

Excerpt from:
“Joint Evaluation of Civil Society Engagement in Policy Dialogue”
Second DRAFT Synthesis Report

6. Lessons on CSO engagement

6.1. Introduction

The purpose of this section is to draw out the principle lessons learned from the country studies and the findings of the Global Workshop. Its further aim is to consider what CSOs and the other main actors will or can do differently to improve beneficial outcomes from the policy engagement process. The study highlights the need for CS engagement beyond representational politics to influence both the formulation of policy and the way it is implemented. CSOs have the advantage over elected representatives of having long term perspectives, beyond five year terms of office, as well as more nuanced understanding of diverse CS opinion beyond majority-driven issues. CSOs may represent a wide range of constituencies and provide a conduit for influencing policies. As a group, they may be able to better appreciate the needs of the population as a whole, as well as the needs of minorities and minority issues. Aside from the support they may or may receive from their governments, CSOs are at present the beneficiaries of a highly-supportive international community (although DP policies do change).³⁸ The way CSOs operate and the potential that exists for influencing policy varies greatly from context to context (between countries and within countries) so that this variation and diversity should be borne in mind in interpreting the lessons presented here.

6.2. Lessons learned

The enabling and constraining elements of the environment: These are the principal factors in CS engagement. In both 'successful' and less successful case studies it is clear that this has been insufficiently recognised in developing strategies for CS engagement. There was insufficient careful analysis of the power relations, the operating environment and potential for alliances in the way CSOs mounted their campaigns and attempted engagement. Even the diverse and impressive alliances built around the domestic violence legislation in Mozambique and Uganda failed to fully address issues of power relations. The case studies have shown that very different approaches are needed depending on whether the issues are a shared public good or evoke polarised positions, or appear to threaten government positions.

Right to initiative and policy dialogue themes: The study has shown that issues which have been identified and championed by CSOs themselves have led to committed and sustained action and a higher chance of success than those initiated externally. The primary education in Bangladesh and the two domestic violence cases from Uganda and Mozambique show how indigenous movements grew from initial exposure to international meetings and then took many years to build alliances and support for change in policy. In contrast the 'participation by command' approach of the Poverty Observatories in Mozambique has been disappointing. The passion inspired by local initiatives around local priorities is critical to achieving policy dialogue outcomes and cannot be artificially created.

Whose themes? The study has pointed out the concern regarding the dominance of DP themes in policy dialogue which may not necessarily reflect the CS priority needs, but there is also a problem with CSOs assuming they have a 'right' over determining priority needs. Not all themes pursued by CSOs are priorities. This may be in part a consequence of 'chasing resources' but it is also a result of the lack of connectedness to the policy dialogue priorities of people living in

³⁸ "We will deepen our engagement with CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector. We share an interest in ensuring that CSO contributions to development reach their full potential". Source: Section 20; Accra Agenda for Action, September 2008

poverty. In Mozambique it was noted that some CSOs seem to act as if they were independent bodies and that in Uganda CSOs were poor at communicating with their members although this appears to be improving. Food security and the displacement of agricultural production by other land uses in Bangladesh is a major issue for ordinary people yet there is little or no advocacy action in this regard. The food riots in Mozambique were the result of ordinary citizens taking to the streets in protest over food prices, but where were the CSOs to take up the cause and on-going work in this area? Why have the land rights issues of the Adivasis in CHT been left to under-resourced indigenous CSOs and a handful of advocates outside the country to champion their cause, and not national CSOs? CSOs are often concentrated in capital cities where most policy dialogue takes place, and their spokespersons may not have recent and direct connection with grassroots reality. In all three countries the study noted that elites with social connections and command of the language of policy dialogue occupy *invited spaces* but do not necessarily represent the issues of ordinary people.

CSOs lack the human resource capacity: A lack of CSO capacity for policy engagement undermines their credibility. While there were exceptions and differences between countries, the study found that in the majority of situations, CSOs lacked the human resource capacity, skills and experience to successfully engage in policy dialogue. This is particularly true outside of the capital or regional centres. There are few opportunities for CSOs to acquire and improve on these skills within most developing country situations. DPs meanwhile have high expectations of the ability of CSOs to take policy processes forward without necessarily recognising the need to include capacity building and concomitant equipment provision (in particular communication technology) as an integral part of the support provided.

Financial resources need to be fit for purpose: The study confirmed that advocacy and other related policy dialogue work does not generally require a high level of financial resources but that elements such as research studies and monitoring of implementation of a particular policy, particularly where it requires data collection and travel (in cases of land grabbing, impact of dam construction, forestry etc.) and forging useful strategic alliances, can be costly and that these costs are wrongly categorised as administrative costs when they are legitimate activity costs.

Coalitions and Networks not a panacea, but have been shown to increase effectiveness: The formation of platforms, coalitions and networks can strengthen the effectiveness of CSOs both for the individual members, giving them greater confidence than when working individually, as well as providing more work opportunities and revenue. They provide opportunities for knowledge sharing and for increasing the influence of the CSO when part of a network as both status and visibility is enhanced. Networks on the other hand need managing; means of information dissemination need to be worked out; coordination needs to be improved and an organisation needs to be identified which can take a lead. There are real costs involved and a danger that too many resources are tied to developing systems of co-ordination and organisation and less to action and influence. Networks often suffer from in-fighting and leadership fatigue which make them ineffective over time. There are also examples of networks being co-opted by politicians so that they lose their real constituency. *Networking* has been seen in the study to be more important than the establishment and operation of networks.

Empowering those directly affected: A number of the case studies have pointed to the importance of empowering groups to assume their own agency for influencing policy change. CAMPE in Bangladesh recognises that to ensure compliance to the new education policy, teachers unions, parent teachers associations and school management committees as well as education watchdog committees need to be empowered to hold government to account. This has already begun in forest management in Uganda, where CSOs at the national level are re-focusing their efforts towards empowerment of local CBOs coupled with engagement with local government and political bodies to address sustainable forest management issues. Put simply a

change in policy at national level does not imply it will be implemented and Uganda is a case in point where otherwise ‘model’ policies are simply ignored by those in positions of power when it suits them. The strategy for LG policy dialogue in Bangladesh has shifted from the ineffective efforts of direct action by NGOs to facilitating LG Associations of elected representatives to advocate for themselves and build support for this in their own constituencies.

