will also be weakened (Alliance2015, Nicaragua Country Study, 2007).

In the case of Bolivia, capacity within government to monitor progress through indicator-based results is weak. Though a harmonization and alignment plan is in place, follow-up mechanisms are absent. Governments do not disseminate papers and so timely and transparent information is also absent.¹² In Mozambique, limited information is available to the public in relation to "high level political discussions" between donor heads of mission and the government. At the same time, Civil Society is challenged to demonstrate its own accountability processes.

Civil Society Organisation autonomy needs to be strengthened, as does its accountability processes and mechanisms. In Mozambique, those actors engaging with the Aid Effectiveness agenda are few. G20 (comprising non-state actors such as trade unions, religious bodies, research institutes and NGOs and networks) is perhaps not a representative Civil Society organisation as it is hosted by Foundation for Community Development (FCS) and is also lead by a key member of the governing Frelimo party (Alliance2015 Mozambique Country Study, 2007). The G20 secretariat is paid by the FDC and this may lead to a degree of self-censorship in terms of the issues raised by the platform. Similarly, there is

¹¹ SUSODA is the information system which reflects the disbursements reported by donors.

¹² The management of public expenses is also weak with the National General Budget (PGN) – disbursements- differing from records such as those from the Central Bank of Bolivia.

little evidence that Civil Society Organisations have worked collectively to voice their concerns about management of funds by government at provincial level. A test for Civil Society will be to see if they can become more actively involved in the operation of funding mechanisms and help shape agenda in terms of how they are used. Additional funding mechanisms are much needed to sustain Civil Society in an independent manner and to help them speak with and on behalf of the poor.

In terms of Civil Society's role in monitoring and evaluation of the PARPA more broadly, participation of Civil Society and parliamentarians remains only at the level of consultation. Plans are not disaggregated at local level and it is almost impossible for Civil Society Organisations to engage meaningfully in the monitoring of the PARPA. In terms of monitoring policy implementation more broadly, there is no formal framework establishing the rights of Civil Society Organisations to enter into this arena, and neither do many consider it their role (Alliance2015, Mozambique Country Study, 2007).

There is some way to go in some countries before Civil Society can make a meaningful contribution to monitoring policy implementation and government performance. Capacity building of Civil Society Organisations leading to better engagement in a way that empowers them to be more independent and autonomous will be a first step towards better monitoring and evaluation of aid. Alliance2015 members and partners could usefully investigate further the Paris Declaration indicators for assessing Aid Effectiveness in order to contribute to detailed debate on those indicators used¹³. There may be potential for inclusion of Civil Society in joint missions related to policy assessment or impact. **In partner countries it is necessary to open dialogue**

on increased involvement of Civil Society Organisations in mutual government/donor accountability processes.

In summary, the promotion of accountability has not been sufficiently extended to include Civil Society. Their role in monitoring and evaluation of aid has been severely hampered by lack of resources, few opportunities for deeper participation in policy processes and gaps in the internal capacity of Civil Society.

2.3 Enabling Environment for Civil Society

Civil Society Organisations are important development actors in their own right. In order to fulfil their role they need legal frameworks which provide for freedom of association, the right to organise and freedom of expression. They also need predictable and long term funding for their activities as service providers and as watch-dogs. The questions addressed in the country studies synthesised here were:

- » How does the aid effectiveness agenda affect the legal framework for Civil Society Organisations?
- » What is the attitude of recipient governments to the role of Civil Society Organisations in the new harmonised and aligned aid framework?
- » Are Civil Society Organisations acknowledged as development actors in their own right and is their role in monitoring development activities recognised?

¹³ Particular problems with the indicators used have been highlighted, amongst others, by UKAN in a letter sent to the head of the DAC Committee. See: www.u-kan.co.uk

Synthesis of Best Practice in Creating an Enabling Environment in Ghana, Nicaragua, Mozambique and Bolivia

GHANA

Three innovative donor funding mechanisms for Civil Society have been launched in Ghana. These are supported by the Royal Netherlands Embassy, DFID, CIDA and the Royal Danish Embassy and are seen as a sign of progress. They are **(i) The Ghana Research and Advocacy Programme (G-RAP); (ii) Rights and Voice Initiative (RAVI) and (iii) BUSAC Fund.**¹⁴ G-RAP and RAVI support Civil Society engagement with Ghana's poverty reduction strategy and could potentially be used for wider participation in sector policies. Donors could consider these models as a way to establish separate funding mechanisms to sustain Civil Society Organisations independently.

