



*Empowered lives.
Resilient nations.*

Donors' Civil Society Strategies and Partnership Modalities

A Resource Guide

March 2012

Prepared by the UNDP Bureau for Development Policy/ Oslo Governance Centre and the Bureau for External Relations and Advocacy/ Civil Society Division, with input from Valeria Izzi, Consultant.

Copyright © 2012
By the United Nations Development Programme
One United Nations Plaza, New York, NY 10017, USA

TABLE OF CONTENTS¹

<u>TABLE OF CONTENTS</u>	<u>2</u>
<u>ACRONYMS</u>	<u>3</u>
<u>1. INTRODUCTION.....</u>	<u>4</u>
<u>2. BACKGROUND AND GENERAL TRENDS</u>	<u>5</u>
<u>3. MULTILATERAL DONORS.....</u>	<u>12</u>
3.1. WORLD BANK	12
3.2. REGIONAL DEVELOPMENT BANKS.....	16
3.2.1. AFRICAN DEVELOPMENT BANK	16
3.2.2. ASIAN DEVELOPMENT BANK	16
3.2.3. EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.....	17
3.2.4. INTER-AMERICAN DEVELOPMENT BANK	17
3.3. EUROPEAN COMMISSION.....	18
<u>4. BILATERAL DONORS</u>	<u>22</u>
4.1. AUSTRALIA	22
4.2. CANADA	23
4.3. DENMARK	24
4.4. FRANCE	26
4.5. GERMANY	28
4.6. IRELAND.....	30
4.7. NORWAY	33
4.8. SWEDEN.....	35
4.9. THE NETHERLANDS	36
4.10. THE UNITED KINGDOM	38
4.11. THE UNITED STATES	39
4.11.1. THE MIDDLE EASTERN PARTNERSHIP INITIATIVE.....	43
<u>ADDITIONAL RESOURCES</u>	<u>45</u>

¹ This Resource Guide is a living document and will be periodically updated as new inputs and information are collected. Comments and suggestions for changes and additions are welcome and should be addressed to [Bo Jensen, Oslo Governance Centre](#).

ACRONYMS

AAA	Accra Agenda for Action
ADB	Asian Development Bank
AFD	<i>Agence Française de Développement</i> (French Development Agency)
AfDB	African Development Bank
CSO	Civil Society Organization
Danida	Danish International Development Agency
DFID	Department for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH</i> (German Agency for International Cooperation)
IDB	Inter-American Development Bank
NGO	Non-Governmental Organization
Norad	Norwegian Agency for Development Cooperation
NSA	Non-State Actor
ODA	Official Development Assistance
PVO	Private Voluntary Organization
RDB	Regional Development Bank
Sida	Swedish International Development Cooperation Agency
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

1. INTRODUCTION

The purpose of this Donors' Civil Society Strategies and Partnership Modalities Resource Guide is to provide United Nations Development Programme (UNDP) Country Offices with an easy overview of policies, strategies and priorities of various donors to facilitate and guide them in working strategically with other partners in their support for Civil Society Organisations (CSOs) in developing countries within the field of democratic governance. While the primary focus of the analysis will be on CSO support in this particular field, some of the observations on modes and tendencies will reflect the more general relationship between donors and civil society. For the purpose of this guide, donors included in the analysis will be mainly traditional bilateral donors and selected multilateral agencies. These have traditionally been the main funders for CSOs.²

The document is intended as a brief, internal, user-friendly guide, introducing key civil society strategies of major donors, looking in particular at:

- Donors' definitions of civil society
- Donors' approaches for supporting civil society in partner countries
- Donors' funding modalities for civil society

The Resource Guide is specifically concerned with donors' strategies regarding *local* civil society, i.e., civil society in the countries where they work. Donors' strategies related to their own *domestic* CSOs and/ or *international* CSOs are taken into account only as these are used as intermediaries to interact with local civil society in programme countries.

This paper has been compiled by the [Oslo Governance Centre](#) (OGC) of the Bureau for Development Policy (BDP) with the support of the [Civil Society Division](#) (CSD) of the Bureau for External Relations and Advocacy (BERA). Information has been obtained from public sources, primarily web-based, and checked with relevant contacts in the various donor agencies. Valuable input has been provided by Sarah Lister, BDP/ OGC, and Bharati Sadasivam, BERA/ CSD as well as consultant Valeria Izzì, who gathered and analysed the data.

² Australia, Canada, Denmark, France, Germany, Ireland, the Netherlands, Norway, Spain, Sweden, the United Kingdom, the United States, World Bank, European Commission and regional development banks.

2. BACKGROUND AND GENERAL TRENDS

A fundamental aspect of a democratic state is the right of citizens to participate in decision-making processes. Opportunities for civic participation and a responsive state are prerequisites for effective citizen engagement. Current efforts in governance reforms therefore focus on the demand and supply sides of the governance equation as a means of increasing state accountability and effectiveness.

UNDP, as an intergovernmental organization, has tended to focus on the supply side of governance: capacities and organizational arrangements in government institutions to deliver public goods and services. Growing attention is now being given to the demand side: capacities of official check-and-balance institutions (elections, political parties, parliaments, judicial systems) and informal social accountability mechanisms (civil society, media, private sector, local communities) that empower and enable citizens individually and collectively to hold state institutions to account. Citizen demand for political involvement, complemented by state responsiveness and accountability, is essential to promoting constructive state-citizen engagement and building resilient states.

The [UNDP Strategic Plan \(2008-2013\)](#) and the [UNDP Global Strategy to Strengthen Civil Society and Civic Engagement \(2009\)](#) prioritize inclusive participation and building responsive state institutions to strengthen democratic governance and accountability. The civil society strategy emphasizes support to social accountability mechanisms by which citizens and civil society organizations (CSOs) can engage with state officials at various levels and in a range of mechanisms to bring about more responsive governance in public institutions. Establishing or strengthening such citizen-state mechanisms is critical to UNDP efforts to strengthen public administration and service delivery as part of democratic governance.

The relationship between government and CSOs is quite delicate in many developing countries. Some governments may question the legitimacy and representativeness of CSOs and see them as an unofficial opposition. Strong donor support for CSOs is often seen as support for criticism of the government – and possibly as interference in internal politics. Bilateral donors have supported CSOs for a long time for reasons either of expediency (a convenient way of implementing activities) or of policy (wanting to strengthen civil society as a key partner in democratic development). UNDP is in a unique position to facilitate the interaction and dialogue between governments and (donor-supported) CSOs without so easily being subjected to the complaints directed at bilateral donors.

An opportunity thus exists for UNDP to undertake a strategic role in partnering with bilateral and multilateral agencies in supporting civil society organizations in their advocacy work by facilitating the creation of a conducive policy environment and building the capacity of such organizations. While some such partnership may be initiated at headquarters level, most of them will be initiated and formed at country level through direct contact between UNDP country offices, agency representations or embassies and CSOs.

Civil Society Organizations

Over time, almost all donors have moved from a restrictive definition of civil society (initially equated with non-governmental organizations, or NGOs) toward a much more inclusive understanding of the term, encompassing other associational forms such as trade unions, faith-based groups, and community groups and wider objectives, including advocacy agendas.³ Sometimes, the distinction between CSOs and think-tank or for-profit consulting firms becomes blurred. Some donors (e.g., Norway, Sweden, Australia) define civil society as an arena of social interaction, separate from the state and the market, while others (e.g., the World Bank, the European Commission, the United Kingdom, Ireland) see civil society as the sum of non-governmental and not-for-profit organizations.

In any context, CSOs may play a number of diverse roles. Civil society may fulfil three main functions:⁴

- **Service provider**, for example, in health and education. This role is particularly prominent in situations of crisis and fragility, where governments are unwilling or unable to fulfil their obligation to provide services to citizens. But more stable countries that lack capacity may also rely on CSOs, often faith-based organizations, to provide such services.
- **Watchdog or advocate of human or social rights**. Civil society organizations can work to monitor the operations of the government and to hold government at all levels accountable for its actions and for the implementation of its commitments. The same role is also increasingly played *vis-à-vis* local and international private companies.
- **Supporter of social processes**, particularly at the local level (e.g., community development or cooperatives).

In general, donors recognize these different roles although the emphasis of their support may vary. Donor agencies, particularly bilateral, have long been supporting the participation of CSOs in developing countries in democratic governance activities.

Donor relations with civil society

Originally, donors responded to proposals by domestic NGOs seeking funding and support for their own activities and partners in the South, but they are increasingly making support for CSOs' work a part of the agencies' own democratic governance strategies. Strengthening the demand side of democratic governance process has increasingly been seen as an important element of donor agency strategies, particularly, but not exclusively, in countries where the government seems reluctant to go ahead with fundamental governance reform. Concurrently, developing country CSOs have been seen by donors as competent, direct partners that could provide local implementation options and a unique inroad into local political relations and issues.

While CSOs generally are seen as benevolent development partners, there is an emerging awareness that civil society is not always the exclusive bearer of democratic values. The 2008 report of the Advisory Group on Civil Society and Aid

³ For operational purposes, some donors use different terms to indicate CSOs. For example, the EC speaks of "Non-State Actors" (NSAs) and USAID refers to "Private Voluntary Organizations" (PVOs).

⁴ Dutch Scientific Council for Government Policy, *Less Pretention More Ambition: Development Policy in Times of Globalisation*, Amsterdam University Press, 2010, p. 203.

Effectiveness⁵ warns that, 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 and [Danida's Good Governance Strategy](#) recognizes that, in some cases, CSOs have been linked to human rights violations. It is also obvious that, even though CSOs generally prefer to present themselves as politically neutral and working for the greater good, they may very well be pursuing sectarian, ethnic or political agendas. Also, some concerns about the management capacity of CSOs and their burden on the donors' own administrative resources have persisted and affected the type of relationships that have been established between donor agencies and CSOs.

Donor relationship with CSOs has three dimensions. The weight attached to each of these by individual donor agencies varies:

➤ ***Dialogue and consultation (working with civil society)***

Some donors regularly seek advice and feedback from domestic, international and local CSOs on policy, strategy and operational issues. It is increasingly recognized that consulting with civil society is essential to ensure ownership and relevance of interventions and to minimize risks of negative environment and social impact. Consultations can be either *ad hoc* or institutionalized. For example, one of the objectives of the Advisory Group on Civil Society and Aid Effectiveness was precisely to facilitate space for CSO voices to be heard in discussions on aid effectiveness. In many instances, this has led to the establishment of in-country mechanisms for dialogue. To the extent that government has regular and open dialogue with the civil society, the perceived need for donor-civil society consultations seems to be reduced.

➤ ***Partnering with civil society in service delivery (support through civil society)***

Donors have traditionally seen CSOs as partners in providing effective delivery of development programmes and operations, particularly in fragile situations and in the context of humanitarian emergencies. CSOs are recognized as particularly effective in reaching out to marginalized populations, which may otherwise not be adequately catered to, and in delivering services at modest cost. While initially providing such services in social or productive sectors, there has long been an increasing tendency to involve CSOs in governance services such as community mobilization and electoral education and, more recently, in human rights monitoring and various forms of advocacy work.

➤ ***Civil society strengthening (support to civil society)***

As the existence of a vibrant, active and independent civil society is seen by donors as a value in itself, a necessary component of a healthy society and of an accountable and effective governance system, they have put in place different types of interventions to support the development and strengthening of civil society. The most common types of direct support include: capacity development (through training or other forms of experiential learning); technical support for advocacy and lobbying; and support for the creation of networks of CSOs in order to scale up impact. Donors

⁵ Wood, Jacqueline and Réal Lavergne (2008), [Civil Society and Aid Effectiveness: an Exploration of Experience and Good Practice](#), Report prepared for the Advisory Group on Civil Society and Aid Effectiveness, *de facto* adopted by Cida as its civil society strategy.

also support civil society indirectly by promoting the emergence of an enabling environment for civil society – for example, through the promotion of an adequate legislative and regulatory framework for CSOs. UNDP has been particularly active in this field.