Legal provisions for participation do not necessarily work: Progressive laws on participation which mandate citizen participation in local decision-making have been enacted in Bangladesh, but this will not happen unless people feel able to claim the space and are helped to do this productively. The mandated space for engagement in Mozambique district planning and budgeting processes has not been successful as it has been subject to manipulation and was never properly resourced.

Collaboration with the media: The media, particularly electronic media considering its rapid growth in numbers and access, as well as the growing audience appetite for radio or TV ‘talk shows’ and interactive programmes provides a ready-made ‘advocacy opportunity’ which CSOs are now exploiting. With the increasing confidence of the press Media itself is becoming increasingly proactive in all the study countries as illustrated in the case of the Mabira Forest issue in Uganda, where the media deliberately sought out CSOs to work with them to frustrate the government’s plans for selling off parts of the forest. In Bangladesh media took the initiative to print the proposed new education policy and mounted on-line and SMS based surveys to gauge reaction to elements of the policy.

Governments use CSOs to achieve legitimacy Governments have been shown in this study to use CSOs to gain legitimacy for their policies. This joint relationship while genuine and appropriate in many situations is deeply flawed in others if CSOs become co-opted onto roles which satisfy the perception of dialogue and consultation, without actually changing or influencing policy. CSOs themselves recognise their limitations in changing the Government/CSO relationship and have indicated that DPs could help build mechanisms for institutionalising and regularising frameworks for such relationships particularly for engagement on ‘sensitive’ issues such as corruption.

Document cases and provide evidence: Evidence-based research was found to be a key entry point strategy for CSOs engaging in policy dialogue. Well researched, valid and robust information is a scarce resource in many advocacy strategies. There is a dearth of independent research and evidence on which to base sound advocacy strategies. Sometimes such research is sought by government agencies and by politicians who do not themselves have the resources to conduct surveys or evaluations or do not want them dismissed as politically biased. In Bangladesh, CAMPE's annual Education Watch studies and Ugandan CSO research in forest management were both highly regarded and referenced in government policies and practice. It follows that strengthening the capacity of CSOs to systematically generate such information can both raise a CSO’s profile and build cases for policy change.

CSOs need a high level of professionalism and more transparency: Consistent with the need to be able to provide evidence-based reports to support their cause, CSOs need to achieve a high level of professionalism individually and in terms of the governance standards of their organisations. CSOs often seek to take the ‘moral high ground’ when it comes to fighting corruption cases or in holding government accountable for its actions. But they do not necessarily have their own houses in order (as, for example, highlighted in the Bangladesh Transparency International report on NGO governance). The NGO Quality Assurance Certification Mechanism introduced in Uganda in 2006, is a self-regulatory process which is seen as a step on the right direction.

International Partnerships: The formation of international partnerships can also improve effectiveness of engagement and in some cases may be essential (e.g. CHT land rights issues).

Partnerships provide the increased opportunities for funding from DPs, the possibility of building the internal capacity of national CSOs through formal training, as well as through exposure to other ideas and ways of organising and managing CSO activity. Linkage with international champions of the CS community such as Better Aid and Open Forum would ensure that national CSOs are better informed about their responsibilities to DPs and obligations to their constituencies, as well as equip them to be more proactive in steering their relationships with DPs. CSOs should seek a role where they can first exchange with DPs on a level platform, where joint decisions can be made as to what to fund, and on what levels of documentation and accountability of costs and deliverables are required. This implies an improved framework for engagement, which in itself will need a consultation process.

7. Development Partners support to CSOs

7.1. Introduction

This section examines DP support to CS engagement in policy dialogue. It draws on the Scoping Studies conducted in each of the three countries (Bangladesh, Mozambique and Uganda) in late 2011 where the current portfolios of CSO support of the six DPs participating in the study were reviewed. It also draws on the nine policy process case studies undertaken (2012) and reported on in the three Country Reports which complement this Synthesis Report.

As noted in the methodology, the case studies were designed to review policy themes holistically rather than by DP intervention and so provided information on support derived from other sources beyond the participating DPs. This section assesses DP support strategies, channels of support and relevance, and how well it meets the challenges of the operating context and leads to effective outcomes.

It is recognised that different DPs have adopted their own approaches for support to CSOs underpinned by their own guiding and financing principles. This means that some of the statements within this section will not apply to all DPs whereas others are more generalised. Wherever possible the report notes exceptions, but as DP strategies are constantly evolving, this may not always reflect current practice.

7.2. Development Partner Strategies

All the commissioning DPs³⁹ endorse the principle of active participation of CS in development and support the Accra Agenda on Action for Aid Effectiveness (2008) pledge to “*support efforts to increase the capacity of all development actors—parliaments, central and local governments, civil society organisations (CSOs), research institutes, media and the private sector—to take an active role in dialogue on development policy and on the role of aid in contributing to countries’ development objectives*”. The rationale for support is embedded in the promotion of democratic principles and the role of CS in demanding accountability from the State.

There are four key accountabilities within and supporting the policy dialogue cycle⁴⁰ (which comprises policy formulation, implementation and monitoring (Section 1, figure 1.1) as follows:

- i. **Social accountability**; which is the responsiveness and performance of the state to citizens in terms of its ability to deliver quality public services and goods and to meet its obligations for the fulfilment of human rights. CS engagement involves influencing and monitoring of the country’s leaders, parliament, politicians, public officials and market actors and their performance and use of power in this regard.
- ii. **Transparency and financial accountability** includes the monitoring of public finances, the transparency of budgets and public audits and parliamentary oversight mechanisms towards more efficient and equitable use of public resources.
- iii. **Legal accountability and the Rule of Law** refers to the need to strengthen the rule of law and to ensure that there are proper mechanisms for redress and sanctions when there is malpractice.
- iv. **Political accountability** refers to the existence of a multi-party system providing a real choice for voters and the inclusion and diversity of political parties which confers the possibility for citizens to remove non-performing elected representatives through elections.