BOLIVIA

In Bolivia the National Development Plan (PND) was disseminated through workshops with the participation of Civil Society. This was a first step which could be built upon by strengthening **these mechanisms for national ownership across a broader range of stakeholders.** Another example of good practice was a national workshop on Civil Society and the Paris Declaration held in La Paz in 2007.

MOZAMBIQUE

In Mozambique, the **Development Observatory** is a consultation mechanism that brings the Civil Society coalition G20 and government together. It is a first step which could be built upon. The main new fund **Mecanismo de Apoio à Sociedade Civil (MASC) is a civil society support mechanism co-sponsored by DFID and Irish Aid.** It is aimed at supporting Civil Society capacity to demand improved governance and accountability. **Basket funds for individual CSOs** are also emerging, where donors pool funds to support key umbrella organisations with a national remit. Mozambican Network of AIDS Service Organization (MONASO) and *Movimento de Acesso de Tratamento Mozambique (MATRAM)* which campaigns for access to treatment, and *Centro de Integridade Publica (CIP)/the Centre for Public Integrity* benefit from such common funds.

NICARAGUA

There are some good examples of new ODA modalities focusing directly on Civil Society in Nicaragua. This includes the **Common Support Fund to Civil Society for Democratic Governance** which is aimed at strengthening CS capacities and networks in order to support democratic governance. Bilateral donors including Denmark, the Netherlands, the UK, Norway and Finland are the main actors in the Common Fund. A technical secretariat, made up of INGOs, is in charge of programme administration and technical assistance to Civil Society Organisations. Similar funds could have an even better effect under the management of local NGOs.

¹⁴ BUSAC (Business Sector Advocacy Challenge Fund) is aimed at enabling the private sector, including business membership organizations, trades unions and media, to influence public policy formulation by undertaking appropriate research, developing evidence based policy positions and advocating those positions with government and other private sector institutions/organization who may be targeted by the action. BUSAC was originally launched by DANIDA as part of the broader Business Sector Programme Support but now attracts support from DFID (which is pooling its support through an arrangement with DANIDA) and USAID (which is willing to support export related advocacy projects).

Though some examples of good practice exist, on the whole Civil Society is not being systematically included as part of the new harmonised and aligned aid framework beyond e.g. being able to make formal presentations. Such modes of engagement remain highly problematic. Despite the progress of national harmonization and alignment processes, Civil Society participation has been limited to a significant extent (INTRAC, 2008). Working groups on for example, sector-wide co-ordination, follow-up to national harmonization and alignment processes, and arenas for policy discussion have been established in most of the countries studied. However, there has been only limited participation by Civil Society. Most of the decision making is being carried out by governments and donors, with the contributions of Civil Society often receiving insufficient attention or absent altogether (INTRAC, 2007). Civil Society participation is excluded from the indicators of progress in the Paris Declaration and its roles have been only narrowly defined (Alliance2015 Nicaragua Report, 2007). The evidence to date suggests that diverse civil society groups have been allowed to perform a very limited and uniform role, with their scope for influence in terms of advocacy and empowerment subordinated to sub-contracting relationships through service delivery (Fleming et al, 2007). Similarly, the numbers of organisations able to engage in budget monitoring is limited. Such constraints restrict Civil Society to a role of assisting as implementers of the state apparatus. **To achieve the aims stated in the Paris Declaration, greater space for civil society is necessary so that it can participate alongside donors and states as partners in the development process.**

This requires all national stakeholders to agree on partnership principles based on shared ownership, responsibility and joint control of national development planning processes in a way which strengthens national control. Greater involvement of Civil Society on more equal terms is fundamental to achieving the desired outcomes of the Paris Declaration (INTRAC, 2007).

Civil Society Organisations should be considered as partners in the fight against poverty and government can create more favourable environments so that the voices of the poor can be heard. If Civil Society organisations become only subcontractors to their own governments, the risk is that their ability to hold governments to account will be severely constrained. In Bolivia, at a national workshop on Civil Society and the Paris Declaration held in La Paz in 2007, there was a strong call not to instrumentalise Civil Society in this way (Alliance2015, Bolivia Country Study, 2007).