The first type of engagement (dialogue and consultation) is particularly prominent for the World Bank and even more so for the Regional Development Banks. The World Bank's main rationale for engaging with civil society initially was the latter's concerns about the socio-environmental aspects of policies and interventions. The inclination by influential board members to pay attention to such criticism certainly enhanced the World Bank's receptiveness. Today, the World Bank consults regularly with CSOs internationally and locally and invites their contributions on a wide array of issues, policies and programmes. In the UN system, civil society has institutionalized access through ECOSOC, but has over recent years increased the interaction with funds and programmes such as UNDP.

For the European Commission and bilateral donors, engagement with civil society is a combination of all three types of support. Some donors recognize, however, that there is tension between the second type of support (using CSOs as implementing partners for service delivery) and the third type of support (civil society strengthening).⁶ While the World Bank's operational mode (lending to governments) inhibited its possibilities of supporting CSOs directly, ways seem to have been found to overcome that problem and it now has an active support strategy.

The discussion surrounding the Paris Declaration has focused on the effectiveness of assistance to and through civil society and has provided new momentum for the further development of partnership principles in democratic governance. In the [Accra Agenda for Action](#) (AAA) from September 2008, ministers of developing and donor countries agreed to deepen their engagement with CSOs. They did so not only to take advantage of convenient implementation modalities, but also to promote CSOs as independent development actors in their own right and to promote CSO development effectiveness. As part of that process, they will seek to improve coordination of CSO efforts with government programmes. The AAA talks of the need for participation of civil society in national policy formulation, creating an enabling environment for civil society, effectiveness and respect for the independence of civil society.

Three channels of funding are generally used by donor agencies:

➤ ***Funding for CSOs through the government***

Though not generally welcomed by CSOs, a few donor agencies channel regular funding for CSOs through the government. For example, the World Bank channels its mainstream funding (credits and loans) to civil society through national governments (particularly by means of its Social Funds) and the EC requires the National Authorizing Officer (normally the Permanent Secretary in the Ministry of Finance) to approve disbursement of funds. Both have smaller, but still significant thematic funds that local offices provide directly to local CSOs.

⁶ Danida, Norad and DFID all see involvement of CSOs in service delivery as a first step in building the capacity that will enable them to become independent actors in terms of accountability.

➤ ***Domestic CSOs as intermediaries***

The practice of bilateral donors has long been characterized by the use of domestic CSOs as intermediaries *vis-à-vis* local CSOs in programme countries. Many funding mechanisms are targeted to domestic CSOs to carry out development projects, often with an encouragement – and sometimes with an explicit requirement – to work with local CSOs in programme countries. For example, under the Netherlands’ grant framework for Dutch CSOs (a co-financing system known as MFS II), in order to be considered for funding, applicants have to demonstrate to have strategic partnership with local CSOs and must work effectively to strengthen civil society in the countries where they operate.

Many donors have “framework agreements” to provide unrestricted funding to a limited number of larger domestic and/ or international CSOs with which there is consolidated collaboration. In order to qualify for the partnership agreements, these CSOs typically have to demonstrate high standards of governance, transparency and accountability, alignment with the donor’s priorities and values, and extensive reach in countries where the donor works.

➤ ***Funding local CSOs directly***

Many donors also have schemes for funding which local CSOs in programme countries can access directly. Some of these funds are managed by donors at headquarters, while most of them have been decentralized over the last decade and managed by Country Offices/ embassies.

Recent trends in donor relations with CSOs

Recent DFID⁷ and Nordic+⁸ analyses have identified a number of key trends that have characterized donor efforts over the last couple of years as they try to adapt the Paris Agenda to their support for building capacity of civil society organizations.

Funding for developing country CSOs channelled through domestic NGOs has over a couple of decades gradually and still only partially given way to funding directly to developing country CSOs. Such programmes are normally handled by embassies or agency country offices that have built up their own local CSO-networks. Simultaneously, however, civil society has increasingly become globalized and many international NGOs have decentralized offices or formalized partnerships with local CSOs. They are increasingly becoming an integral part of the national civil society in developing countries and locally accessing funds administered by embassies.

As the scopes of such decentralized programmes have grown, the administrative and coordination burdens on donors and CSOs have increased. At the country level, a trend can be observed toward pooled, basket or other joint funding arrangements where two or more donors jointly finance a set of programmes or actions on the basis of commonly agreed objectives, criteria for allocations and reporting modalities. Some of these funds are challenge funds where CSOs are free to apply, while others identify CSOs that are to receive the funds as integral part of formulation process. In some cases, management or coordination is delegated to one of the donor partners, which deals with local CSOs on behalf of all participating

⁷ Griffen, J. and R. Judge: Civil Society Policy and Practice in Donor Agencies, DFID, May 2010.

⁸ Support Models for CSOs at Country Level, Synthesis Report, Scanteam, September 2007.

agencies. The pooled fund can be managed by one or more of the donors or by a third party. While pooled funding is increasingly common, several donors are also cautious in their approach.⁹

Increasingly, however, *intermediary agents* manage bilateral funds and joint funding schemes. Surprisingly often, a group of donors chooses to establish an independent management body as a separate legal, financial and institutional entity. Ownership and legal status under national law are often obscure. International NGOs (INGOs) have also played this role in some instances; but, according to the survey, the experience with this arrangement has not necessarily been positive. However, the findings indicate that multilateral organizations (for practical purposes, it would most probably be UNDP) administer only 7.5 per cent and do so with fairly good results.¹⁰ There might be a basis for expanding UNDP's role as an active partner in this field.

National CSO platforms or umbrella organizations are often in high demand, but, when they are established, their credibility and representativeness are often questioned. The reason for this may be that they turn out to be not politically neutral, but controlled by one segment of the political spectrum – government, the opposition or a specific ethnic group. Excessive encouragement or even pressure for establishment of such platforms leads to accusations that they are donor-driven and undermines ownership and the credibility of civil society.

The increase in the volume and pooling of funding has made it possible to finance broader, more complex programmatic support. Such coordinated schemes often make it easier for the donors to reach a larger number of small, perhaps more community-based NGOs through national-level CSOs.

There has also been a tendency in some cases to move from project or programme assistance to core support, as generally recommended by the [Paris Declaration on Aid Effectiveness](#). While CSOs welcome this form of assistance enthusiastically, it has not really become the dominant mode and is still much less important than budget support is for governments. There is still a strong preference for using CSOs to pursue particular programmatic or project goals.

Broad programmatic or even core support increases the need for developing more advanced monitoring and impact documentation tools. Attribution and documentation of results raise particular problems in the field of governance, but methodological developments in the field of democratic governance have so far been limited. The tendency in many donor countries to focus on measuring and demonstrating the impact of aid is likely to hamper the expanded use of this mode of implementation.

While there has been increasing attention to building demand-side capacity, there has been little focus on and experience with securing a conducive policy

⁹ For example, the European Union's [Technical Sheet on Pool Funding](#) this modality “should be limited to the cases where it has been proven to be the most cost-effective modality”, taking into account its strengths and weaknesses.

¹⁰ Griffen, J. and R. Judge: *Civil Society Policy and Practice in Donor Agencies*, DFID, May 2010, pp. 18-19.

environment for government-CSO dialogue in development countries. UNDP seems to be in a particularly favourable position to facilitate the development of such an environment, as it is trusted by developing country governments and CSOs.

Supplementary inquiries undertaken in the preparation of this resource guide have confirmed that many donor agencies, in addition to providing the funding that has been specifically designated for CSOs, also involve CSOs in the implementation of programmes that have a primarily thematic designation, e.g. governance, health or education programmes. Such funds are rarely covered by CSO strategies or reflected as CSO support in budgets. Often, agencies have some difficulty in getting an overview of the exact extent of such support. There are indications that, for some donor agencies, these funds are substantial and might equal the volume of funds officially designated as CSO support.

Increasingly often, non-governmental funding is an alternative source of funding for local CSOs. International CSOs and foundations have significantly augmented non-ODA (Official Development Assistance) funding and often work closely with or through local CSOs. An analysis of their strategies, priorities and disbursement patterns is not a part of this note.

Box 1 – Pooled funding in support to civil society: the Civil Society Governance Fund in Malawi

The [Civil Society Governance Fund](#) (CSGF) is currently being planned as a joint undertaking of DFID, Irish Aid and the EC. The aim of the CSGF is to support work by civil society with the goal of making Malawi's governance more accountable, inclusive and responsive to citizens. The CSGF is intended to be a results-focused fund that will provide grants to civil society organizations that can demonstrate a credible plan to implement a range of activities to achieve outputs in three main programme areas, namely, (i) citizen empowerment, (ii) social inclusion, and (iii) service provision.

3. MULTILATERAL DONORS

3.1. World Bank

The World Bank [defines](#) civil society as “the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil society organizations (CSOs) therefore refer to a wide of array of organizations: community groups, non-governmental organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.”

Background

The World Bank began formally interacting with NGOs in the late 1970s as a response to concerns and criticism over the environmental impacts of World Bank-funded projects. In the early 1980s, the World Bank hired its first civil society specialists and established an NGO unit, formed several internal working groups on civil society engagement and began adopting new participation policies. In 1981, the World Bank’s Board of Directors adopted the first [operational policy note](#) encouraging NGO involvement in World Bank-financed projects. In 1982, it established the World Bank–NGO Committee, which brought together leading international NGO leaders with senior World Bank management once a year to discuss issues of concern.

Many of the reform policies adopted by the World Bank over the next two decades, such as environmental safeguards, information disclosure and debt relief, were discussed by the World Bank–NGO Committee. One CSO recommendation was to create an [Inspection Panel](#), which was established in 1993 as an independent complaint and recourse mechanism that investigates World Bank-financed projects to determine whether the World Bank has complied with its operational policies and procedures. Requests for inspection can be filed by community members, local NGOs or other affected stakeholders.

The breadth and quality of World Bank–civil society relations began to intensify in the mid-1990s when participation action plans were adopted at the regional level and 80 civil society specialists were hired to work in World Bank offices worldwide. Since then, there has been a dramatic increase in the level of interaction and collaboration between the World Bank and a broad range of CSOs worldwide, including community groups, NGOs, labour unions, faith-based organizations and foundations. The World Bank also established units to engage specific constituencies such as indigenous peoples, women, peoples with disability, and youth.

CSO engagement today

Today, the World Bank’s civil society engagement work can be grouped in three main categories:

- **Dialogue and Consultation:** The World Bank speaks and consults widely with CSOs on a wide array of issues, policies and programmes.
- **Collaboration and Funding:** The World Bank collaborates directly with civil society organizations through contracting technical assistance and training services, funding civil society initiatives and managing joint programs.
- **Civic Engagement:** The World Bank supports dialogue and collaboration between civil society and governments by providing resources, training and technical support and by often playing a convening role.

The rationale for this engagement is that participation of CSOs in World Bank-financed projects can improve their development outcomes by contributing local knowledge, providing technical expertise and leveraging social capital. CSOs can also bring innovative ideas and solutions, as well as participatory approaches, to solving local problems.

The World Bank has intensified and mainstreamed its policy dialogue efforts with civil society on a wide range of topics and numerous ongoing fora. This is best exemplified by civil society participation at the [2011 WB/ IMF Annual Meetings](#), which involved 600 CSO representatives and over 50 policy dialogue sessions on topics ranging from climate change and aid effectiveness to gender equity. The World Bank also consults widely with CSOs before it adopts new or reviews existing policies. Recent consultation processes on its access to information, education and energy policies involved hundreds of meetings worldwide and online discussions.