³⁹ As given in section 1.1 Introduction to the synthesis report

⁴⁰ Adapted from 'Guidelines The Swedish Embassy’s Support to Mozambican Civil Society Organisations, 2009

DP strategies address all of the above to a greater or lesser extent depending on their own priorities and the context in which assistance is given. In order to realise any of these accountabilities, both citizens and state must have access to information, have the capacity to exercise rights, meet obligations and demand these accountabilities. Social accountability, in particular, provides a measure of the desired outcome of the improved quality and equity in delivery of public services and contributions to the achievement of the MDGs, while the other three accountabilities relate more to the processes operating within the policy dialogue cycle which enable this outcome to be realised.

Despite the seemingly-common understanding of the rationale for support to CS engagement, in practice, DP support strategies differ depending on the particular priorities emphasised in their global development aid policies and which are also nuanced within different country contexts. The extent and nature of support given is dependent on the DP's domestic political climate and understanding of the roles played by CS within their own national context. Danida, for example, regards its commitment to policy dialogue as higher than other DPs because of the political support it enjoys. The country case studies all point to the need for a better and common understanding of the nature and role of active CS as a prerequisite to understand how best to support and not distort their natural dynamic and evolution. While harmonisation may exist in the language used by DPs describing the support to CS, the means adopted by different DPs suggests there remain gaps in mutual understanding.⁴¹

Furthermore, the imperatives of the Paris Declaration on Aid Effectiveness have led to DPs assuming that CSOs benefiting from their funding should also adopt the harmonisation agenda. This has led to an observed trend among DPs to have greater expectations than before of steering CSOs towards DP thematic priorities and official development policy. Whilst this is usually consensual, there are cases where the autonomy and independence of a CSO to define its own interests and sphere of influence may be compromised (see Box 7.1).

Box 7.1: Overriding the CSO 'right to initiative'

CAMPE is a national network comprising more than 1500 CSOs working in primary education which advocates for the tenets of *Education for All* in Bangladesh. It is well respected and has developed an effective and collaborative approach to working with government mostly in primary education. Its trusted reputation enables it to broker relationship between different education stakeholders including Teacher's Unions, private schools, Madrasahs, parents and students and different elements of government.

Its major funding from a DP was terminated this year. The letter explaining this noted: "*As we have communicated to you and your staff on various occasions over the last years, a continued support of CAMPE would only be possible under the condition of a very clear inclusion of the skills development issue.*" (this being one of the DP strategic priorities but is not yet a priority for CAMPE, which still has much to accomplish in primary education first).

A key rationale of DP support to CSOs in policy dialogue is to bring the voice of people living in poverty and other marginalised and vulnerable groups into the policy dialogue process, either directly or indirectly. The core comparative advantage which attracts DP support is the connectedness which CSOs are deemed to have with those who generally are excluded from policy dialogue. Support to CSOs recognises the need to mitigate the intrinsic dilemma that those most excluded are also more likely to be averse to associational

behaviour as they are more likely to be preoccupied with making ends meet and satisfying their everyday needs. This premise raises several important concerns; the representativeness of the CSO and the extent to which demands are really from the grassroots (see section 5.5).

⁴¹ A typical example of how DPs view CS differently is their take on volunteerism. Some DPs hold strong views about not providing monetary incentives for CS engagement ('*buying participation*') whilst others consider compensation essential.

To meet these concerns DP funding strategies have to be appropriate. Our interviews with staff of both participating and other DPs in the study suggest three major positive and encouraging changes in the way DP support strategies for CS engagement have developed over recent years:

- Increasing recognition and support to CSOs beyond traditional NGOs and CBOs to include activist groups, faith-based groups, professional associations, trade unions, not-for-profit media suggesting a more pluralistic approach to promoting public policy dialogue.
- Genuine efforts to introduce and test out different funding modalities more suited to the nature of policy dialogue work.
- Increasing recognition of the importance of working on both sides of the CS-state engagement process to nurture a readiness to engage and create structures and processes through which to engage (*invited spaces*).

DPs are supporting different strategies to advance CS engagement in policy dialogue which include supporting a wide range of CS activity (see Section 5) assisting governments to put in place measures to enable increased and meaningful engagement (from the establishment of Anti-Corruption Commissions to e-governance), tackling the situational hindrances to engagement with measures such as 'Right to Information' legislation and introduction of Citizen Charters and linking national CSOs with international discourse and solidarity.

7.3. Challenges in support to CS engagement

There are several challenges inherent in supporting CS engagement in policy dialogue which have not been fully accommodated in current funding modalities despite efforts and innovations introduced by DPs. These include:

Long time frames needed for change

The outcomes of policy dialogue are ultimately changes in attitude and behaviour of politicians and legislators as well as the enhanced social accountability (responsiveness and performance) of service providers. The Domestic Violence and Local Government case studies in Mozambique and Bangladesh respectively indicate that change took several decades. Most funding modalities have relatively short timeframes which are widely regarded as too short to achieve the ambitious targets often articulated in log frames, results frameworks and ToCs.

Non-linear process

Change resulting from engagement in policy dialogue is not a linear process. It is particularly vulnerable to changes in government and regime changes. The country case studies demonstrate how progress can be stop-start and how issues can be side-lined so that new ways to achieve change have to be developed to respond to the evolving context. In the Bangladesh local government case study, it was noted that attempts to promote public participation were initiated in the 1980s but successive governments routinely overturned legislation and provisions made by their predecessors. Tipping points were mainly achieved through the coming together of the experience of participatory approaches in government infrastructure programmes and the work done to connect citizens' voice to tax-paying and the women's movement promoting both the exercise of independent franchise and support to women elected representatives.

