WORKING WITH CIVIL SOCIETY IN FOREIGN AID

POSSIBILITIES FOR SOUTH–SOUTH COOPERATION ?

Australian AID

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ACKNOWLEDGEMENTS

As author of this study, I am very grateful to UNDP China for the opportunity to develop the overview of the experience of CSOs in the delivery of aid. I have benefited greatly from the advice of staff in shaping the scope of the study and a careful reading of earlier drafts. I want to thank them for their kind and generous assistance. It is based substantially upon research commissioned by UNDP China that was completed in September 2012 and updated in June 2013.

The intention of the study is to reflect on the complexity of CSO relationships in aid delivery, while drawing attention to key trends and issues. In organizing the original research I have had the pleasure of collaborating with researchers and consultants in several countries. They provided invaluable background

through detailed case studies. Information and perspectives gained from these cases form an integral part of the study. But they can also be read as stand-alone documentation. The following consultants made contributions:

United States Case Study: Carolyn Long,
Independent Consultant

Sweden Case Study: Pontus Modéer and Henrik Alffram,
Consultants, Rightshouse, Sweden

Australia Case Study and the INGO Case Study: Bill Morton,
Independent Consultant

As coordinator for the research, I prepared the Brazil and Turkey case studies, as well as some brief notes on India, South Africa, Republic of Korea and the Czech Republic. These case studies were based on available documentation and selected interviews with key informants. I want to thank them for their time and insights.

Of course, I alone am responsible for the study's summary conclusions and synthesis of the documentation. Also, I take full responsibility for any errors or misinterpretation of information.

Finally, I would like to say that this research has been a pleasure. In creating a synthesis of key elements of relationships between donors and CSOs, I hope that I have been able to point to some modest lessons. They are offered in the spirit of furthering dialogue between Southern civil society and aid-providers as new directions and policies for South-South development cooperation (SSC) are considered in the coming months and years. My understanding of SSC has been enriched by discussions with Southern researchers, informants and government officials. I want to thank UNDP China for the opportunity that made this possible.

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CONTENTS

3

ANNEXES

CASE STUDIES

ABBREVIATIONS AND ACRONYMS

ABC	Agência Brasileira de Cooperação (Brazilian Cooperation Agency)
Abong	Associação Brasileira de Organizações Não Governamentais
ACFID	Australian Council for International Development
ACORD	Agency for Cooperation and Research in Development
ACP	African, Caribbean and Pacific
ANCP	AusAID CSO Cooperation Program
ARF	Africa Renaissance and International Cooperation Fund
AVID	Australian Volunteers for International Development
BRICS	Brazil, Russia, India, China and South Africa
CA	Cooperative Agreement
CAW	Commission on the Advancement of Women
CDO	United States cooperative development organization
CEE	Central and Eastern Europe
CONARE	National Council for Refugees
CPA	Country Programmable Aid (DAC calculation of aid accessible to partner countries)
CSO	Civil society organization
CzDA	Czech Development Agency
DAC	Development Assistance Committee
DAP	Direct Aid Program
DCD	Development Cooperation Directorate at the OECD servicing the DAC
DESC	Development Effectiveness Steering Committee
DFID	United Kingdom Department for International Development
DPA	Development Partnership Administration
DPG	Development Program Grant
EDCF	Economic Development Cooperation Fund
EU	European Union

FAA	Foreign Assistance Act of 1961
FAO	Food and Agriculture Organization
FBO	Faith-based organization
FOG	Fixed Obligation Grants
FoRS	Czech Forum for Development Cooperation
FRII	Swedish Fundraising Council
GNI	Gross national income
HLF4	Fourth High Level Forum on Aid Effectiveness (Busan, Republic of Korea)
HPA	Humanitarian Partnership Agreement
IATI	International Aid Transparency Initiative
IBSA	India–Brazil–South Africa Dialogue Forum
ICNL	International Center for Not-for-Profit Law
ICVA	International Council of Voluntary Agencies
IDEA	Office of Innovation and Development Alliances
IDRC	International Development Research Centre
IHA	International humanitarian assistance
INGO	International non-governmental organization
IPEA	Instituto de Pesquisa Econômica Aplicada
IRD	International Relief and Development
IWDA	International Women's Development Agency
KCOC	Korea NGO Council for Overseas Cooperation
KoFID	Korea Civil Society Forum on International Development Cooperation
KOICA	Korea International Cooperation Agency
KYM	Kimse Yok Mu
LGBT	Lesbian, gay, bisexual and transgender
MDG	Millennium Development Goal