Support to civil society also constitutes a core element of the World Bank's work in governance and anti-corruption. The [Governance and Anti-Corruption Strategy](#), adopted in 2007, sees a twofold role for civil society and the private sector: as watchdogs of government's performance and as recipients of service and regulations and hence as a potential source of pressure for better governance. Another indication of these improved relations has been the inclusion, for the first time, of CSOs in the advisory and governing bodies of several World Bank-managed trust funds: Clean Technology Fund, Strategic Climate Fund, and Global Agriculture and Food Security Program (GAFSP).

Reflecting this greater appreciation for the role of civil society in development, projected CSO involvement in World Bank-funded projects has risen steadily over the past decade, from 21 per cent of the total number of projects in fiscal year 1990 to an estimated 82 per cent in fiscal year 2011. CSOs have also increased their involvement in the formulation of Country Assistance Strategies (CASs) and Poverty Reduction Strategies (PRSPs). There are presently some 120 civil society focal points that work across the World Bank Group to facilitate engagement with civil society.

Funding mechanisms

There has been a sizable increase in the funding of CSOs over the past 10 years. This is provided *directly* from the World Bank through 26 grant mechanisms based at headquarters in Washington. These include the [Japan Social Development Fund](#) (JSDF), [Extractive Industries Transparency Initiative](#) (EITI) multi-donor trust fund, and [Global Environment Facility](#) (GEF). See details of two funds below:

- The [Development Marketplace](#) (DM) is a competitive grant programme administered by the World Bank and several other donor agencies that identifies and funds innovative, early-stage projects with high potential for development impact. DM competitions are held at the global, regional and country levels and attract ideas from a range of innovators, including civil society groups, social entrepreneurs and local governments. The DM has awarded more than \$46 million in grants – an average of \$150,000 per grant – since its launch in 1998, supporting hundreds of innovative grassroots projects worldwide.
- The [Social Development Civil Society Fund](#) (CSF), formerly known as the Small Grants Program, which was established in 1983 and is administered through numerous World Bank country offices. It provides grants, at an average of \$4,000, intended as seed funding for innovative activities that enable citizens' groups to initiate activities that enhance and influence development outcomes. In addition to a general window (support to civic engagement initiatives), two additional windows have been recently opened, focusing on budget transparency and third-party monitoring.

In order to consolidate the experiences learned with grant funding and in the wake of the Arab Spring, the World Bank is considering establishing a civil society partnership facility that would support social accountability efforts through capacity-building, knowledge management and networking.

The greater amount of financing to civil society, however, is made *indirectly* through around a hundred government-managed social funds and community-driven development projects. These grants support a variety of local development initiatives in such areas as agricultural production, HIV/ AIDS, micro-finance, education, and environment. In Afghanistan, for example, the National Solidarity Programme has been implemented by a large range of partners, including more than 15,000 Community Development Councils. In Indonesia, the Kecamatan Development Program provides decentralized grants to thousands of community groups throughout the country. The Multi-country AIDS Program (MAP) has provided more than \$400 million to thousands of AIDS CSOs throughout Africa for treatment, prevention and monitoring activities.

Box 2 – Examples of projects financed by the Development Marketplace: Albania

In 2011, the Development Marketplace supported 10 projects in Albania to promote improved governance and budgeting. Here are three examples:

- *Monitoring Accessibility Index of Public Institutions*, presented by the Albanian Media Institute. This project was geared to assess the level of transparency and accountability of local governments through an index of government accountability.
- *Budget Allocation Tracking System against Corruption in Albania*, presented by **Transparency International Albania**. The goal of the project was to evaluate the transparency and effectiveness of governmental efforts in the process of implementation of the National Anti-Corruption Strategy.

- *Cooperation of Public in Decision Making*, presented by the **Foundation for Economic Freedom**. The project aimed to facilitate public dialogue between government institutions and the public through a set of virtual platforms.

Box 3 – Examples of projects financed by the Civil Society Fund: Ghana.

In 2009, the CSF selected six Ghanaian CSOs for funding. All projects were geared to supporting CSO advocacy around the opportunities, challenges and risks of oil exploration in Ghana. Here are three examples:

- *The Kumasi Institute of Technology & Environment (KITE)*, for a project to build the capacity of selected journalists/ media personnel, parliamentarians and CSOs to enable them to engage the public and the government on legislation geared to promoting pro-poor and sustainable approaches to oil and gas sector management.
- *Media in Partnership for Development*, for a project aimed at the production of three brief documentaries capturing different aspects of oil exploration, environmental impact and awareness creation on rights and responsibilities of citizens and governments.
- *Afro Global Alliance*, for a project to facilitate knowledge and skills transfer to youth groups in the oil-producing region in order to enable them to seek employment and promote small enterprises related to the oil industry.

Links to relevant documents

[Issues and Options for Improving Engagement Between the World Bank and Civil Society Organizations](#) (2005)

This policy paper analyses the World Bank's relationship with civil society and provides an institutional framework, laying out a 10-point action plan for further strengthening these relations.

[World Bank – Civil Society Engagement: A Review of Years 2007 to 2009](#)

These Reviews provide a comprehensive record of World Bank–civil society relations across the institution every two to three years. It provides detailed information on global consultation processes, examples of operational collaboration, CSO funding mechanisms and civil society outreach initiatives by region and constituency teams.

[Civil Society Engagement eNewsletter](#)

The World Bank produces a monthly electronic newsletter that highlights some of the policies, programmes and initiatives of the World Bank that involve and/ or may be of interest to civil society.

For further information

Civil Society Team

Tel: +1 (202) 473-1840

Fax: +1 (202) 522-7131

E-mail: civilsociety@worldbank.org

Website: <http://web.worldbank.org/>

3.2. Regional Development Banks

The engagement of Regional Development Banks (RDBs) with civil society is almost exclusively limited to dialogue and consultation. As for the World Bank, this engagement was initially a response to concerns expressed by CSOs regarding the social and environmental impact of RDBs-funded projects. Over time, engagement has gone from reactive to proactive and evolved to a more structured form. Today, civil society groups are regularly consulted with regard to projects as well as overall country strategies. Cooperation with CSOs is seen as important to improve the effectiveness, quality and sustainability of RDBs-assisted activities. CSOs are encouraged to give voice to communities that may be adversely impacted by RDBs' activities.

Regional Development Banks have established accountability and recourse mechanisms similar to the World Bank's Inspection Panel. These are:

- The [Independent Consultation and Investigation Mechanism](#) (*Mecanismo Independiente de Consulta e Investigación, MICI*) for the Inter-American Development Bank
- the [Independent Review Mechanism](#) for the African Development Bank
- the [Inspection Panel](#) of the Asian Development Bank
- the [Project Complaint Mechanism](#) for the European Bank for Reconstruction and Development

The purpose of these mechanisms is to allow people adversely affected by the RDBs' projects and operations to have their complaints investigated by independent entities. Affected individuals, their representatives or CSOs may file requests.

Funding mechanisms

As a rule, RDBs do not fund civil society organizations directly, but rather channel their funding through their member states.

3.2.1. African Development Bank

Since the 1990s, the African Development Bank (AfDB) has held consultations with CSOs and partnership framework arrangements have helped the Bank in shaping and monitoring its operations in some areas that have the highest impact for sustainable and inclusive development. During its Annual Meeting in Dakar in May 2009, the ABRD committed to scaling up its efforts for CSO engagement. Consequently, the Bank helped a Civil Society Consultation Forum on March 1, 2010, on the theme [Raising the Voice of African Society](#).

For further information

Website: <http://www.afdb.org/en>

3.2.2. Asian Development Bank

The Asian Development Bank (ADB) works with a broad range of civil society organizations, including NGOs, community-based organizations, labour unions, research institutes and foundations. In 2001, ADB created the NGO and Civil Society

Centre to strengthen cooperation with civil society actors and to respond to their concerns. The Centre facilitates integration of CSO knowledge and experience into ADB operations; manages ADB's overall communications with civil society; identifies and develops strategic alliances between ADB and CSOs; improves ADB's institutional capacity to collaborate productively with CSOs; and provides resources and guidance to ADB staff on consultation and participation issues.

For further information

NGO and Civil Society Centre
6 ADB Avenue, Mandaluyong City 1550, Metro Manila, Philippines
Tel: + 63 2 632 6524
Fax: + 63 2 636 2444
Email: ngocoordinator@adb.org
Website: <http://beta.adb.org/site/ngos/main>

3.2.3. European Bank for Reconstruction and Development

In 2000, the European Bank for Reconstruction and Development (EBRD) created a [Civil Society Programme](#) (CSP) at its Annual Meeting to provide a forum for CSOs to directly engage with EBRD representatives on specific issues of concern. The CSP provides an opportunity for participating CSOs to interact and exchange views with EBRD staff, senior management, the President and the Board of Directors.

In 2001, a dedicated Civil Society Engagement (CSE) Unit was created, primarily responsible for fostering relations between civil society and the Bank. The CSE Unit seeks to effectively address the issues and concerns raised by CSOs and to handle their information requests reliably, comprehensively and consistently in coordination with relevant EBRD teams. The Unit is also responsible for the organization of consultation meetings at headquarters and the country level.

The [EBRD and Civil Society Factsheet](#) (2010) provides the latest developments in the Bank of interest to civil society.

For further information

Civil Society Engagement Unit
One Exchange Square London EC2A 2JN
Fax: +44 20 7338 6102
Email: ngo@ebrd.com
Website: <http://www.ebrd.com/pages/homepage.shtml>
Contact persons:
Biljana Radonjić Ker-Lindsay, Head of Civil Society Engagement Unit
Tel: +44 20 7338 7912
Olga Filippova, Civil Society Adviser
Tel: +44 20 7338 7765

3.2.4. Inter-American Development Bank

Since 2000, there has been an emerging practice within the Inter-American Development Bank (IDB) to set up consultative civil society councils (*Consejos Asesores de Sociedad Civil*, or CASC). This practice was later recognized and

formalized by the IDB's 2004 strategy *Estrategia para Promover la Participación Ciudadana en las Actividades del Banco*. The CASC are currently being restructured and renamed [Civil Society Consulting Groups](#) (*Grupos Consultivo de Sociedad Civil*, or ConSOC) and constitute platforms of information sharing, dialogue and regular consultation between the IBRD and relevant CSOs at the country level. Through ConSOCs, the IDB seeks comments and suggestions from CSOs regarding the Bank's initiatives in order to improve the Bank's effectiveness in the social and economic development of borrowing countries. Each Country Office Representative determines the number of ConSOCs needed to improve the impact of the IDB's work in that country (for example, they can create ConSOCs by subject area) and sets operational principles and rules.

The IDB has published a [report](#) on its collaboration with civil society for the period 2008-2010 as well as [monthly activity reports](#).

For further information

1300 New York Avenue, N.W., Washington, D.C. 20577, USA

Email: soc_civil@iadb.org

Website: <http://www.iadb.org/en/civil-society/the-idb-and-civil-society,6160.html>

3.3. European Commission

In the [European Consensus on Development](#) (2005), civil society is defined, rather broadly, to include economic and social partners such as trade unions, employers' organizations and the private sector. What these different actors have in common is their independence from the state and the voluntary basis upon which their members join in order to pursue common interests. In the European Union's lexicon, the term 'non-state actor' (NSA) includes civil society and the private sector.