Unpredictable process

Opportunities to affect change often depend on the right moments which are not always predictable. Projects may fail to be flexible enough to respond to emergent opportunities. Much of the successful CS action in democratic governance depends on exploiting '*right moments*' when an issue is given high profile, a new government takes office, new '*invited space*' is provided or a

new law enacted. While some '*moments*' are predictable (e.g. national and local elections), others are largely serendipitous (e.g. the Caretaker Government in Bangladesh covered a two-year period which could not have been predicted. This provided a number of opportunities for policy development).

Passion fuels change

Related to the point above regarding '*right moments*', is the fact that '*agents for change*' are most effective when championing issues which they are passionate about and which are indigenously-driven. CS action to demand accountability and influence policy and practice works when citizens feel issues are crucial and significant. Pre-determined themes for support are often regarded as restrictive, often missing significant issues or seeming to impose external agendas. Furthermore, as time passes needs change and pre-determined themes may lag behind. In addition, different donors tend to identify similar themes in their global and country specific programmes creating paucity of funds for other badly needed areas.

Dissent challenges status quo

DP support is more easily directed at *invited spaces*, creating structures and platforms for engagement than supporting CS to *claim space*. DP strategies tend to support coalitions and network building supporting notions of like-mindedness and critical mass as pre-requisites for change. But change processes are propelled by pluralism, diverse voices and positions. As was eloquently noted in Bangladesh, "*What is the point of the converted talking to the converted in safe spaces?*" But dissent inevitably carries risk for CSOs and their DP support. It was particularly apparent in the Mozambique case study that any criticism of the Government was assumed to be 'Opposition-driven'. Overt criticism in most situations poses dilemmas, especially for INGOs and DPs whose presence is at the discretion of the Government, but it also creates problems and uncertainty for local CSOs which are mostly registered and controlled by their Governments. There is currently no satisfactory means for DPs to provide financial support to non-registered CSOs. Arguably the most powerful CS forces for change are not currently fundable because of these constraints and risks to the DP.

Policy engagement is relatively resource light

Many DPs have found themselves with bigger budgets and less manpower as a result of concentration in smaller numbers of focal countries or other re-structuring measures introduced to increase efficiency in aid delivery, particularly in the wake of the Paris Agenda on Aid Effectiveness (2005). The Case Studies confirm that many 'small fund' windows have been closed down in recent years and there is a growing preference for large-scale pooled funds. This is a serious setback to small-scale CSOs (and indeed CS (as opposed to CSO) processes which could be supported by discretionary small funds).

Whilst DPs report more funds being channelled to CSOs, those interviewed during the study, recognised that without appropriate disaggregation it is not possible to establish whether this translates into more funds for processes such as policy dialogue or is mostly taken up by service delivery and humanitarian assistance. The CSOs themselves indicate that the funds for 'soft' processes such as dialogue are diminishing and point to the demise of small CSOs championing very local or minority interests⁴². The increasing demand for demonstration of VfM has also tended to privilege service provision activity over process change which is still regarded as hard to measure. The desire to disburse large amounts with low transaction costs is blamed for the often heard concerns in all three case study countries that DPs '*love darling CSOs to death*', in other

⁴² Danida, by contrast, suggested to the study team that there are DP resources (supply) but not the CSO resources at country level to take these up (demand)

words place too much financial resources and expectations on a smaller number of CSOs beyond their absorptive capacities.

All these concerns mean that most conventional forms of DP financial support are considered by CSOs as not entirely satisfactory for policy engagement work as they are short term, insufficiently flexible and felt to be dominated by DP agendas. The view was shared by most of the DPs interviewed in this study and some good attempts to try to mitigate these constraints had been attempted e.g. core funding, innovation funds and flexible funds. However, it was widely agreed that financing modalities remain sub-optimal.

7.4. Channels for support

The study is not an evaluation of the different support modalities but rather attempts to compare funding modalities in order to draw out some lessons learned. Such comparisons are complicated by the fact that different DPs use different language to describe their different modalities, that these modalities are constantly evolving and DP respondents were not always clear themselves on the details of the modalities which determine their strengths and weaknesses. DPs are aware that funding modalities have not always been appropriate and are constantly refining these and experimenting with alternatives so this report may not adequately capture the full breadth of experience. Table 7.1 gives some definitions in an attempt to provide some clarity in comparing different funding modalities but is not necessarily comprehensive:

Table 7.1: Funding modalities; attempt at definition

Type of DP funding available for CS engagement	Description
Contracting	Donor mandated deliverables defined in contracts which are awarded to CSOs on competitive basis. Usually involve public calls for tenders and generally rather short term.
Direct grant (also called project funding)	Bilateral funding negotiated between the DP and CSO for specified results within thematic area as given in the DP Country Strategy. Usually defined by results framework or log frame and a short time frame (2-4 years). Fund recipients usually identified through relationship building but may be through calls for proposals. A variation involves several donors co-financing an agreed project.
Core Funding (also called Framework Agreements)	Grants made to organisations based on mutually negotiated outcomes which support the organisation as a whole (covering operating and development costs) rather than just project-related costs. Grant recipients have generally had long term relationships with the DPs before entering into this kind of agreement. More prevalent as an arrangement between domestic INGOs than with NGOs in aid recipient country
Funding through INGO intermediaries	Project-type funding provided by INGOs to local CSOs. The funding often originates through framework agreements or partnership funds sourced in their country of origin.
Joint Trust/Challenge Funds (sometimes called Pooled Funds)	Involves the establishment of a fund management system which can accept funds from multiple sources and disburse and manage these on behalf of the DPs, usually with a particular predetermined thematic purpose. The intermediaries may be INGOs, private management companies, networks or local foundations. Usually provide CSOs funding through projects but may contract services or may be able to provide core funding. Fund recipients usually identified through 'calls for proposals.'
Funding through DP intermediaries	Funds managed by another DP on the donors behalf e.g. UN managed funds.
Sector/budget support	Multi-donor direct Government support which may have earmarked windows for CS engagement. These funds for CSOs are generally channelled through government and managed through 'calls for proposals'.
Research and Innovation grants	Usually small grants operated by DP from Head Office or local Embassy/DP office and awarded on competitive basis.
Own mandated projects	DPs develop their own projects with short term technical expertise or through existing organisations to meet objectives derived from their own country strategies.
Small project windows	DPs manage facilities for small grants usually under a particular theme e.g. Gender or Human Rights. These have mostly closed down in recent years because of efficiency concerns.
Unallocated funds/ small action funds/strategic funds	Variously named flexible funds often available at the discretion of the local DP office to meet emerging needs. Generally small-scale and often used for pilot programmes, national election-related needs or other significant events.