Civil Society Organisations are one element of the architecture of international aid, whether as donors, channels or recipients of official donor assistance¹⁵ or defenders of public interest. Recognition of these roles and understanding how they manifest themselves is important in order to legitimise Civil Society Organisations participation and increase room for manoeuvre in the dialogue on Aid Effectiveness. Civil Society adopts a myriad of roles and is making considerable contributions. Roles played by Civil Society Organisations range from promoters of public consensus to administrators and implementers of programmes and projects with financing from international co-operation, as advocates to enable the concerns of marginalised groups be heard, as service providers and implementers of social audits seeking transparency and public responsibility for development activities. Civil Society is also able to target the poor outside more politicised government domains and away from centralised bureaucracies.

Despite the many roles that Civil Society has played for decades and despite their comparative advantages, **their importance as role as independent development actors is not always recognised.** The role of Civil Society Organisations has in some

¹⁵ Reliable information on the volume of resources channelled through CSOs is still lacking.

cases been "sporadic" and where it has been able to participate, their role has been that of "listener" due to government officials being unprepared to facilitate greater opportunities for Civil Society participation (Alliance2015, Nicaragua Country Study, 2007). While only limited Civil Society participation has existed so far, it is necessary to find ways to use these to deepen national dialogue with Civil Society Organisations to achieve more tangible results on aid effectiveness.

There is potential for Civil Society to play a greater role in Ghana through programmes dedicated to Civil Society's engagement with Ghana's poverty reduction such as the Ghana Research and Advocacy G-RAP and Rights and Voice Initiative RAVI (DFID). These initiatives reflect a more conducive environment and interest in engaging Civil Society. By contrast, in Bolivia there are only few cases where donors (such as DANIDA) have put in place direct funding sources for Civil Society Organisations. There is a strong case for providing independently managed funding for them and such funding should be made more widely available to Civil Society.

Though Civil Society Organisations are key players in implementing national programmes and facilitating support for government programmes amongst the general public, efforts to engage them with the Paris Declaration have been insufficient. Though Civil Society in Nicaragua has participated extensively in the National Decentralisation Strategy for Local development, their participation has had little impact (Alliance2015, Nicaragua Country Study, 2007). In many cases, it is a change in attitudes towards Civil Society and deeper reform of Civil Society-State relations which are required in order to advance the impact of Civil Society on national, local and district policy making.

The observatories in Mozambique are a case in point. On paper there appears willingness by government to include Civil Society through the poverty and development "observatories" created as part of the PARPA

process in 2003. G20 is responsible for organising Civil Society participation in this event. However, levels of preparation are low and this has become an isolated "event" rather than part of a wider process of civil society engagement in the assessment of policy results. As a result it appears a means of legitimising policies determined by government and donors rather than a means of open dialogue with Civil Society.

Amongst those Civil Society Organisations engaged in this study, there is little confidence in the ability of government to measure performance under the Aid Effectiveness framework and it is unclear whether Civil Society Organisations will be in a position to do their own assessments in a way in which they can speak with an independent voice. In Bolivia where corruption and clientelism have resulted in low levels of confidence in government with implications for partner relationships, Civil Society Organisations have a particular responsibility to ensure that they play a lead role in determining development policies and in mobilising citizens towards participation in sector programmes. For this to happen, **a more enabling environment and space for Civil Society must be created.**

Governments need to foster greater partnership between ministries, donors and Civil Society. Civil Society needs to be proactive in calling for country partnership. Fostering a more enabling environment will require contextualisation of the Paris Declaration principles at the level of partner countries. The Paris Declaration principles need to be deepened through national monitoring and follow-up mechanisms and full participation of Civil Society is necessary to make these mechanisms sustainable. This will also require creating a greater climate of confidence and shared responsibility to enable greater progress towards co-operation between different stakeholders.

3. Key Recommendations for Fostering Democratic Ownership

At the heart of the Paris Declaration is an agreed will to improve development cooperation. At present the Paris Declaration encompasses the government-to-government relationship between aid donors and aid recipients. This scope excludes other development actors who have a legitimate and significant stake in the effects of development – most notably **Civil Society Organisations**.