MFAN	Modernizing Foreign Assistance Network
MINUSTAH	United Nations Stabilization Mission in Haiti
NGO	Non-governmental organization
NPOs	Non-profit organizations
OCHA	UN Office of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation of Economic Co-operation and Development
OFDA	Office of Foreign Disaster Assistance
PEPFAR	President's Emergency Program for AIDS Relief
PNAE	National School Feeding Programme
PRONAF	National Programme for Strengthening Family Farming
PVC	Private and Voluntary Cooperation
PVO	Private Voluntary Organization
RFA	Request for Application
RFP	Request for Proposals
SADPA	South African Development Partnership Agency
SAS	Small Activities Scheme
Sida	Swedish International Development Cooperation Agency
SMC	Swedish Mission Council
SSC	South–South cooperation
TIKA	Turkish International Cooperation and Development Agency
TUSEV	Third Sector Foundation of Turkey
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
USGLC	United States Global Leadership Campaign
WFP	World Food Programme

EXECUTIVE SUMMARY OF KEY LESSONS

The United Nations Development Programme (UNDP) 2013 Human Development Report 'The Rise of the South: Human Progress in a Diverse World' highlights a profound shift in global dynamics.[i] It draws attention to unprecedented developments in the South and their implications for human development. The impact of these changing dynamics on the global economy and politics will shape the future of development in many parts of the world. Building on this report, and responding to a request from the Chinese Academy of International Trade and Economic Cooperation (CAITEC), this study looks more closely at the implications of the 'rise of the South' for South–South cooperation (SSC) for development. Specifically, the focus is on the sometimes neglected roles — current and potential — for Southern civil society organizations (CSOs) in SSC.

As countries become increasingly involved in SSC for development, many are considering approaches that expand relationships with CSOs in their aid programmes. This study reviews the experiences of official development assistance (ODA) and the roles of CSOs in the traditional donor countries of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) and a selected number of South–South aid-providers as a potential resource for policy discussions. It attempts to draw out some common themes and possible good practice in partnerships with CSOs.

The book is structured in two sections. The first part draws together lessons learned from the experiences that DAC donors and South–South aid-providers have in working with CSOs as part of their development cooperation in aid delivery. It seeks to highlight good practices and relevant issues from the perspective of SSC actors that are possibly planning to engage CSOs in the future. The second part of this book is a collection of more detailed case studies from the USA, Australia, Sweden, Brazil, Turkey and a few other South–South aid-providers. There is also a case study on working with international NGOs. The case studies provide country-specific in-depth knowledge on the experience of these countries in engaging CSOs in the delivery of their aid. The overall aim of the book is to provide a useful resource for different development actors by suggesting ways to engage civil society in their development policy and cooperation.

Rather than provide a detailed summary of the background and themes elaborated in the study, the executive summary points to several lessons derived from the long experience of cooperation with CSOs by traditional donors in their aid programmes. Some of these experiences and practices might be relevant for SSC assistance-providers as they consider how to engage civil society in their delivery of development assistance.

*See **Chapter 2** on the growing scope of CSOs in global aid delivery and **Chapter 3** on the CSO landscape in development.*

DAC donors' relationships with civil society have a long and rich history, with both challenges and advances for development cooperation. It should not be simply translated and applied as 'the model' for middle-income countries engaged in SSC. This

experience is not only highly diverse and complex; it is also based on a North–South, donor–recipient paradigm. It is essential that SSC engages civil society in ways that take account of the articulated principles and approaches of SSC — strengthening capacities for self-development, implementing principles of country ownership, equality and mutual benefit, and adjusting the development experience of the SSC assistance-provider to actual conditions in partner countries.