There was a strong convergence of opinions among CSOs in all three countries that the modality least suited to the needs of engagement in policy dialogue is contracting. All funding through intermediaries received some criticism from CSOs which generally preferred direct funding relationships with the DP. The most-preferred support out of those currently used was a mix of flexible and core funding. The idea of a new kind of funding modality 'resources for all' and adaptive funds for the processes of engagement rather than projects were thought to hold much potential by both CS and DP study participants and was endorsed as a potential innovation during the Kampala Synthesis Workshop (see section 9, 'Recommendations' for more details).

Contracting

Contracting is not a method much used by the donors involved in this study although the Swiss Development Cooperation (SDC) may use their small discretionary in-country flexible funds for this purpose. However, the rigorous competitive procedures adopted for mandated projects by SDC more recently bear all the hallmarks of contractual arrangements. The United States Agency for International Development (USAID) uses contracting for most of its work and CSOs indicated that they found this inappropriate for their policy dialogue engagement work. The issue cited was that it limits their own innovation and assumes a 'one size fits all' approach to changing attitudes and behaviour regardless of local context.

Box 7.2: CSO criticism of contractual arrangements

Many NGOs (working in policy dialogue in the local government sector) are critical of the contractual arrangements which define events which have to be carried out (e.g. workshop, fair, social audit) rather than appreciating the complexity of behaviour change outcomes or processes of policy dialogue. They are also concerned about *expert-driven* design (of DPs) which may not match ground realities, may be 'one size fits all' and constrains local innovation, creativity and activism. Increasingly CSOs choose not to avail these opportunities and those that do tell us it is often 'for survival' rather than them meeting their ideologies.

Source: Bangladesh Country Report

The official DP position of those using contracting modalities maintains that competitive bidding provides better VfM although the case studies revealed that individuals working for DPs may be less convinced of this, citing problems of limited response to calls for tender, considerable work weeding out 'time wasters' and the problems associated with CSOs managing multiple contracts which

may duplicate work and the not-uncommon practice of double accounting for results.

The transaction costs for CSOs bidding for and managing contracts are considered very high by CSOs themselves who also expressed distaste in having to compete with organisations with which they feel they need to collaborate.

Direct grant project funding is the most common form of funding⁴³ but carries many of the drawbacks contained in contracts. Although they are usually developed by the organisation which will implement them and are often identified through 'calls for proposals', several studies have pointed to the fact that the harmonisation agenda has led to DPs expecting that projects will complement their programmes resulting in less space for diversity or innovation. There is a prevailing perception that there is less chance now than in the past for CSOs to be supported to 'do their own thing' and more likelihood that they will be expected to align with governments' (donor and recipient) agendas.

Projects are always short term and the increasing pressure to demonstrate results puts unrealistic pressure on implementers. To get project approval overly ambitious targets are predicted and/or service delivery is privileged as this is regarded as easier to measure than political, social and behavioural change. Especially for activist organisations the conditionalities contained in

⁴³ 85% and 86% of the web surveyed CSOs in Bangladesh and Uganda respectively had received this form of project funding in the last five years.

contracts and projects pose a real threat of stifling the energy and passion that attracted the DP to fund the CSO in the first place.

The nature of CS engagement work (gathering evidence, building cases, long-term lobbying, responding to key moments, travelling in-country and outside) may incur relatively high administration costs and more than conventional service delivery-type activities. As one Uganda CSO respondent noted “(DPs) put conditionalities up front like; no computers, no support to transport and a restrictive budget on administrative costs. Yet in the Ugandan context CSO engagement in policy dialogue requires heavy investment in operational costs, especially given the dynamic political and economic context”. DPs tend to impose administrative costs as fixed percentages of total project costs which may be unrealistically low. For example, the travel costs incurred by the CSOs active in the CHT in Bangladesh to participate in the capital city-based platforms and consultations are extremely high and outcomes from these frustratingly small.

Projects are somewhat unpredictable forms of funding for CSOs in the long term and relying on apportioned costs from projects to support the organisation is both risky and can damage the continuity and maturation of the organisation as staff cannot be retained and other services are curtailed when projects come to an end.

Both contracts and projects contribute to the phenomenon commonly referred to as '*silos of activity*' which is particularly unhelpful in the arena of policy dialogue which benefits from sharing, networking and building constituents of support. The desire to demonstrate comparative advantage to win contracts and project funding creates competition among the very CS actors which should be finding ways to work together, share resources and experiences.

Core Funding

The terminology surrounding 'core funding' is confusing. For some it refers only to funding the administrative elements of an organisation (the *being*) while for others it implies funding the organisation as a whole (both *being* and *doing* elements). The former recognises that an organisation has certain core costs which need support for the organisation to continue to grow and develop, retain staff and build commitment. CSOs say this is preferred to the arbitrary '*percentage of project costs*' described above as it promotes continuity and can be more flexibly used. However, the latter interpretation of core funding (i.e. for *being* and *doing*) is the most preferred. But although CSOs feel that core funding predicated on their filling a public good role and providing the flexibility to respond to the ever-changing context for policy dialogue is the most appropriate form of funding and despite this need having been voiced for many years, the study confirms that this is still the exception rather than the rule for most DPs.