Throughout 2006 and 2007, development actors, including Civil Society Organisations and donor governments, have conducted research on the role of Civil Society in ODA effectiveness in developing countries. Many of these studies find problems in relation to government and donor transparency, the absence of poverty reduction and equality goals from the Paris Declaration; and the erosion of democratic voice and space for non-state actors. These are underscored by the findings of this report.

This report finds that many of the things that need to change to make the Paris Declaration an instrument for effective poverty reduction, human development and fostering democratic processes are already well-known: for donors to build on principled good practice in reviewing policy conditions, stronger governance capacity, more space for citizen activism, and more transparent aid delivery. At present, the Paris Declaration on Aid Effectiveness threatens to overwhelm government officials and to undermine the space for Civil Society.

Five in-depth country reports commissioned by Alliance 2015 in 2007-08 on the involvement of Civil Society in aid effectiveness in Bolivia, Ghana (both in the education and decentralisation sector), Nicaragua and Mozambique show that:

- » Civil Society involvement in aid and development dialogue is broadly uneven and in specific country con-

texts very limited. This is evidenced partly by the low level of participation in PRSPs¹⁶ and joint assistance strategies. Mechanisms for real Civil Society-government policy dialogue are often inconsistent and inadequate to make the most of these opportunities.

- » Where Civil Society Organisations are formally invited to join development policy fora, the necessary policy and budgeting data necessary to have a substantive dialogue is sometimes lacking. The Nicaraguan donor disbursement tracking mechanisms SUSODA and the government's budget tracking SIGFA are updated in a timeframe which leaves both Civil Society Organisations and the Government of Nicaragua without crucial information. In Mozambique, figures for expenditure exist at central and provincial levels but correlations between these sets of data is difficult to establish. **Weak government and donor accountability and transparency undermine the basis for meaningful Civil Society engagement in development discussions.**
- » In Mozambique and Nicaragua, Civil Society Organisations dealing with ODA and budget monitoring often have precarious political space and funding, and are reluctant to take an adversarial position to governments. **The conditions under which Civil Society operate favour service delivery subcontracting over pro-poor advocacy work.** Achieving an enabling environment for Civil Society engagement remains a significant challenge.

For the Paris Declaration principle of 'ownership' to go beyond 'government ownership' to 'country ownership' or 'democratic ownership', a wider range of development actors' perspectives need to influence implementation. For

¹⁶ Poverty reduction strategy papers, the 1990s World Bank-initiated tool for targeting aid and debt relief. These are mentioned in all country studies as forums where the reality of CS voice failed to reach the promise of official procedure.

'mutual accountability' to be meaningful, 'accountability' needs to include citizens. For 'results' to be meaningful, they have to make a real difference to the lives of people.

Our **key recommendations** for improving the implementation of the Paris Declaration in order to improve our collective impact on poverty are presented below. They are set out under headings which address actors central to the development process.

3.1 Recommendations for Multilateral and Bilateral Donors

The Aid Effectiveness agenda appears to strengthen the upward accountability links between donors and governments at some cost to domestic accountability and genuinely democratic and country-owned development strategies. Civil Society Organisations, as agents of change, have their part to play in the Aid Effectiveness agenda but they also have their own and autonomous position and independent agenda. In order to foster democratic ownership and civil society engagement in development efforts the following recommendations in relation to engagement are proposed:

1. Refocus donor efforts on **improving genuine mutual accountability and country ownership by principled good practice in reviewing policy conditionality and leaving policy space for national democratic processes**. Currently the more technical principles of harmonisation, alignment and managing for results are being stressed above mutual accountability and country ownership, e.g. in Ghana's education sector.
2. Civil society is well placed to monitor and assess the effectiveness of government and other aid spending on the ground. This and the many other roles played by Civil Society can be supported by **fostering a better 'enabling environment' for Civil Society**, expanding political space, supporting Civil Society in its efforts to improve its own capacity to deliver and provision of accessible funding. Danida in Ghana and Irish Aid in Mozambique provide good examples of such support.
3. Donor policy conditions potentially narrow the scope for domestic democratic and accountable decision-making – such conditions should be avoided. **Similarly, time-frames set by donors for deciding on national development strategies need to become longer in order to allow for higher quality engagement and Civil Society Participation.**
4. Donors have a critical role to play in ensuring **that Civil Society work – in all its complexity and diversity – continues to be prioritised and funded within and outside the Aid Effectiveness framework**. Funding for Civil Society Organisations' strategic plans is crucial and the multiplicity of roles played in many ways enriches its contribution to the development process
5. **Not all donor funding for Civil Society Organisations should be channelled through national governments**, in order to **ensure that politically independent resources are available to Civil Society**. Alternative donor-Civil Society funding such as the Common Fund to Civil Society for Democratic Governance in Nicaragua could be considered as a potentially valuable model. Whatever the balance of funding opportunities, funding for local CSO activities at provincial and local level remains of critical importance.
6. Donor **harmonisation for Civil Society funding** takes place in some instances, such as Mozambique's MASC – a combined IrishAid-DfID mechanism for improved Civil Society accountability and voice. **When harmonising funding sources under the Paris Agenda, donors should consider the merits of a separate Civil Society fund**, to be made available to small Civil Society Organisations and to provincial organisations. The importance of careful contextual analysis in assessing the optimum mix of funding channels is of particular importance. **Better coordination**

should be sought in balance with more even spread of Civil Society Organisation funding.

7. In the interests of accountability beyond donors and governments, the aid effectiveness agenda needs an **effective monitoring and evaluation framework that allows Civil Society Organisations engage in the monitoring of government spending and policy decisions.**
8. Donor-Civil Society Organisation engagement is too often focused in capital cities and favours large, well-established organisations. Donor-Civil Society support needs to **reach and reflect the reality beyond the capital.**
9. Donors such as Japan, the US and to some extent EC at the country level work outside the harmonization process and should be urged to become part of the harmonization because they undermine national ownership by not aligning to government plans.

3.2 Recommendations for Aid Recipient Governments

Civil Society Organisations in each of the case study countries make a substantial contribution to improving the lives of citizens. This contribution however does not translate into having a say in national-level development decisions. All Civil Society Organisations, not only those that assist government delivery, **have a crucial role to play in fostering a more confident, self-sufficient and active population.** Civil Society Organisations are **important development actors in their own right.**

Improvements in government-Civil Society interactions are necessary and creating a legislative and funding 'enabling environment' equally so.¹⁷

¹⁷ An enabling environment for CS can be summarised in the 'ARVIN' model: space for association; access to resources; voice for CS; available information and capacity for CS negotiation.

1. In the interests of transparency, accountability and good practice, governments should **clarify policy decisions and budgetary data and ensure this information is accessible** to all citizens. Some progress towards this is already taking place in Mozambique, Nicaragua and Ghana, with spending databases published online and with officials willing to discuss spending with Civil Society Organisations. However, such practice could be standardised.
2. Governments can **foster tripartite dialogue** between government, donors and Civil Society Organisations, to try to strengthen the different parties' understanding of each other. At present, most decisions are made between donors and government officials, behind closed doors in the capital cities, as described in Ghana.
3. Civil society participation needs to be based on a **rights and obligations** framework.
4. Governments should also take the initiative to support **ongoing Civil Society dialogue** on development – with a real possibility for incorporating these views into policy decisions. They must go beyond 'consultations' or Civil Society presentations at formal meetings which appear to have little impact as described in Ghana. This requires both political will and a constructive attitude towards Civil Society.
5. In Mozambique, the **Development Observatory** is a consultation mechanism that brings the Civil Society coalition G20 and government together. It is a first step which could usefully and valuably be built upon.

3.3 Recommendations for Local NGOs

Development aid is money that is intended to support the needs of citizens. For this reason, citizens should have a say in its application. However, it is often difficult

for organisations at the country level, especially women's and local organisations to influence the formal decisions about development. Some suggestions in relation to optimising the Paris Agenda include:

1. Being **assertive and evidence-based when gathering information and speaking about Civil Society impact on development.**
2. Being strategic and **proactive about using available forums for engagement** both by attending and influencing available meetings, such as PRSP consultations and the Mozambican Development Observatory, and where feasible, using budget monitoring tools such as the Nicaraguan SIGFA.
3. Being less adversarial and more evidence based in advocacy efforts. This is a more productive way to engage with government. **Approach officials in the spirit of co-operation rather than conflict and base arguments on facts.**
4. Civil Society participation needs to be based on a **rights and obligations** framework.
5. In sector-specific issues, Civil Society Organisations can benefit from **grouping together to bring a common case forward**, for example as alliances and coalitions. This was suggested in Nicaragua.