Equally important is an understanding that CSOs interested in SSC are not merely instruments that government uses in aid delivery. CSOs are themselves independent and voluntary organizations, each with their own mandate and guiding principles, accountable to their own constituencies — the people they represent — and governed by the laws of the country in which they work.

Despite its challenges, government collaboration with CSOs in the context of SSC can be highly enriching. CSOs bring a wealth of diverse development experience that can be an invaluable resource for broadening and deepening the reach of SSC in partner countries. CSOs can implement on-the-ground aspects of development cooperation particularly well — for example, in humanitarian assistance, in working directly with poor people in the social sectors, or in strengthening practices and accountability for development cooperation efforts. Including CSOs in development cooperation creates domestic awareness of global issues, and engages important domestic constituencies in concrete expressions of global solidarity. For an effective relationship between government and CSOs within SSC, it is important to establish clear areas of common purpose and objectives based on comparative advantages of each actor and on the developing-country context.

Even with considerable variation between different country contexts, there are some key lessons from DAC donor practice which countries involved in SSC may find relevant as they develop their own partnerships with CSOs. The review undertaken as part of this research of several countries that provide resources for development cooperation suggests the

following five important areas that may be of most relevance to SSC-providers as they consider the roles of CSOs in their development cooperation efforts:

1. DEFINING THE INCLUSION OF CSOs IN OFFICIAL POLICIES FOR SSC

Policy processes currently underway in SSC-providing countries can potentially be good occasions to consider opportunities, sectors and modalities for including CSOs in development cooperation in a way that is consistent with the principles that define SSC. These policies should reflect on the particular experience that CSOs could bring to SSC — effective humanitarian responses, working directly with poor people in social sectors, or holding all development actors to account for development outcomes.

*See **Section 3.3** on roles of CSOs in development cooperation and **Chapter 5** on donors' rationales for working with CSOs.*

Such policies may include:

i. a rationale for working with CSOs;
ii. eligibility criteria for CSOs for collaboration;
iii. expected modes of collaboration;
iv. overarching criteria for selecting CSOs for partnerships;
v. transparent processes for determining programming priorities with CSOs; and
vi. conditions for policy dialogue and periodic review of SSC policies.

Defining appropriate funding modalities is an essential aspect of policies for engaging with CSOs. The development assistance provider is rightly concerned with compliance with contractual terms and fiduciary accountability for finance channelled to CSOs. Nevertheless, DAC donors' experiences suggest that an equally important consideration should be the **choice** of the appropriate funding modality in terms of the shared objectives of

*See **Chapter 6** on the advantages and disadvantages of different funding modalities and the impact of these different funding modalities on the effectiveness of partnerships with CSOs.*

the partnership. As detailed in Chapter 6, each modality will have different implications for the relative capacities of CSOs to effectively achieve **and sustain** the agreed development outcomes of the partnership. The experience of traditional donors' funding modalities points to the importance of a diversity of funding modalities according to defined purposes of engagement. These modalities can vary between non-competitive project finance, call-for-proposal mechanisms, core institutional support or standing offers for humanitarian assistance.

The evidence suggests that no set of funding regulations in a particular modality reduces fiduciary risk any better than any other. Addressing fiduciary risk must be seen as a holistic exercise. Measures can be built into eligibility requirements for CSO partners and into the terms of the contractual regime. Nevertheless, the conditions of a particular modality can significantly affect the capacities of CSOs to maximize development outcomes on the ground. Small organizations might benefit from a project modality in which outcomes are geared towards specific local grass-roots benefits. Core institutional support for larger organizations, on the other hand, provides the flexibility, capacities for diverse partnerships on the ground, and the potential reach to maximize the scale of shared objectives of the aid-provider and the CSO.

Possible South–South funding modalities for CSOs might consider the following factors:

i. maximizing responsiveness to local CSOs;
ii. providing technical and financial resources to build on-the-ground CSO capacities;
iii. allowing programmatic flexibility and accountability, with more local control to guide work on the ground; and
iv. developing a sustainable partnership, not only a funding relationship.