The European Commission (EC)¹¹ has been committed to including a specific role for NSAs in the Africa, Caribbean, Pacific (ACP) Group of States since the introduction of the [Cotonou Agreement](#) in 2000.¹² This engagement has been subsequently extended to other regions. Today, the EC is the only donor that mandates that its in-country delegations involve civil society in development and ongoing monitoring of EC-funded programmes.¹³ While governments remain the main partner of the EC in determining cooperation strategies, the complementary role of non-state actors and local authorities is included as a core principle of EC development policy.

¹¹ EuropeAid Development and Cooperation is a new Directorate-General (DG) responsible for designing EU development policies and delivering aid through programmes and projects across the world. It incorporates the former Development and EuropeAid DGs.

¹² The Cotonou Agreement is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for the EU's relations with 79 countries from Africa, the Caribbean and the Pacific (ACP). It is revised every five years. See Hangen-Riad, Sylvia (2004), [Finding Your Way Through the Cotonou Agreement](#), Berlin: Friedrich Ebert Stiftung.

¹³ Giffen, Janice and Ruth Judge (2010), [Civil Society Policy and Practice in Donor Agencies](#), An overview report commissioned by DFID, Oxford: INTRAC.

Participation of civil society represents a key tenant of the [European Consensus on Development](#). The policy recognizes the crucial role that civil society plays as a promoter of democracy, social justice and human rights. NSAs are seen as key contributor to democratic governance and development by virtue of their dual role as strategic partners in political, social and economic dialogue and key aid delivery actors.

Funding mechanisms

The EC has two main channels for funding: (i) geographic programmes and (ii) thematic programmes. Both include opportunities for the funding of NSAs:

➤ ***Geographic programmes***

Geographic programmes are part of the overall EC strategy for the country (or region) and are governed by regional partnerships approaches. These programmes are laid down in the geographical programming document implemented by EU delegations. They are the main channels for funding to NSAs in terms of volume.¹⁴

➤ ***Thematic programmes***

Co-financed by the EC, thematic programmes are transversal programmes in areas such as protection of human rights, promotion of democracy, eradication of poverty, education, gender equality, etc. Unlike geographical programmes, they are not the result of a direct negotiation between the state and the Commission. Practically all thematic programmes are open to applications from CSOs from the EU and from programme countries. In the thematic programme [European Instrument for Democracy and Human Rights](#), civil society organizations are seen as key players in promoting human rights and participative democracy.

The thematic programme [Non-State Actors and Local Authorities in Development](#) aims at strengthening capacities of NSAs and local authorities. It also serves to co-finance actions in areas as diverse as rural development, health, environmental protection and education, as well as long-term partnerships between civil society and local authorities. Activities in each targeted developing country are generally managed by the relevant EU delegations, while EuropeAid manages multi-country activities and actions within Europe.¹⁵ All non-profit non-state actors and local authorities originating in the EU and partner countries are potentially eligible for funding under this thematic programme.

The [European Development Fund](#) (EDF) is the main instrument for providing EC aid for development cooperation with the African, Caribbean and Pacific countries, as well as the overseas countries and territories of member states, on the basis of the Cotonou Agreement. National and international NSAs (along with national, regional and local authorities) are eligible to apply to the EDF.

➤ ***Pooled funding***

The EC recognizes that pooled funding can be an effective way to enhance the actor-based dimension of civil society support, allowing for targeted funding.¹⁶ It can also be useful for supporting the role of CSOs in political dialogue and monitoring. Pool

¹⁴ Ibid.

¹⁵ The programme is financed by a total budget of around €1.6 billion for the 2007-2013 period.

¹⁶ According to the current financial regulation, the EC can contribute to pool funds only if managed by a member state agency or international organization, not to those managed by a private entity.

funding presents a number of advantages: better governance, enhanced donor coordination and lesser risk of duplication, higher predictability and ‘critical mass’ of funding. However, pool funding also comes with risks: for example, it has high initial/ management costs and its life span may be too limited to effectively strengthen civil society. In view of this, the EC contribution to a pool fund is subject to a number of specific requirements and it is only used when it has been proven to be the most cost-effective modality. The European Union’s [Technical Sheet on Pool Funding](#) summarizes the strengths and weaknesses of this modality (see Box 5).

Box 4 – EC support to civil society: Sri Lanka

The project [Promoting Peace Dividends: Institutional Capacity Building of State and Non-State Actors](#) supports civil society in Sri Lanka. Its specific objectives are (i) to strengthen civil society actors for them to effectively take part in the elaboration of inclusive development plans; (ii) to reinforce linkages between CSO and local authorities for a better cooperation in services delivery; and (iii) to support reconciliation and interaction mechanisms among Muslims, Sinhalese and Tamils. The project’s activities include study visits, networking and actions on cross-cutting issues that are problems for all communities, such as alcoholism and domestic abuse.

Box 5 – Strengths and Weaknesses of Pool Funding Modalities (source: [Technical Sheet on Pool Funding](#))

Strengths	Weaknesses
<ul style="list-style-type: none"> • Allows for better focalization of a larger amount of aid in a geographical or thematic area. • Permits establishment of more ambitious and structured programmes or the possibility to integrate several components. • Allows for a reduction of transaction costs, greater economies of scale and enhanced coordination/harmonization of donors’ support. • Allows for more flexibility in administration of funds for donors. • Unifies and simplifies the criteria and demands of monitoring and reporting. • Enhances predictability of funds. 	<ul style="list-style-type: none"> • Entails high initial costs. • Risk of loss of diversity and flexibility (in case of too limited objectives/sectors and actors) and of outreach capacity to support certain CSOs. • Small-scale CSOs may be excluded because of competition and lack of capacities and information, unless targeted modalities are foreseen for them. • If sole source of financing, may lead to dependence and increased vulnerability to government pressure and control. • Risk of less funding available in total (donors may be saving money through pooling). • Although it might roll out funds efficiently, lifespan may be too limited to strengthen civil society. • Pool funds tend to be perceived by CSOs and local authorities as donor-driven initiatives, often lacking consultation and ownership.

Links to relevant documents

[Communication: Participation of Non-State Actors in EC Development Policy](#) (2002)

Coming after a long reflection process between the EC, partner countries and NGOs, the Communication defines the EC vision regarding involvement of NSAs in development policy.

[Evaluation of Aid Channelled Through Civil Society Organisations](#)

The evaluation, covering the period 2000-2006 and seeking to identify key lessons, assesses the EC aid channelled through CSOs.

[Capitalization Study on Capacity Building Support for Non-State Actors Under the 9th EDF](#) (2009)

The capitalization study, undertaken by independent experts, allowed the identification of strong and weak points in the EC strategy on NSAs under the Cotonou Agreement.

[The Roles and Added Values of CSOs and LAs in EC External Cooperation](#) (2010)

This working paper highlights current dilemmas in EC engagement with CSOs and local authorities and fleshes out current themes and elements for discussion.

For further information

The [Civil Society Helpdesk](#) (CiSocH) is an online tool to offer a one-stop-shop allowing access to existing information on and for civil society in development cooperation.

For specific information on EC support in any particular countries, contact the EU in-country EC [Delegation](#) directly.

4. BILATERAL DONORS

4.1. Australia

The [Australian Government's overseas aid program](#) (AusAID) defines civil society as the nexus of the state, the private sector and the family or household, where society debates and negotiates matters of common concern and organizes to regulate public affairs. CSOs include religious organizations, trade unions, community associations, non-government organizations, social movements and networks.

Australia has endorsed the Accra Action Agenda and, in this context, has agreed to increase work in partnerships with other relevant actors while minimizing transactions costs through better aid predictability and alignment. With regard to civil society engagement, the implementation of the Accra Action Agenda means that AusAID includes civil society organizations in developing, delivering and monitoring development efforts and supports civil society in ways commensurate with their experience and capacity. AusAID supports critical areas of interaction between partner governments and civil society in promoting effective development and recognizes their separate and complementary roles.

The Australian Government recognizes the importance of a strong and vibrant civil society and is committed to strengthening and widening the range of civil society stakeholders engaged with its aid programme in support of effective development and the achievement of the Millennium Development Goals. AusAID has launched a broad-based process of consultation that will lead to the articulation of a Civil Society Engagement Framework.

In the process of developing the Civil Society Engagement Framework, AusAID has preliminarily identified three main areas of interaction with civil society:

- **Policy dialogue:** Contributing to policy, program and strategy development in Australia and overseas
- **Program delivery:** Facilitating better access to basic service delivery and humanitarian activities for poor and vulnerable communities; strengthening the role and capacity of civil society in partner countries; and supporting government systems to work better for the poor
- **Building community support:** Developing awareness about and advocating for international development issues; facilitating partnership and promoting people-to-people and organizational links, including through volunteer and other programs

An [evaluation of AusAID's engagement with civil society](#) is ongoing.

Funding mechanisms

CSOs in developing countries can access two funding schemes:

- [Direct Aid Program](#) (DAP). The DAP is a programme that funds a variety of activities, including ones related to governance, and is overseen by the Ambassador or High Commissioner. It supports projects in line with the strategic plan of the Australian Embassy or High Commission and CSOs may apply for

funding. Special attention is given to projects providing direct benefits to those most in need, including concerning gender issues, children and other disadvantaged groups, and to projects with environmental benefits.

- The goal of the [Small Activities Scheme](#) (SAS) is to contribute to the reduction of poverty and the achievement of sustainable development through small-scale interventions. The SAS is normally administered by the resident AusAID officer at the Australian Embassy or High Commission.

There is a range of approaches for applications, according to local circumstances. Some embassies or High Commissions may conduct annual application rounds, while others may respond to requests rather on a case-by-case basis. On occasion, particular communities may be invited to identify a project. Eligible activities are normally implemented over a relatively short period of time, not more than one year. Examples of areas where grants may be given include community health, education, small-scale infrastructure, sanitation and rural development.

In addition, civil society organizations may obtain funding through intermediary Australian NGOs, particularly through the [AusAID NGO Cooperation Program](#).

Box 6 – AusAID support to civil society: Vanuatu

During the 2007-2008 fiscal year, 15 programme initiatives of the Australian aid programme in Vanuatu involved work with civil society. 35 per cent of the expenditure to assist civil society was through direct financial agreements with Vanuatu civil society organizations and 65 per cent was via intermediary organizations that then engaged with Vanuatu civil society organizations.

A ‘drivers of change’ analysis, carried out jointly by Australia and Vanuatu in 2007, provided the rationale and basis for selecting and working strategically with civil society actors. AusAID’s civil society support in Vanuatu centres on governance issues and service delivery. It has established four key partnerships with the Vanuatu Women’s Centre, a local NGO (*Wan Smol Bag*), the Vanuatu National Council of Chiefs, and the churches through the Church Partnership Program.

A [2010 evaluation](#) of AusAID’s support to civil society in Vanuatu has found that AusAID’s engagement with civil society is relevant to the social and political context of Vanuatu. Initiatives carried out by AusAID have encouraged greater interaction between civil society and the state.

For further information

Website: <http://www.ausaid.gov.au>

4.2. Canada

Canada does not have a specific policy on civil society. However, as part of CIDA’s Aid Effectiveness Action Plan commitments, policy guidance on civil society programming is under development. In the absence of a civil society policy, the [Advisory Group on Civil Society and Aid Effectiveness: Synthesis of Recommendations and Findings](#) (2008) provides policy guidance on civil society

across the agency, and these recommendations were endorsed by Canada at the Accra High Level Forum.

CIDA supports civil society across the spectrum from service delivery to policy dialogue. The types of activities that are supported vary greatly: though much of CIDA's locally-accessible CSO funding has traditionally tended to support more service delivery and community development work, some funding mechanisms support CSO activities in democratic development, human rights and gender equality.