Some DPs have been experimenting with the provision of more core funds recently. Sida is a notable example and claims to provide 80% of their CS-marked funds as core funding. Others reluctance to provide core funding seems, from discussions with DPs, to be primarily based on their lack of trust (sometimes born out of bad experience) and the unwillingness to cede control. It is also evident that the time needed to identify suitable CSOs, for negotiating outcomes and building trust between the DP and CSO is considerable and a significant transaction cost for DPs and CSOs alike. DPs also indicate that core funding may compromise independence of the CSO although CSOs feel that where they can secure multiple sources for their core funding including local sources to endow connectedness to the general public this should not be a major concern. Furthermore, they argue that core funding has less vulnerability to co-option by the funder's agenda than contracting or projects.

Sida has signalled an intention to increase core funding but like other DPs points out that it is difficult at present to provide core funding within sector programmes or other jointly-funded programmes. On the other hand, CIDA currently has no means to provide core funding.

INGO Intermediaries⁴⁴

Funds channelled through INGO intermediaries are not always regarded by CSOs as effective as bilateral funds. Finland largely depends on this mechanism as they have closed local funds. There is a prevailing feeling among critics that the INGOs introduce further conditions and create a buffer between the CSO and the source of funds which may lead to over-zealous interpretation of DP demands. As noted by one Ugandan CSO echoing thoughts expressed in all the case study countries, *“The intermediaries bring in their own conditions and end up frustrating the intended recipient CSOs”* Just like the criticism directed at DPs, INGOs are also accused of promoting their own agendas over indigenous issues.

Advantages of this mode of funding include the technical assistance which may be provided by the INGOs (often and in particular providing assistance to the CSO to meet financial reporting and reporting of achievements demands of the DPs) and the links to national and global networks as well as knowledge sharing. Notwithstanding these advantages there are often tensions in these relationships around power, decision-making and competition for resources and status.

Joint Trust/Challenge Funds

This modality involves the establishment of a fund management system which can accept funds from multiple sources and disburse and manage these on behalf of the DPs. Examples can be seen in all three study countries (see Box 7.3).

Box 7.3: Examples of Trust Funds in each of the study countries

Programa AGIR was established in Mozambique in May 2010 by the Swedish Embassy. The programme supports CS organizations that are working to enhance public participation in development processes; promote access to information; demand accountability from government; fight against corruption; monitor government policies and promote the respect for human rights, including gender equality and child rights. Danida has recently joined this programme.

Manusher Jonno was established in Bangladesh in 2002 with DFID funds. It became an independent Foundation in 2006 and provides funding and capacity building to CSOs to promote human rights and good governance through project funds ranging from \$36,000 to \$1.0 million. It is now also funded by the Royal Norwegian Embassy.

Democratic and Governance Facility in Uganda was formed in 2011 based on the experience of the Danish-funded HUGO programme and is supported by eight DPs including three of this study's participation DPs (ADC, Sida and Danida). It will support projects which deepen democracy, enhance voice and accountability and protection of human rights.

These funds were set up with efficiency and local knowledge as key advantages over DP managed small grant facilities. Although this study did not look at the first of these premises it was nevertheless a concern of many that these mechanisms were not necessarily efficient. A particularly stark example was noted in the Mozambique Case Study where funds to a local radio station were channelled through five organisations (see Box 7.4).

Earlier work in Bangladesh on which the Case Study drew (DFID, 2011) showed that one particular funding intermediary, Manusher Jonno Foundation (MJF), had moved from funding many small projects to funding fewer larger projects because of high transaction costs over its first few years of operation. Critics feel that it no longer serves the function of substituting for the closure of DP small project windows.

⁴⁴ This section relies mostly on the views expressed by national CSOs as only a small number of intermediary INGO funders were included in the study

There seem to be other problems with Joint Funds like this. For example, in Bangladesh some CSOs complain that MJF is a competitor as it is perceived as taking over advocacy efforts of its grantees, promoting like-mindedness rather than diversity and excluding less well-known or well-connected CSOs. Despite considerable efforts it has failed to attract funding beyond DFID and the Royal Norwegian Embassy although a number of DPs have considered it and then rejected the idea. In Mozambique there were concerns about the dominance of particular DP agendas in another Trust Fund (Civil Society Support Mechanism) which was started in 2007 by DFID and Irish Aid (and now includes USAID) which prompted Sida to set up an alternative in 2010 (Program AGIR- see Box 7.3). A web survey respondent in Uganda voiced the concerns of others in other countries. *“NGOs are not effective channels for CSO support because of conflict of interest. You will find that they also have programmes to implement in their own right besides acting as a donor intermediary”*.

Box 7.4: Long Value Chains

Radio Vembe is a community radio station in Mozambique which has received Swedish funds but through a rather long chain which inevitably entails transaction costs. The Swedish Embassy in Maputo provides funds to Ibis which is a Danish NGO which manages Programa AGIR window 'Access to information'. Ibis provides grant funding to FORCOM (Forum of Community Radio Stations), a national umbrella organisation which in turn funds a movement called ORAM (the Associação Rural de Ajuda Mutua) a movement of farmers associations concerned with land rights. ORAM contributes to Radio Vembe.

Developed from the Mozambique Case Study Report

Funding through DP intermediaries

The study indicates that DPs funding through other DPs is regarded largely as an administrative efficiency measure and in line with the objectives of the Paris Declaration on Aid Effectiveness. DP interviewees tended to know little about the details of such programmes and generally felt less able to influence the design or implementation of the programmes mainly because of lack of time. Funding through UN bodies or International Financing Institutions (IFIs) is currently not considered the most appropriate way to support CSOs directly in engagement as the financial support and decisions are generally controlled by recipient governments. On the other hand, there is clear benefit in supporting the institutional provision of information to citizens including preparation of policy notes, analytical papers and Citizen Charters as well as provision of invited spaces for CS engagement. However, these can be reduced to tokenistic displays of participatory democracy and CSO participation may be limited to cherry-picked allies which legitimate government action. At worst, government contracts for CSOs may result in the emergence of what are variously termed in the different case study countries as *'sign board NGOs'*, *'Brief-case NGOs'* and *'False NGOs'* set up to exploit cronyism for government funding. Nevertheless, UN organisations and IFIs can have considerable clout in changing behaviour and attitudes within government towards more inclusive engagement and the strategy of working on the supply-side is essential.