3.4 Recommendations for International NGOs

International NGOs have a duty to support the most effective use of development aid – this is a duty both to their constituencies and to their counterparts in developing countries. At times this will mean stepping away from direct advocacy, and instead supporting the capacity of local organisations – legitimate actors in domestic policy processes – to develop their own advocacy methods.

INGOs need to look beyond self-interest and ensure that Southern Civil Society retains and strengthens the policy space, capacity and resources to pursue more transparent development efforts by governments and donors.

1. INGOs can **lobby their own governments in consultation with developing country partners** in order to improve the poverty and inequality focus of aid.
2. INGOs should **refrain from undermining local Civil Society capacity** and autonomy of local CSOs' voice.
3. In contrast, INGOs should **support local NGOs' capacity** to engage in policy analysis, dialogue, advocacy and coalition-building.
4. Northern Civil Society generally needs to make sure it **acts based on sound understanding of the context in the Southern partner countries**; socio-political reasons for variations in partner capacity; and the power differentials between actors.
5. INGOs can do much to publicise the **added value of all Civil Society impact in development.**

In **conclusion**, development policy negotiation treads a difficult path between state sovereignty, citizens' influence over their own development, and balancing donor interests. While managing these important but conflicting imperatives the underlying goal of development must remain constant and at the heart of all efforts to eradicate poverty and improve the lives of all human beings.

Annex: List of Abbreviations

ACF	Joint Financing Agreement on Budget Support
AFRODAD	African Forum and Network on Debt and Development
BUSAC	Business Sector Advocacy Challenge Fund
CCIC	The Canadian Council for International Cooperation
CIDA	Canadian International Development Agency
CIP	Centro de <i>Integridade Publica</i> / Centre for Public Integrity
COSUDE	Swiss Agency for Development Cooperation
CNCS	<i>Conselho Nacional de Combate SIDA</i> / The National Aids Council
CS	Civil Society
CSO	Civil Society Organisation
DANIDA	Danish International Development Assistance
DFID	Department for International Development
GBS	General Budget Support
G-RAP	Ghana Research and Advocacy Programme
ES	Sector wide approach
ESP	Educational Strategic Plan
FASE	Fundo Apoio Sector de Educacao / Education Sector Support Programme
FC	<i>Fondos Comunes</i> / Common Funds
FONDSALUD	Common Health Fund
GBS	General Budget Support
G-JAS	Ghana Joint Assistance Strategy
GPRS	Growth and Poverty Reduction Strategy
H and A	Harmonization and Alignment
Ibis	Danish Civil Society Organisation
IDA	International Development Association
LOGNET	Local government network for CS (Ghana)
MASC	<i>Mecanismo de Apoio à Sociedade Civil</i> / Civil Society Support Mechanism
MATRAM	<i>Movimento de Acesso de Tratamento Mozambique</i> / Mozambique Treatment Access Movement
MHCP	Ministry of the Treasury
MONASO	Mozambican Network of AIDS Service Organizations
PAF	Performance Assessment Framework
PAPS	Programme Aid Partnership
PARPA	Mozambique Government's Poverty Reduction Programme
PEPFAR	President's Emergency Plan for AIDS Relief
PGN	Bolivia's National General Budget
PGR	General Budget of the Republic
PND	National Development Plan
PROASE	Programme of Support to the Educational Sector
PRORURAL	One of the Common Funds
PRSP	Poverty Reduction Strategy Papers
RAVI	Rights and Voice Initiative
SIDA	Swedish International Development Cooperation Agency
SIGFA	Comprehensive Financial and Administrative Management System
SNIP	National Public Investment System
SNV	Netherlands Development Organisation
SPAM	School Performance Appraisal Meetings
SUSODA	Nicaraguan information system – disbursements reported by donors
SWAPS	Sector Wide Approaches
UNICEF	United Nations Children's Fund

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A Very Short History of Alliance2015

Alliance2015 is a strategic network of currently six European NGOs engaged in humanitarian and development activities. Its goal is to combine efforts in fighting poverty in developing countries and to influence public (and political) opinion in Europe. Alliance2015 is committed to reaching the Millennium Development Goals.