Funding mechanisms

An estimated 20 per cent of CIDA's total budget is channelled through CSOs (mostly Canadian). The Partnerships with Canadians Branch (PWCB) promotes partnerships between organizations in Canada and developing countries to support sustainable development. In particular, the Branch funds the programmes and projects of Canadian and international NGOs working with local partners.

There are also CIDA funding facilities that CSOs in developing countries can access directly. In every ODA-eligible country in which Canada has diplomatic representation, there is a Canada Fund for Local Initiatives (CFLI). These funds, which are generally quite modest (e.g., up to a maximum of approximately \$500,000 per year), support the small projects (valued at between \$150 and \$50,000, with an average of \$15,000), mainly of local CSOs.

In addition to CFLIs, CSOs in developing countries can access various other funding facilities. The objectives, the sectoral or thematic focus and details of their modalities vary from country to country. Some such support for CSOs is managed exclusively by CIDA either through a local fund or simply a one-on-one relationship with the CSO partner. In other instances, CIDA contributes to multi-donor pooled funding mechanisms.

For further information

Website: <http://www.acdi-cida.gc.ca/home>

4.3. Denmark

The [Strategy For Danish Support To Civil Society In Developing Countries](#) (2008) considers civil society as inclusive of NGOs, community-based organizations, faith-based organizations, labour unions, informal institutions, networks and groups.

The [Danida Good Governance Strategy](#) (2007) recognizes the importance of civil society actors, as they contribute to promoting people's right to organize, express views and formulate demands and expectations to public authorities and other actors. A rich and active civil society is seen as an important prerequisite for long-term poverty reduction, democratization and the promotion of inclusiveness and cohesion in society. Depending on their roles and mandates, CSOs are able to demand accountability from the state on behalf of the people; advocate for the rights and needs of poor people to be respected, thus giving them a voice; and empower poor people to make their own demands. Strong, independent and diverse civil society also contributes to creating dynamic social cohesion. In countries where states show little

interest in deepening democracy and realizing human rights, civil society is often the key partner in strengthening reform-oriented forces and promoting a bottom-up approach to change. The Strategy, however, also recognizes the ‘dark side’ of civil society as a challenge, noting that, in some cases, CSOs have been linked to human rights violations.

Danida’s overall objective is to contribute to the development of a strong, independent and diversified civil society in developing countries. To do so, Danida focuses on the following areas:

- **Support for capacity development** – Danida works to strengthen partners’ abilities in project implementation, lobbying, advocacy, communication and/or networking.
- **Support for advocacy** – Danida supports advocacy when local organizations meet various conditions, including: demonstrated knowledge of relevant issues; clear division of roles and responsibility; and sufficient ability of local organizations to speak with strength in relevant fora.
- **Support for service delivery** – Danida supports civil society in service delivery in situations where certain criteria are met, namely: a link can be established between service delivery and capacity-development/ advocacy; the activities test new, innovative methods or prepare the ground for popular mobilization; there is a potential for replication; and the activities are targeted at poor and marginalized groups. Division of roles and responsibilities must be clear and existing competition laws must be taken into account. Support for service delivery must always be viewed as a strategic means to advocacy activities and capacity-building of local CSOs in developing countries.
- **Support for income-generating activities** – This is possible when the partner organization has the necessary professional capacity to plan and implement such activities and there is full clarity regarding the legal, administrative and management challenges involved in the allocation of resources to the target group.

Funding mechanisms

The majority of Danida’s support for civil society in programme countries is channelled through Danish NGOs, which are encouraged to work in collaboration with local civil society partners. These funds come in different forms, such as framework agreements (which can be multi-annual or limited to one-year thematic or geographic funding) and pooled funds (for smaller Danish NGOs administered by umbrella organizations).

The Danida fund that civil society organizations in developing countries can directly access is [The Local Grant Authority \(LGA\)](#). The LGA is a flexible funding instrument, administered by Danish embassies, which are authorized to approve grants without consulting the Ministry of Foreign Affairs. In many countries, CSOs play a major role in governance sector programmes – either as implementing agents or specific target.

Box 7 – Danida support for civil society: Ghana

The [Good Governance and Human Rights Programme](#) (2009-2013), funded by Danida in Ghana, aims at institutionalizing good governance, human rights and access

to justice at the national, regional and district levels, thus providing opportunities for the poor to improve their livelihoods and their civic participation. The programme's strategy is to strengthen the demand side for good governance and human rights by supporting the development of an independent civil society and independent media. In this context, one component is explicitly dedicated to support for civil society and the media. Civil society is seen to be a key player interacting with districts and regions to set priorities for the communities, to protect rights and to monitor the performance of the political authorities, particularly in the context of decentralization. The focus is on developing the capacity of civil society organizations by providing them with space, resources and support for own-agenda development and by building the capacity of the media to support democratic development through improved professional journalistic standards.

Links to relevant documents

[Strategy For Danish Support To Civil Society In Developing Countries \(2008\)](#)

The strategy – which replaces the former 2000 strategy – sets out a number of strategic goals for Danish support for civil society development. The purpose of the update is to make the Danish support for CSOs effective and relevant in their efforts to create a fertile environment for civil society and its inclusion in development issues.

[General Principles Governing Support to Development Activities Implemented by Danish Civil Society Organizations \(2009\)](#)

The document outlines the rationale, principles and criteria for the involvement of Danish NGOs in development activities.

[The Local Grant Authority - Instructions and Guidelines \(2006, updated in 2009\)](#)

The document provides guidance to local CSOs that want to apply to funding under the Local Grant Authority.

For further information

Website: <http://um.dk/en/danida-en>

4.4. France

Democratic governance support and civil society sustain are major components of the development strategy of the French Ministry of European and Foreign Affairs. For that objective, the French Development Agency (*Agence Française de Développement*, AFD) works in partnership with government institutions and civil society actors. The General Directorate for Globalization within the French Ministry of Foreign Affairs promotes a multi-stakeholder approach to address global issues.

Civil society organizations are key actors in development. The Ministry is developing its partnership with NGOs in providing:

- Support for CSOs' involvement in debates on cooperation and development policy dialogue
- Subsidies for international development initiatives of CSOs, channelled through domestic NGOs

While increasing the global effectiveness of development strategies, the involvement of French NGOs in defining, implementing and monitoring public policies provides an opportunity to pool expertise and experiences.

French development strategy ([*Coopération au Développement: Une Vision Française*](#)) states that citizens' and civil society participation have to be systematically fostered through bilateral as well as multilateral support in French development cooperation. To that end, the Ministry of Foreign Affairs and NGOs are cooperating in development education and awareness-raising as main priorities.

The French Ministry of European and Foreign Affairs fosters global dialogue between Northern and Southern civil society organizations. Through its funding mechanisms, France supports the development of exchanges and partnerships between French NGOs and partner countries CSOs. The bulk of French NGOs group is together within *Coordination Sud* (CSUD), a national platform for international solidarity organizations. CSUD is funded by the Ministry, which is committed to promote such structuring dynamics. Its main objectives are to:

- Strengthen the professionalism of NGOs in South and North
- Advocate for NGOs as essential actors in development cooperation and humanitarian aid policies
- Support the elaboration of shared positions in international solidarity issues
- Expand the influence of international solidarity NGOs

The Ministry has been supporting the International Forum of NGO Platforms (IFP) since its creation in 2008 at the instigation of CSUD, ABONG (Brazil), CONGAD (Senegal), ACCION (Chili) and VANI (India). The IFP brings together national and regional NGO platforms from all around.

At the country level, with regard to decentralized cooperation, French Cooperation supports the construction of public spaces for dialogue and capacity-building for local authorities and civil society. In service delivery and particularly for access to basic services, the AFD also encourages the development projects led by local authorities and CSOs.

The AFD implements bilateral French development cooperation programmes in developing countries. Collaboration between the AFD and civil society started in the early 1990s. Since then, several actions have been established to strengthen and diversify these partnerships. Consequently, the *Projet d'Orientation Stratégique* (strategic plan) considers partnership with civil society as a key priority. This commitment has been further elaborated in an action plan adopted at the end of 2006 that foresees the institutionalization of dialogue and consultation with NGOs.

Funding mechanisms

The Ministry of Foreign Affairs supports the initiatives of French CSOs involved in international development through a dedicated envelope. Since 2009, the management of this system has been the responsibility of the French Cooperation Agency (*Agence Française de Développement*, AFD) in collaboration with the Unit for Civil Society and the French Diplomatic Network. A specialized committee to support NGO initiatives, formed from the AFD board of directors, is responsible for granting subsidies based on the projects submitted by NGOs and according to the geographical

and sector-based priorities established by the CICID (Inter-ministerial Committee for International Cooperation and Development).

In developing countries, French embassies manage small-project funds for local CSOs to support small-scale projects in various fields such as development education, local governance, civil rights alleviation and capacity-building.

Box 8 – French support to civil society: Mali

The AFD promotes the concept of ‘urban governance’, which goes beyond mere urban administration and management and takes into account the ever-increasing number of players involved in defining and negotiating urban settings. The aim of AFD is therefore to foster, within a process that integrates all players, sustainable urban planning and development for cities where access to essential services, transport and employment contribute to fighting poverty and level off inequalities.

This approach has been pursued programmatically in Mali. In particular, France has supported the Urban Social Development Programme in the six municipalities in Bamako and the urban municipalities of Mopti and Gao. Through a participatory approach, the programme brought together the Neighbourhoods Development Committees, municipalities and CSOs to define local priorities and implement strategic actions to address them.

For further information

AFD Headquarters

5 rue Roland Barthes, 75598 Paris Cedex 12, France

Tel: +33 (0)1 53 44 31 31

Fax: +33 1 44 87 99 39

Email: site@afd.fr

Contact: Xavier Crespin

DGM/CIV, French Ministry of European and Foreign Affairs

27 rue de la Convention, 75732 Paris Cedex, France

Email: xavier.crespin@diplomatie.gouv.fr

4.5. Germany

Promoting good governance is a central feature of German Development Cooperation (GIZ) and hence an important activity area for the Federal Ministry for Economic Cooperation and Development (BMZ). In pursuing this objective, BMZ cooperates not only with government institutions, but also with civil society actors.

German support to civil society in developing countries is primarily provided through the following channels:

- **Political foundations** (*Stiftungen*) – As non-profit, independent institutions affiliated with political parties, the *Stiftungen* complement the foreign policy of the Federal Government and official development assistance worldwide.¹⁷

¹⁷ There are six Stiftungen: the *Friedrich-Ebert-Stiftung* (FES), affiliated with the Social Democratic Party; the *Konrad-Adenauer-Stiftung* (KAS), affiliated with the Christian Democratic Union; the

The central development policy task of the six political foundations receiving funding from the BMZ is the sustainable promotion or establishment of democracy and civil society. At the social level, the foundations support civil society organizations to enable them to play a role in initiating and implementing reforms in developing countries.

- **German NGOs** – Due to their close contact with civil society in partner countries, German NGOs are in a good position to establish structures and networks to foster development, even in countries where government-level cooperation is difficult or impossible for political reasons. One-hundred-eighteen German development policy-oriented NGOs are currently members of the umbrella organization [VENRO](#), the Association of German Development NGOs.
- **Churches** – Along with their partners in developing countries, the churches have been working for more than 40 years within the framework of the development cooperation of the Federal Republic of Germany. Churches are able to mobilize sections of civil society worldwide and can thus exert a strategic influence on political awareness-building. For instance, the churches played an important part in the adoption of the debt relief initiative HIPC II at the Cologne Economic Summit in 1999. The German Government is building its new concepts for civil conflict management and crisis prevention in part on the experience of church development services.