2. CREATING AN ENABLING ENVIRONMENT FOR CSOs TO ENGAGE IN SSC

The legal environment for CSOs has evolved differently in each country. As independent actors in development, it is particularly important that CSOs have a clear and transparent legal framework within which to structure both their domestic work and their participation in SSC programmes. To assure maximum effectiveness, this legal environment should allow for a variety of SSC relationships with diverse stakeholders. It is important that regulations governing the operations of CSOs allow for both direct partnerships with aid-providing governments and for direct partnerships with other CSOs. The latter are often essential to many CSO roles in capacity development or strengthening accountability. South–South assistance-providers may consider developing a strong foundation of knowledge of the legal and regulatory environment for CSOs in partner countries. This way they can be assured that they are not undermining the enabling conditions for CSOs in these countries.

*See **Section 3.5** on the legal environment for CSOs.*

3. STRENGTHENING KNOWLEDGE AND CAPACITIES OF CSOs IN BOTH THE PARTNER COUNTRY AND THE ASSISTANCE-PROVIDING COUNTRY

In developing partnerships for SSC, neither CSOs nor funders should assume that all the skills required for effective development cooperation work overseas parallel those honed within their domestic context. Some important areas of capacity strengthening for effective collaboration between CSOs and governments in SSC might include: (i) analysing appropriate modes of conducting international cooperation; (ii) determining how best to establish mutually productive government–CSO partnerships; (iii) adapting approaches to the expressed needs of partners on the ground; (iv) understanding the unique cultural

*See **Section 3.4** on CSO partnerships, **Section 3.7** on CSO coordination and working through coalitions, and **Section 6.4** on modalities of direct donor support for CSOs in developing countries.*

or political realities in partner countries; and (v) working equitably with counterparts in other countries.

Similarly, assistance will be more effective if there is a good understanding of the current capacities and orientations of CSOs in partner countries. A mapping of the strengths and vulnerabilities of major CSO actors (in both partner and SSC-providing countries) may be a useful tool to identify CSOs and appropriate conditions for partnerships.

4. BUILDING TRUST

See **Chapter 4** *on CSO accountability and transparency.*

CSOs in developing countries have a variety of relationships with local and national governments, ranging from overt or hidden tensions to healthy cooperation and collaboration. These relationships are very context-specific, a function of many social, political and historical factors. Where there is little previous experience, an initiative to collaborate in SSC is likely best advanced through a step-by-step process. It will be one in which the SSC assistance-provider and the CSO build knowledge and trust of each other, perhaps initiated through pilot projects that test capacities, working relationships and institutional effectiveness. This initial space can be used to gather information and ideas on innovative ways of working. It can also in the future lead to more long-term collaboration.

5. CREATING SPACE FOR POLICY DIALOGUE AND LEARNING BETWEEN CSOs AND ASSISTANCE-PROVIDING INSTITUTIONS

Ongoing policy dialogue is an essential ingredient for developing trust and knowledge across different partnerships for SSC. Development cooperation is inherently risky, with many dilemmas and knowledge gaps on the part of all development actors. All actors, including governments, benefit from a forthright exchange of experience in elaborating policies, priorities and different approaches to achieve development outcomes. A great deal of this knowledge resides in the CSO community, in both the partner and assistance-providing countries. CSO coalitions and country platforms are ideally suited to facilitate government engagement with a diverse and broad range of CSOs that might not be easily accessible to government otherwise. Unfortunately, the current reality in many partner countries is that to date there seems to be limited space and little experience in government engagement with domestic CSOs. SSC involving CSOs may be an avenue for encouraging more collaboration between governments and CSOs for greater development benefits.

Partner-country governments, DAC donors and SSC assistance-providers have been working to clarify the principles that guide their development cooperation. The volume and ways of doing SSC are growing significantly each year. Perhaps the time has come to consider how to translate the experience of CSOs, long considered only as recipients of aid, into productive and responsible roles in SSC.

*See **Chapter 7** on CSO policy dialogue with government and **Chapter 8** on relationships between CSOs and developing-country governments.*

i   UNDP, 'Human Development Report 2013. The Rise of the South: Human progress in a diverse world', United Nations Development Programme, New York, 2013. http://hdr.undp.org/en/reports/global/hdr2013/