Four of the current Alliance members originally met at the European NGO network Eurostep in Brussels. Welthungerhilfe, Concern, Hivos and IBIS drafted the blueprint for Alliance2015, which was officially registered in October 2000. The founding members wanted to create a strategic and practical network going beyond traditional advocacy. They joined the trend among NGOs to form 'families' and networks but wanted to be a partnership where members could keep their own identity, brand and philosophy. In 2002, the Italian NGO CESVI joined Alliance2015 and in 2003, People in Need from the Czech Republic.

Latin America was the first continent where Alliance members successfully implemented joint projects and obtained funding for consortia projects from the EU. The tsunami gave the Alliance model a true test and has

since intensified cooperation in the tsunami-affected countries. In Africa, it is the HIV&AIDS pandemic that brings Alliance members together in several sub-Saharan countries such as Namibia and Mozambique. In Europe, the EU-funded Child Labour campaign started in 2003 with Hivos, Welthungerhilfe and Concern, joined by the 2015-Watch Reports series in 2004 and the – also EU funded – Virus Free Generation Campaign in 2007.

Since the beginning of 2007, Vagn Berthelsen, Secretary General at IBIS, has been the Alliance2015 President. He succeeded Jaap Dijkstra, former Director of External Relations at Hivos and long time CEO. Jaap Dijkstra had navigated the Alliance through some increasingly active times and growing visibility, while his predecessor, then Deputy CEO Paddy Maguinness from Concern, was one of the main architects of Alliance2015.

Alliance2015 will continue to work on its focus topics HIV&AIDS, education and emergency preparedness with hunger joining as a fourth issue. Alliance will develop a stronger voice as a European and perhaps even global NGO player.

The logo for Alliance 2015 features the words "Alliance" and "2015" in white text on a dark grey rectangular background. This background is set against a larger orange rectangular field.

Alliance 2015

towards the eradication of poverty

Alliance2015

Founded: 2000

Number of Countries active in: 81

Number of partners: 1.726

Staff: 712 at head offices, 579 at regional offices/expatriates

Focus: *education, HIV&AIDS and emergency preparedness*

Alliance2015 Member Profiles



CESVI

Founded: 1985
 Head office: Bergamo, Italy
 Number of Countries active in: 31
 Number of partners: 79
 Staff: 35 HO, 45 expatriates, 877 local field staff
 Focus: *health and HIV&AIDS, childhood, social business, environment, water & sanitation, emergency aid*



IBIS

Founded: 1966
 Head office: Copenhagen, Denmark
 Number of Countries active in: 13
 Number of partners: 150
 Staff: 35 HO, 27 expatriates, 438 local field staff
 Focus: *education, rights & governance, indigenous peoples and HIV&AIDS*



Concern

Founded: 1968
 Head office: Dublin, Ireland
 Number of Countries active in: 28
 Number of partners: 371
 Staff: 350 HO, 254 expatriates, 4,013 local field staff
 Focus: *emergency aid, livelihood security, education, health and HIV&AIDS*



People in Need

Founded: 1992
 Head office: Prague, Czech Republic
 Number of Countries active in: 18
 Number of partners: 209
 Staff: 37 HO, 133 in CZ but not HO, 27 expatriates
 Focus: *relief and development, human rights, social integration, development education/development awareness*



Hivos

Founded: 1968
 Head office: The Hague, The Netherlands
 Number of Countries active in: 32
 Number of partners: 812
 Staff: 100 HO, 62 Field (4 regional offices)
 Focus: *sustainable production/financial services, democratization, human rights, HIV&AIDS, gender, culture and ICT*



Welthungerhilfe

Founded: 1962
 Head office: Bonn, Germany
 Number of Countries active in: 48
 Number of partners: 105
 Staff: 155 HO, 164 expatriates
 Focus: *rural development, emergency relief and rehabilitation*

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