Funding mechanisms

In addition to funding provided indirectly through political foundations, German NGOs and churches, German embassies in developing countries also manage a small-project fund for CSOs. Most commonly, the funds are provided for the purchase of equipment and material (e.g., building material). There are also indications that Germany and other donors are including local CSOs in larger programmes, including in governance programmes, but detailed information is not available.

At the country level, pooled funding is seen as one possible option to provide support to CSOs in a coordinated and efficient manner in line with the principles of the Paris Declaration and the Accra Agenda for Action. However, the success of pooled funding critically depends on proper design, as the very complex proceedings of pooled funding may be too demanding for small local CSOs. In some situations, more flexible, less formal solutions may be more appropriate.

Box 9 – German support to civil society: Zambia

In Zambia, the GIZ supports the strengthening of constructive relations between state and civil society. This includes supporting the involvement of civil society in the implementation of the national strategy for poverty reduction. This is done through technical advice and intensive dialogue to strengthen the potential, expertise and performance capabilities of civil society networks and their linkages to government and parliament. Irish Aid and DFID are also involved in financing the programme.

Hanns-Seidel-Stiftung, associated with the Christian Social Union; the *Friedrich-Naumann-Stiftung für die Freiheit*, affiliated with the Free Democratic Party; the *Rosa-Luxemburg-Stiftung*, affiliated with the Left Party; and the *Heinrich-Böll-Stiftung*, affiliated with the Green Party.

Thanks to this support, the [Civil Society for Poverty Reduction network](#) – a civil society anti-poverty advocacy network of over 140 organizations working for pro-poor development in different parts of Zambia – has been able to present alternative national development plans as input for the discussions on the national development strategy in 2005 and 2010 and is involved in the regular monitoring of implementation. In addition, every month, the [Jesuit Centre for Theological Reflection](#) (JCTR) gathers information on a basic needs basket and publishes the results. This is an estimate of the minimum cost of living for a family of six and serves the government as a basis for measures toward reducing poverty.

For further information

Information about projects of German CSOs that are members of VENRO can be found on the website www.venro.de. There are plans to establish a complete database in 2012.

4.6. Ireland

Irish Aid adopts a broad definition of civil society, encompassing organizations outside the government sector (community groups, educational institutions, women's organizations, faith-based organizations, professional associations, trade unions, employers' groups, the media and advocacy groups). While the structures and goals of these organizations may vary hugely, they are all vital components of a healthy democracy in developed and developing countries.

In the section on partnership, the [White Paper](#) on Irish Aid (2006) focuses primarily on Ireland-based NGOs and missionaries. It does, however, also refer to civil society in developing countries, stating that local CSOs can play a primary role in helping keep governments accountable for service delivery. Ireland also encourages a greater role for civil society in the articulation and implementation of poverty reduction strategies in partner countries.

The policy goal of Irish Aid's engagement with civil society is to strengthen and to widen the space for men and women to act collectively and to participate in sustainable development processes. The particular ways in which Irish Aid supports and engages with civil society in programme countries include:

- **Promotion of an enabling environment for civil society** – To this aim, Ireland advocates, through policy dialogue with governments, the development of a positive regulatory environment; encourages the creation of institutional mechanisms of dialogue between government and civil society; and encourages civil society to organize and create inter-organizational alliances and networks in order to influence the political agenda. Ireland makes resources available to civil society organizations for research, consultations, policy analysis, advocacy and networking activities.
- **Promotion of good governance, human rights and democracy** – Under this rubric, Irish Aid supports civil society to enhance governments' accountability, balancing such support with support for parliamentarians and public administration institutions. Irish Aid supports, in particular, CSOs that have a mandate to protect and promote human rights. Special provisions are made for the support of women's organizations.

- **Promotion of pro-poor service delivery and pro-poor growth** – Where necessary, Irish Aid provides support to civil society organizations for pro-poor service delivery activities, while encouraging the state to clearly set out the policy framework and meet its service delivery responsibility. Irish Aid also encourages the development of supportive community-based structures to enhance the efficiency and relevance of service delivery for the poorest and most vulnerable. Support is particularly targeted to organizations that represent marginalized groups, such as women’s organizations, people living with HIV and AIDS, people with disabilities, ethnic minorities, etc.

Irish Aid prioritizes support for local CSOs in the context of national anti-poverty strategies. It works with government partners and support opportunities for country-level civil society to participate in the consultation and planning processes that inform these strategies and subsequently for implementation and monitoring.

Irish Aid also focuses on networking and coalition building, which are seen as important conditions for civil society to be effective. Networks enable the pooling of resources and the building of alliances around specific advocacy agendas and can act as peer-support mechanisms within the broader sector. Building such common platforms is an integral part of strengthening civil society and is primarily the responsibility of civil society organizations themselves. Irish Aid supports such activities as part of its overall contribution to supporting an enabling environment.

Irish Aid also funds administrative costs of CSOs. It has been recognized that civil society will not be able to attract competent personnel without offering competitive salaries. Acknowledging that administrative costs are a necessity to enable organizations to implement their work plans and budgets is an important capacity measure. In addition, where possible, the provision of multi-annual support to CSOs improves their ability to plan for the future and to retain professional staff by offering longer-term job security.

Irish Aid is currently elaborating new strategies for the support of indigenous civil society in its nine programme countries: Ethiopia, Lesotho, Mozambique, Tanzania, Uganda, East Timor, Malawi, Zambia and Vietnam.

Funding mechanisms

Irish Aid supports directly the work of civil society in the developing world through a number of mechanisms. A number of civil society funding schemes, such as the [Multi-Annual Programme Scheme](#) and the [Civil Society Fund](#), are administered from Irish Aid headquarters. These are primarily targeted to Irish and international NGOs, but CSOs in programme countries can obtain funding through partnerships with these Irish and international NGOs. In order to receive the multi-annual funding under these mechanisms, organizations are expected to have developed standards of accountability, appropriate management systems and substantial programme quality. In addition to the support provided bilaterally to individual Irish NGOs, Irish Aid attaches importance to the role of [Dóchas](#), the Irish Association of non-governmental development organizations.

Many development cooperation programmes in countries where Irish Aid is active include civil society components and there are many micro-project schemes

aimed at supporting civil society. Direct support to CSOs through the Irish Aid country programme would routinely have a capacity-building component.

Irish Aid seeks to work with other donors and partner governments to develop trust funds, pooled funds and other funding and capacity-building mechanisms that will reduce competition and enhance coordination and efficiency in the funding of civil society organizations. However, most Irish Aid missions have not yet used pooled funding mechanisms for CSOs. While there are several advantages to pooled funding, Irish Aid is also mindful of numerous challenges. It often takes a long time to agree and negotiate joint financing arrangements with cooperating partners and civil society organizations. The advantages of a joint funding approach can be undermined if not all cooperating partners are on board or if an organization continues to source funding from outside joint funding arrangement signatories. Pooled funding mechanisms tend to be feasible only with organizations with demonstrable organizational capacities to deliver results and provide financial accountability. Irish Aid conducts regular capacity assessments of its partners to ensure that capacity levels of organizations are maintained and strengthened.

Box 10 – Pooled funding in support of civil society in Uganda and Ethiopia

In Uganda, Irish Aid supports several civil society partners in the fight against HIV/AIDS, through the [HIV Civil Society Fund](#), financed together with development partners that include USAID, DFID, Danida, Italian Cooperation and Sida. The pooled funding mechanism aims at ensuring a common and consistent approach among all donors for funding civil society organizations working on HIV and AIDS. This helps reduce administrative costs and ensure a coordinated approach to aid.

In Ethiopia, there is ongoing work on establishing a new Civil Society Support Programme (CSSP) with other donors, with a pooled fund created and administered by a management agent. The CSSP will issue grants to CSOs while running a capacity-building programme in parallel. Some donors are operating under a delegated cooperation agreement with Ireland nominated as lead donor.

The legislative environment in Ethiopia for CSOs represents a barrier to CS capacity-building by donors. The CSSP is an attempt to engage the Government of Ethiopia and CSOs to strengthen their capacity within the current legislative environment.

Link to relevant documents

[Civil Society Policy](#) (2008)

The policy was developed in 2006 with input from Dóchas members. During 2009, it was presented to civil society partners in various countries and used as a basis of internal and external discussion. Through this policy, Irish Aid defines its view of civil society and the principles that will govern the engagement between Irish Aid and civil society organizations and sets out policy objectives and strategies to guide the allocation of resources, the quality of the programme and the relationships that underpin it.

For further information

Civil Society Section

Irish Aid, Department of Foreign Affairs
Riverstone House, 23-27 Henry Street, Limerick
Tel: +353 1 408 2000
Fax: +353 1 408 2880
Email: irishaid@dfa.ie

Contact details for Irish Embassies and Consulates abroad are available on the [Department of Foreign Affairs website](#).

4.7. Norway

The Norwegian Agency for Development Cooperation (Norad) defines civil society as “an arena separate from the family, the state and the market, where individuals voluntarily associate to advance common views and interests on their own or on others’ account.” Civil society is seen as the ‘fifth estate’ (along with the executive, the legislative, political parties and the press) and thus a crucial player among equals. Norad also recognizes that civil society in the South encompasses a broad range of organizational forms, from modern, professional NGOs to traditional structures and local networks.

Like many other donors, Norad sees CSOs as service delivers and advocates for rights and social justice. At the same time, Norad recognizes a potential tension between these two roles. The balance between the two depends on the context: service delivery will have a higher priority in countries affected by conflict or other forms of vulnerability, while rights-based work and advocacy will take precedence in countries where the population’s basic needs have been covered but weak or bad governance hinders development. However, under all circumstances, interventions should cover more than just service delivery.

In its [Principles for Norad's Support to Civil Society in the South](#) (2009), Norad articulates its support to civil society in developing countries along six key principles:

- **Mobilize NGOs at all levels in the struggle against poverty and oppression.**
- **Strengthen civil society actors working to achieve development, democracy and a redistribution of power.** To this aim, Norwegian voluntary actors and their local partners are encouraged to increase their engagement with traditional institutions and leaders, social movements and political alliances working to achieve a just development and a strengthening of common public goods.
- **Support civil society organizations in their international work.** Norwegian NGOs are called upon to assist their local partners in gaining access to global knowledge and information. In addition, South-South dialogue can provide an extra value to the partnership from the perspective of Norwegian voluntary actors and thus also from Norad’s perspective.
- **Ensure better documentation of and reporting on results.** Organizations working with Norad are called to report on the long-term effects of their development efforts and of their collaboration with other actors. What matters is the accumulated effect of the total development assistance, not just the outcome of Norwegian support to single projects or programme components.

- **Support the implementation of effective anti-corruption measures at all levels.** Norad practices a policy of zero tolerance toward corruption. Therefore, having good systems for stopping, revealing, treating and reporting on corruption and economic malfeasance is a clear requirement for the organizations seeking support from Norad.
- Promote diaspora participation in development work. Norad recognizes that diaspora groups in Norway have so far been underused in terms of Norwegian development policy. They represent invaluable knowledge about culture, language, society, history, religion and politics, and this knowledge can also contribute important insights into the provision of development assistance.

Funding mechanisms

Norway channels approximately one third of its bilateral aid to a mix of domestic, international and developing country CSOs, with about one quarter provided for humanitarian purposes.¹⁸ Norad's support to civil society is given primarily through Norwegian and international civil society organizations:

- **Funding through Norwegian NGOs** takes the form of framework agreements (providing core funding for three to five years for a limited number of NGOs), programme funding or project funding. In all cases, emphasis is placed on delivery through Southern partners.
- **Direct funding for local NGOs** is foreseen in principle through national distribution mechanisms, but is not significantly operating yet.¹⁹

Box 11 – Norway's Oil for Development Programme

The [Norwegian Oil for Development](#) (OfD) programme aims at assisting developing countries, upon their request, in their efforts to manage petroleum resources in a way that generates economic growth and promotes the welfare of the whole population in an environmentally sustainable way. OfD cooperates with civil society organizations engaged in good governance of the petroleum sector. The programme also supports capacity-building of civil society organizations in partner countries.