Sector/budget support

The study did not find much evidence of funds within sector/budget support which were ring-fenced for CS engagement beyond somewhat formulaic, mandated consultations. The problems noted above for funding through UN and IFI intermediaries hold here too. The opportunities for CS engagement depend on political will and concessions will most likely be to places and spaces of engagement which can be controlled. As noted by one Ugandan CSO web survey respondent, *“Support through government -led programmes is not effective at all because of weak accountability systems and structures which are prone to corruption”*.

There are moves to introduce a voice and accountability window within the education sector wide-approach in Bangladesh in the future. The challenge will be to design it to ensure open access and independence.

Research and Innovation Funds

Independent research is the basis of informed CS engagement in policy dialogue and yet the support available is insufficient. In the Bangladesh country report the lack of such research was noted as '*shamefully inadequate*'. The participating DPs do have research and innovation grant facilities but these are often administered from Head Offices rather than locally. These may be managed as direct grants or competitive funds. Either way they suffer from the same problems of other modalities that they privilege organisations which are well-networked, established and known over local, small and new CSOs. This study found that details of such funds were not well known by DP staff in country and so CSOs were unlikely to be directed to these opportunities.

SDC in Bangladesh has a plan to establish a Challenge Fund for local government research and this is a noteworthy innovation. It is hoped that it will be able to meet some of the shortfall in research in local government and '*may open up to actors beyond the usual suspects*'.

Own mandated funds

SDC and Danida continue to develop and support their own projects which they staff through direct contracts or consultancy firm/INGO-managed contracts. There is an advantage to developing a complementary portfolio of projects through this modality which can address the wide spectrum of actors and enabling environment. However, like contracts there are concerns about the appropriateness of external expert design, promotion of external agendas and possible distortion of naturally-emerging and embedded CS action.

Small project windows

Small project windows are becoming a thing of the past. They were DP-managed facilities for small-scale funding to CSOs. Usually locally managed they often required the establishment of a Project Implementation Unit (PIU) and funded 30-50 small projects. These were particularly appropriate for CSO engagement in policy dialogue work as they provide small-scale funds for innovative, diverse and responsive activities. Most of these have closed recently and the joint funding mechanisms established to replace them may be transferring the transaction costs rather than necessarily reducing them.

Flexible funds

Flexible funds (variously referred to as unallocated funds, strategic funds or small action funds) are very important for supporting CS engagement in policy dialogue. Generally requiring very little 'red tape' and simple short concept notes they are ideal ways to support processes and responsive key moments in policy dialogue. SDC (in Bangladesh) maintains small action funds in country which can be signed off by the Ambassador and may be able to support eighty or more small actions per year. Sida has 'strategic funds' in country which can be used for innovative initiatives within their country thematic priorities and can also reallocate unused budgets with Ambassadorial approval. Similarly Danida has the possibility to be responsive with its 'unallocated funds' at country level. Although these funds are very useful, CSOs cannot apply for them as they are allocated at the discretion of the DP. This requires the CSO to build up a relationship with the DP, particularly at Ambassadorial level.

7.5. Relevance of DP support

Relevance as defined in section 5.1 refers to the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor. The workshops and survey

conducted with CSOs in all three countries indicated that the CSOs felt that the support they had received from DPs was responsive and supported their engagement in policy dialogue and was therefore relevant. However the CSOs participating in the study felt that DPs do not *'generally understand the main challenges facing CSOs'*. By contrast DPs feel they are aware of the country context and they shape their decisions about support to CS accordingly. They are aware that they are limited by the lack of suitable funding and support modalities and admit to retaining a wariness of the political nature of policy dialogue. As a result there is still a tendency to support technical interventions rather than challenging power structures.

As mentioned before, one of the key complaints among CSOs is that DP funding support is determined by their priorities which are often global priorities. While these are recognised as being aligned with Government priorities, the particular skew may not fit with CS reality and because many donors choose to focus on rather similar themes. This may result in excessive support in some areas (e.g. climate change) and under-attention to other areas (e.g. decentralisation). The frequent changing of priorities (based on geographic, security and thematic considerations) can have particularly profound effects on formal direct policy dialogue engagement which depends on social and political capital development and usually requires long time horizons to affect attitude and behavioural change. As noted by a web survey respondent from Bangladesh, *"DPs rarely allow CSOs to deviate from the approved proposal. They are hardly accommodating with the changing policy issues."*

Whilst efforts are being made for DP support to become more relevant there are structural impediments in the demands they make in reporting results and accounting for funds spent. They tend to emphasise numbers (which often get conflated to inputs/outputs rather than outcomes which may involve structural, legislative, behaviour change) and the budgets in projects.

The emphasis on quantitative information appears to be worsening rather than improving. The view expressed widely in this study is that there needs to be a middle ground where process indicators and more nuanced indicators of active and strong CSOs are acceptable for monitoring progress. DPs might also want to consider whether rather than the current push for VfM an emphasis on *value added* would be helpful. Danida claims to be less concerned with results than other donors but this is contested by some CSOs. SDC is currently comfortable with perception studies as sufficiently robust tools for measuring achievement of CS engagement on policy dialogue, but nevertheless retains a finance and accounting system which is still activity driven rather than outcome-led.

The perceived need for donors to disburse large sums of money poses another problem for CS engagement in policy dialogue which is often resource-light. Many CSOs avoid receiving large sums (in Bangladesh they were often viewed as a *spoiler*). DP staff confirmed to members of the team that they are under significant pressure to spend available funds, and often prefer to focus on a smaller number of projects for this reason. With a few exceptions, there is a perceived failure of DPs to understand behaviour change programming which require few resources.

CSOs noted the critical importance of having DP staff with technical and field expertise. The nature of policy dialogue dictates the need for clear contextual, cultural understanding of how and why things work. The socio-psychological nature of engagement is best understood by those who have practiced in this field themselves. CSOs could identify those whom they felt were exceptionally helpful and noted how important this was to their work. The constant turnover of staff, especially foreign staff is another issue CSOs felt affected their relevance.