Links to relevant documents

[How To Deal With Direct Support To Civil Society](#) (2002)

This position paper deals mainly with the direct relationship with and the support through and to civil societies in Norad's partner countries. Its aim is to highlight Norad's positions on direct support and to point to challenges in the development of the direct support portfolios.

[SWAPs and Civil Society: the Roles of Civil Society Organisations in Sector Programmes: Synthesis Report](#) (2004).

This study sets out to explore the roles of civil society organizations in sector-wide approaches and the potentials for greater involvement, focusing on health and education programmes supported by Norad.

¹⁸ Wood, Jacqueline and Réal Lavergne (2008), [Civil Society and Aid Effectiveness: an Exploration of Experience and Good Practice](#), Report prepared for the Advisory Group on Civil Society and Aid Effectiveness.

¹⁹ Giffen and Judge (2010), op. cit.

[Principles for Norad's Support to Civil Society in the South](#) (2009).

Within the existing political framework, these principles constitute the foundation for Norad's support to civil society organizations.

For further information

Civil Society Department

Phone: +47-22-240-331

Website: <http://www.norad.no/en>

4.8. Sweden

The Swedish International Development Cooperation Agency (Sida) defines civil society as an “arena, separate from the state, the market and the individual household, in which people organise themselves and act together to promote their common interests.” Civil society includes, among others, NGOs, community groups, women's groups, environmental movements, faith-based organizations, professional associations, trade unions, self-help groups, social movements, business associations and advocacy groups. The media, political parties, cooperative associations and research institutions, as well as other associations and networks, may or may not – depending on the context, their role and function – belong to civil society.

As not all expressions of civil society are inherently democratic, Sida's support is targeted to those organizations that can help to promote democratic development and peace. In order to be eligible for Sida support, civil society actors are required to share the objectives and perspectives of Swedish international development cooperation.

The overall objective of Sida's support is the development of a vibrant and pluralistic civil society in developing countries that, using a rights-based approach, contributes effectively to reducing poverty in all its dimensions. Sida's support of CSOs is focused on activities that strengthen the capacities of civil society, concentrating on the organizations' internal democracy, independence and actual performance. Sweden also gives indirect support to civil society by contributing to the creation of an enabling environment for civil society to work in.

Sida pays special attention to the potential of civil society in developing countries to:

- Create channels, including meeting places for collaboration, through which individuals and groups who are poor and discriminated against can make their voices heard, raise demands for the realization of their human rights and influence the development of society.
- Act as proposers of ideas and watchdogs of those in power.
- Act as a force for democratization *vis-à-vis* the state, particularly under authoritarian regimes.
- Offer liberal adult education to strengthen the capacity of individuals and groups who are poor and discriminated against to change their lives.
- Organize and carry out services of benefit to the community.

Support for civil society should not, however, come at the risk of undermining legitimate state and democratic institutions. This caveat applies particularly when an organization has assumed the role of implementer on behalf of, or as a complement to, the state and public authorities. Sida pays particular attention to the role that civil society actors play in conflict and post-conflict situations. In these contexts, priority is given to organizations and networks that uphold standards and attitudes of peaceful coexistence and that have scope and potential to influence the situation in a peaceful direction.

Funding mechanisms

In total, around one third of Sida's overall appropriation for development cooperation is provided to and through CSOs. Of this support, about one fourth is administered via framework agreements, with 15 Swedish CSOs working in cooperation with CSOs in developing countries.

Sida also directly supports CSOs in partner countries, with agreements managed by the headquarters as well as with Sida funds managed by the Swedish embassies.

Links to relevant documents

[Pluralism: Policy for Support to Civil Society in Developing Countries Within Swedish Development Cooperation](#) (2009)

The policy aims to establish a coherent approach to civil society in developing countries within the framework of development cooperation and procedures for the implementation of the policy.

[Strategy for support via Swedish civil society organizations 2010–2014](#) (2009)

This document defines the priorities and criteria of supporting civil society in developing countries through Swedish CSOs.

For further information

Sida Civil Society Unit, Department for Global Cooperation

Website: <http://www.sida.se/English>

Contact person: Karin Fällman

Email: karin.fallman@sida.se

4.9. The Netherlands

For the Dutch Government, civil society is an umbrella term covering groups and organizations that may have traditional or modern attitudes, as well as political parties, faith-based organizations, commercial and non-commercial organizations, trade unions and occupational associations, migrant organizations, informal local groups and professional development organizations.

Support to civil society is important in the context of all priority areas ('spearheads') of development cooperation for the Netherlands as defined in the [Letter to the House of Representatives presenting the spearheads of development cooperation policy](#) (2010), namely: (i) security and the legal order; (ii) water; (iii) food security; and (iv) sexual and reproductive health rights. Furthermore, the Dutch Government stresses the importance of the watchdog role of local CSOs and the important contribution that they can make to good governance.

Funding mechanisms

At the moment, a significant part of the funding for local CSOs goes through Dutch CSOs. In particular, the [co-financing system MFS II](#) is the grant framework for Dutch CSOs which – in order to be eligible – have to demonstrate partnership with local CSOs and must work to strengthen civil society in programme countries.²⁰ Since January 2011, the Dutch Government also has a Standard Framework for Development Cooperation, on the basis of which programmatic tenders for Dutch and international CSOs can be issued.

Direct funding to local CSOs is managed at the country level. This is common practice for type-II countries (security and development). The rationale is that direct funding of CSOs is the preferred option primarily where democratic, political and administrative conditions are less than ideal.

For the future, the Netherlands is planning to increase the importance and the scale of direct funding. Dutch embassies will be able to make greater use of their power to provide direct funding to local CSOs through different modalities, including strategic partnerships with a limited number of CSOs.

Box 12 – Dutch support to civil society: Armenia.

In Armenia, Dutch cooperation, together with the World Bank, supported the Civil Society Program implemented by the Open Society Institute Assistance Foundation Armenia (OSIAFA) in 2006. The [OSIAF Armenia Civil Society Program](#) focused on monitoring activities related to the Millennium Challenge Account (MCA) compact implementation in Armenia. Three Partnership member organizations – Transparency International, Asparez Journalists' Club and the Community Finance Officers' Association – received funding from OSIAFA to monitor the public procurement process and the implementation of activities within the framework of MCA and to raise the awareness of and protect the interests of MCA beneficiaries, thus encouraging public oversight over MCA-related activities. The programme also supported a range of projects aimed at fighting discrimination against marginalized groups.

The Netherlands has experience with pooled funding, particularly to provide CSOs with the means to perform their watchdog and advocacy functions independently. Experiences with pooled funding are generally positive, although the process of coordination can at times be difficult and time-consuming.

Links to relevant documents

[Policy Memorandum of the Netherlands on Civil Society Organisations: Cooperation, Customisation and Added Value](#) (2009)

This document outlines the principles, priorities and risks of supporting CSOs as part of Dutch development cooperation.

[Letter to the House of Representatives presenting the spearheads of development cooperation policy](#) (2010)

²⁰ Substantial own contribution is required: the applicant must demonstrate that at least 25 percent of its annual income derives from sources other than from the Dutch Ministry of Foreign Affairs.

This document describes the priorities, principles and strategic choices of Dutch development cooperation.

For further information

Website: <http://www.minbuza.nl/en/home>

Contact the [Dutch Embassies and Consulates](#) directly.

4.10. The United Kingdom

Civil society is broadly defined by the UK Department for International Development (DFID) as encompassing the “groups and organisations that occupy a position between the household, the state and the private sector.” They include charitable organizations as well as think tanks, trade unions, faith groups, social movements and community groups.

Working with civil society is an integral part of DFID’s approach to development. Its rationale can be found in the recognition that CSOs can play an important role in reducing poverty, complementary to the roles played by governments and the private sector. This is confirmed by DFID-funded research, including studies conducted using the [Drivers of Change](#) approach. DFID works by building voice and accountability to empower civil society in the following ways:

- **Policy formulation:** empowering and representing the economically poor in policy formulation at the local, regional and national levels
- **Monitoring services and budgets:** improving state services through monitoring, demanding transparency and accountability, and ensuring inclusive access to services
- **Conflict resolution:** providing a voice for communities in resolving conflict
- **Global advocacy:** playing a role in global advocacy, such as campaigns on landmines and coalitions on trade issues

DFID’s work with civil society has five objectives:

- **Deliver goods and services** effectively and efficiently to improve the lives of poor and marginalized people in developing countries. Service provision can also provide a basis and legitimacy for civil society to advocate for changes in the delivery of government services.
- **Empower citizens** in developing countries to be more effective participants in development decisions and policies that affect their lives.
- **Enable CSOs to influence, advocate and hold to account** national, regional and international institutions and increase aid effectiveness.
- **Work in partnership with other UK Government departments** to build support for development.
- **Build and maintain the capacity and space for an active civil society.**

A review of DFID’s work with civil society, completed in 2010, showed that:

- Approximately 15 per cent of the UK’s bilateral aid is provided through civil society organizations
- Over 40 per cent of DFID’s support to CSOs is focused on delivery of goods and service
- Over 60 per cent of DFID’s work with CSOs is in fragile states

Funding mechanisms

DFID has different funding mechanisms to support its work with civil society. These include:

- Support provided through country programmes, often through the use of pooled funding. Over 50 per cent of DFID's work with civil society goes through country programmes.
- Support provided through centrally managed funds. These include, for example:
 - The [Governance Transparency Fund](#), which was established in 2007 as a one-off fund for CSOs based in the North and the South, with the aim of helping citizens to hold their governments to account.
 - The Global Poverty Action Fund, a demand-led fund supporting projects focused on tangible benefits that contribute to poverty reduction and the MDGs; it was launched in 2010 and is open to direct applicants from the South.

The [Partnership Programme Arrangements](#) (PPAs) were established in 2000 to provide unrestricted funding to domestic and international CSOs with which DFID has significant working relationships, a common ethos and vision, and matching priorities. A new and open competitive round of PPAs was launched in 2010 with a wide range of domestic and international CSOs successfully being granted three years of strategic support.

Box 13 – DFID's support to civil society: Ethiopia

DFID's Ethiopia programme has established the [Partnership Fund](#) to provide funding to civil society and government organizations that work together to help establish good governance and combat poverty through the development and safeguarding of justice and human rights. The fund has supported several projects – including, for example, an initiative from Prison Fellowship Ethiopia (PFE), the leading Ethiopian civil society organization working on prison reform, to improve conditions for prisoners and to encourage them to demand their rights. With support from the Partnership Fund, PFE has helped to improve prisoners' welfare: it lobbied successfully for an increase in prisoners' daily food allowance and worked to improve basic services in the country's prisons. Prison officials have received human rights training and PFE has raised prisoners' awareness of their rights and encouraged them to demand them.

For further information

Civil Society Department

Website: <http://www.dfid.gov.uk/what-we-do/who-we-work-with/civil-society/>

Contact person: Roy Trivedy, Head of Civil Society Department

Email: r-trivedy@dfid.gov.uk

4.11. The United States

The United States Agency for International Development (USAID) defines civil society as the independent, non-governmental realm of citizen activity.²¹ Civil society is seen as crucial in ensuring citizen participation, association and expression. It can help transform non-democratic countries through informing public opinion, mobilizing constituencies for reform and engaging government and political parties in policy debate. In post-conflict situations, civil society can encourage reconciliation, represent citizens' concerns and promote transparency and good governance in the reconstruction process. Civil society also plays a vital role in filling gaps in the delivery of essential services and responding to humanitarian needs, while providing access to health, education, agriculture and economic development services and opportunities.

Civil society is a key partner of USAID across development sectors and geographic regions. USAID seeks to work more closely with local civil society actors through the new Implementation and Procurement Reform Initiative (IPR). Through IPR, the Agency will establish new partnerships with civil society actors, focusing on local capacity development and improved aid effectiveness and sustainability. Specifically, the Agency plans to:

- Work closely with implementing partners to ensure that all programs focus on strengthening the capacity of local entities
- Build into implementing partners' agreements metrics to achieve capacity building objectives
- Increase the number of partners and the percentage of total funding through direct grants with local non-profit organizations. A targeted 1,000 local partners will receive support by 2015.

“Supporting civil society is central to USAID’s development mandate. Over 41 per cent (more than \$5 billion per year) of USAID’s obligations go to international and local NGOs to implement our foreign assistance programs. In addition to this funding for implementation, USAID supports a number of projects with the explicit goal of strengthening civil society. Last year alone USAID spent over \$300 million on core civil society strengthening programs to improve NGO organizational capacity, advocacy skills, and networking.”

Dr. Rajiv Shah, USAID Administrator, February 2011

USAID actively engages civil society in each bureau, office and regional mission. Each country-level office elaborates a country development and cooperation strategy that, among other strategic considerations, outlines the goals and means for engaging local and international civil society.

Funding mechanisms

A large portion of USAID’s support to civil society is programmed by field offices. In Russia, for example, 40 per cent of the total country-office program funding is

²¹ For operational purposes, USAID uses the term ‘private voluntary organization’ (PVO). PVOs can be further categorized as US PVO, international PVO (IPVO) and local – or indigenous – PVO (LPVO).

directed to local CSOs. In general, USAID has not participated in pooled funding arrangements; however, there have been exceptions. In addition to providing direct international and local funding to CSOs, many USAID contracts include a ‘grants under contract’ component in which the primary project implementer issues sub-grants to international and local CSOs.

Alongside country-level programming, USAID employs several centrally funded umbrella grant mechanisms that support CSOs. Some of these mechanisms are described in detail below.

1. Office of Democracy and Governance, Civil Society and Media Division

The Civil Society and Media Division of the Office of Democracy and Governance provides leadership and support on civil society and media issues to USAID Missions (field offices) and Bureaus, other U.S. Government entities and the wider foreign assistance community. The division manages a number of global initiatives in support of civil society. A few examples include:

- **Global NGO Legal Enabling Environment Program (LEEP)**, which provides technical assistance to assess the legal environment for civil society, conduct analysis and make constructive recommendations in response to potentially restrictive legislation and to opportunities for favourable legal and regulatory reform. In addition, a research fellowship component and a field-based research component seek to strengthen local capacity in this area.
- **Global Civil Society Strengthening Program (GCSS)**, which aims to strengthening civic engagement, advocacy and public dialogue between government and citizens and includes technical leadership activities aimed at enhancing the capacity of USAID and identifying stakeholders to promote civil society worldwide. USAID field offices use this umbrella mechanism to design and provide multi-year grants to support local civil society actors and achieve broader development objectives.

2. Office of Private and Voluntary Cooperation

Since 1976, the USAID [Office of Private and Voluntary Cooperation](#) has offered funding opportunities and capacity-building to U.S. and local PVOs to partner with USAID in service delivery for development and humanitarian assistance worldwide. Unlike U.S. and international PVOs, local PVOs do not need to register with USAID to be eligible to compete for development assistance under OTI mechanisms. Organizational and technical capacity-building are integrated as critical components of these field programmes to strengthen the effectiveness of partner organizations as development actors.

A flagship programme in the office is the [Development Grants Program \(DGP\)](#). The DGP was established by Section 674 of the Consolidated Appropriations Act of 2008 to foster direct grant relationships between USAID and US PVOs and local NGOs that have limited experience with USAID partnerships. Since FY 2008, annual appropriations of approximately \$40 million fund the DGP, which provides grants of up to \$2 million to eligible PVOs and NGOs through a competitive process. A key component of the DGP is to enable grantees to develop their organizational and technical capabilities. USAID aims to create stronger, more flexible and more sustainable organizations that can rapidly respond to the evolving needs of those they serve. Organizations that receive DGP awards have access to customized capacity

development support to enhance their organizational and/ or technical capabilities. The nature of this support is determined through the USAID Missions' ongoing discussions with and assessments of DGP finalists.

Sectors supported to date in the DGP programme include microenterprise, water and sanitation, and adaptation to climate change. Through activities supported under these sectors, the DGP strengthens civil society by promoting transparent and accountable governance and fosters women's leadership capacity in areas such as economic self-reliance and natural resources management.

3. Office of Transition Initiatives

USAID's [Office of Transition Initiatives](#) (OTI) helps local partners to advance peace and democracy in priority countries in crisis. OTI works closely with national and international civil society groups to preserve political space and advance positive change in the midst of political transitions. OTI identifies issues that positively influence transition and funds CSO activities that spark or reinforce broad-based change. These themes are reflected in its programmes, from combating violence against women through local civil society groups in Darfur to combining humanitarian relief with ethnic reconciliation in Sri Lanka.

In its approach to grant-making, OTI seeks out promising new leaders and organizations in the host country that can become engines of reform and positive change. While these potential partners – fledgling non-governmental organizations, informal student groups, local entrepreneurs and rural villagers, for example – demonstrate that they have the creativity and energy to make a difference for their communities, they often lack the capacity to effectively seek out and administer donor support. They also generally lack the accounting systems that donors require to ensure fiscal responsibility and reporting.

OTI sees the activity cycle itself as a training tool for marginalized groups to learn how to participate constructively. It encourages its programme staff to maximize the number of local citizens who participate in choosing a project activity and in the design, implementation and monitoring of an activity. As a result, local partner stakeholders who participate in generating ideas and implementing activities benefit directly from their participation and the grant's original objective.

4. Office of Conflict Mitigation and Management

USAID's [Office of Conflict Mitigation and Management](#) (CMM) provides analytical and operational tools to USAID Missions, development officers and programme partners to enable the Agency to better address the causes and consequences of conflict through its development assistance programming. CMM works closely with civil society groups to identify and analyse sources of conflict and to support early responses to address the causes and consequences of instability and violent conflict. CMM's primary engagement with CSOs is through an Annual Program Statement for Peace and Reconciliation Programs, which provides relatively small grants to local NGOs and CSOs globally working on people-to-people conflict mitigation programmes.

CMM also engages with CSOs as part of their technical leadership and outreach activities, primarily to share research and learning with implementing

partners and to gather valuable information and perspectives provided by on-the-ground CSOs working in conflict-sensitive environments. CMM has also produced guidance on working with CSOs and local communities through its [toolkit series](#), most notably the toolkit on [community-based development](#).

Box 12 – US support to civil society: Iraq

The [Iraq Civil Society and Independent Media Program](#) (2004-2007) is supported by USAID and implemented by the [America's Development Foundation](#). The programme is aimed at fostering participatory and democratic governance in Iraq by strengthening civil society's role in the country's economic, political and social development. It builds the capacities of Iraqi CSOs working for social, economic and political reforms. At the provincial level, the programme is an essential partner for the Provincial Reconstruction Teams, providing the necessary link to civil society and effective citizen participation. At the local, regional and national levels, ICSP supports networking, coalition-building and advocacy among Iraqi CSOs to influence decision-making on key public policies and the building of effective mechanisms for citizen participation in democratic governance. Special attention is given (through training, technical assistance and grants) to CSOs active in anti-corruption, women's advocacy, human rights and civic education.

For further information

Civil Society & Media Division, Office of Democracy and Governance, USAID
1300 Pennsylvania Avenue, N.W., Washington, DC 20523, USA
Contact person: Claire Ehmann
Tel: +1-202-712-1892
Email: cehmann@usaid.gov

4.11.1. The Middle Eastern Partnership Initiative

An increasing portion of US development assistance is delivered outside USAID. One particularly relevant example for civil society is the [Middle Eastern Partnership Initiative](#) (MEPI), a flagship initiative part of the [Bureau of Near Eastern Affairs](#) within the U.S. Department of State that is managed through two Regional Offices in Tunis (Tunisia) and Abu Dhabi (United Arab Emirates). MEPI is the primary US Government tool for civil society support in the countries of the Middle East and North Africa (MENA). It works in every country of the MENA region except Iran.

MEPI is unique in that it deals not with governments, but exclusively with civil society (including academic institutions) and the private sector. Although some of MEPI's projects engage government participants or government institutions, MEPI works primarily with civil society through implementing partners based in the United States and in the region. MEPI does not provide funds to foreign governments and does not negotiate bilateral assistance agreements.

The initiative supports civil society through training, organizational development, networking and direct grants that expand the impact of local activists. MEPI also supports civil society participation in the G8 Broader Middle East and North Africa (BMENA) Forum for the Future, which brings together governments,

civil society and the private sector to discuss, develop and advance a shared agenda for regional reform.

MEPI works in partnership with civil society organizations, the private sector and governments in the MENA region on a wide variety of issues. Through grants and cooperative agreements, MEPI forges partnerships between civil society organizations in the United States and the Middle East to pursue joint endeavours and provides financial support for activities in education, advocacy, civic engagement, technical training and organizational development. MEPI uses three principal mechanisms to carry out its mission:

- region-wide and multi-country projects
- country-specific projects
- local civil society grants

Local grants represent more than one half of MEPI's total projects. They provide direct support to indigenous civic groups, engage US embassy staff directly with civil society in their host countries and reflect President Obama's call for partnership with the region's citizens. Local grants build institutional capacity, expand civil society and facilitate reform at the local level.

Box 13 – Example of MEPI support to civil society: Tunisia

On March 22, 2011, MEPI [announced its plan](#) to support the Tunisian people as they build the democratic political institutions necessary for positive change and a prosperous future. MEPI's plan includes \$20 million in assistance to Tunisian civil society as Tunisians lead the country through this historic transition.

A number of projects are underway to address a wide range of issues, including support for the electoral process, engaging Tunisia's youth, protecting and respecting human rights, fostering economic opportunity and using media to promote change. These include: building the capacity of Tunisian actors on economic and social rights; using media to promote women's image in Tunisia; strengthening civic engagement and supporting electoral management; developing local expertise concerning elections; promoting youth participation in politics through radio; and training civil society in new media techniques.

ADDITIONAL RESOURCES

Civil Society and Aid Effectiveness, a Synthesis of Advisory Group Regional Consultations and Related Processes, World Bank, 2007:
<<http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1208545462880/AG-CS-Synthesis-of-Consultations.pdf>>.

Civil Society Strategies and Movements for Rural Asset Redistribution and Improved Livelihoods, UNRISD, 2000-2003:
<<http://www.unrisd.org/80256B3C005BB128/%28httpProjects%29/5C8DC3DE789E4C80256B5200551D3D?OpenDocument>>.

Development Database on Aid Activities: CRS Online, OECD, 2010:
<http://www.oecd.org/document/0/0,2340,en_2649_34447_37679488_1_1_1_1,00.html>.

Reducing Poverty by Tackling Social Exclusion: A DFID Policy Paper, DFID, 2005:
<<http://www2.ohchr.org/english/issues/development/docs/socialexclusion.pdf>>.

Tackling Exclusion: Donor Approaches and Cross-Cutting Practices, GSDRC, 2010:
<<http://www.gsdrc.org/go/topic-guides/social-exclusion/tackling-exclusion-donor-approaches-and-cross-cutting-processes>>.