It needs also to be noted that many CSOs avoid DP support because it compromises their agility and independence in policy dialogue. Some DPs insist on their own visibility by including their logo on all published material. In fact many mid and end of project evaluations require an

assessment of this visibility. This can compromise the independence of CSOs and the nature of the issues in policy dialogue on which they are engaged.

7.6. Efficiency

It was not possible within the scope of this study to examine efficiencies in detail. This section relies primarily on the responses provided by CSOs in the online survey which are included as they provide some additional insights from which to draw lessons.

It is not possible to calculate the investment in CS engagement in policy dialogue as DPs consolidate the figures for funding support to CS and do not differentiate between support to service delivery and support for processes such as engagement in policy dialogue. Furthermore funds which are channelled for budget and sector support may include elements for CS engagement but are rarely accounted for in DAC contribution breakdowns.

Most funding modalities are regarded as incurring high transaction costs. While core funding may become more efficient as time goes on, the initial start-up costs are very high. Joint or pooled funds are supposed to benefit from single reporting systems but in reality rarely do as the different DPs still expect tailored reporting of some description and expect to be informed on attribution of results to their funding undermining any efficiency gains.

CSOs felt that DPs have over the years become more demanding and controlling. While it is considered fair for DPs to demand international standards of financial accountability CSOs felt less comfortable with the way they interfere in organisation, feeling that accountability for results should suffice. In particular requirements to have staff policies, transport policies, gender policies communication policies etc. which incur high transaction costs and divert them from their core business are problematic. Many policy dialogue organisations are too small to have use for this wide array of policies.

8. Lessons on Development Partner Support

8.1. Lessons learned

This section presents the lessons learned from the examination of the current support provided to CSOs to engage in policy dialogue, the changing context for development aid and the review of CS effectiveness. It therefore draws on more than the discussions presented in section 7. The lessons learned were reviewed and developed in a series of in-country reflection workshops between November 2011- March 2012 and a global workshop held in Kampala in May 2012 with representatives of national and international CSOs, DPs and governments. The lessons are intended to provide a basis for reflection and consideration for DPs developing support strategies for CS engagement in policy dialogue in the future. It is important to recognise that progress in taking on board some of these lessons is uneven among the participating DPs and the wider DP community and some lessons are currently being addressed by some DPs.

Wider recognition of role of CSOs but limits to respond

The Accra Agenda for Action (AAA) made an important contribution to the recognition of CSOs as distinct, independent and autonomous development actors. Most DPs now acknowledge that CSOs represent the diversity of public expression and as such contribute to effective democratic governance. The recognition that alignment of development aid meant alignment with the priorities of the citizens (not just aid recipient governments) was a major step towards official promotion of CS engagement in policy dialogue. DP support is predicated on the principle that CSOs, with their roots in society, can bring their experiences and amplify the voices of people living in poverty and marginalised to the policy dialogue cycle. As pointed out by Griffin and Judge (2010)⁴⁵ most DPs now see support to CS as *an end in itself*.

Despite the increasing importance attached to the provision of support to CSOs, DP policies and funding modalities affect and limit CSO effectiveness. The DAC Advisory Group (2011) recommends maintaining a variety of funding mechanisms to fund the diversity of CSOs but experience suggests these still do not fully meet the needs of CS engagement in policy dialogue. The pressures to scale-up disbursements, reduce transaction costs and to produce short-term development results have affected financing available for CSOs. According to most of the DPs interviewed in this study the aid channelled to CSOs has increased slightly over the last decade, but these pressures mean that this does not necessarily translate into more money available for policy engagement (the majority being used for service delivery and humanitarian assistance). Despite clear efforts to respond to the needs of advocacy-type CSOs, the range of DP funding instruments available is not yet fully appropriate.

Changing nature of CS engagement

DPs have clearly moved beyond their earlier position of conflating the notion of CS with NGOs and embrace the wide diversity of CSOs as described in section 1.4, even when they have yet to find ways to support this wider diversity. There are no doubt challenges inherent in this wider definition as non-traditional CS partners require different ways of partnering. There is more perceived risk attached to working with some of these new partners and a greater need for flexibility. This requires still further adeptness in developing suitable financing modalities.

Yet further challenge is posed by the fact that recent studies have shown that CS action worldwide is changing from organisation-based to non-formal and spontaneous. The recent CIVICUS study (2011) notes evidence that people worldwide increasingly want to engage '*on their own terms*' rather than through conventional CSOs such as women's groups, faith-based groups,

⁴⁵Griffin, J and R. Judge, Civil Society Policy and Practice in Donor Agencies, Governance and Social Development Resource Centre

Trade Unions or local political parties. Time constraints and sea changes in electronic communications mean people progressively prefer to act in small, swift, episodic ways rather than belonging to groups or movements which take a more planned and structured approach to advocacy and change. In recent years global communication has demonstrated the power of spontaneous mass demonstrations or short-term campaigns (e.g. convened through mobile phones or social network sites) and immediacy of response which confirms the efficacy of these approaches. This has huge implications for the future development of aid funding to encourage CS engagement, suggesting a needed shift towards greater attention to supporting the enabling environment for engagement, rather than a focus on support of individual CSOs, alongside greater attention to CSO programming that facilitates citizen and community empowerment activism.

Enhanced efforts to support the enabling environment

Following from the paragraph above and also in recognition of the huge importance of the political factors which shape the process and outcomes of policy dialogue, the study emphasises the critical importance of creating more enabling environments and safeguarding positive changes from future erosion. The study noted the concern of CSOs that their freedoms are often under threat particularly when they are perceived as critical of Governments. The regulatory frameworks in which CSOs operate are not always conducive to engagement in policy dialogue. In the Bangladesh case study it was noted for example, that NGOs suspected of activism in the Chittagong Hill Tracts were threatened with peremptory closure by the Government in early 2012 and several social movements active in pressing for local government reform are under regular Government surveillance. DPs in Bangladesh are well aware of the problems CSOs face but it seems that since the regulation of CSOs covers a wide a range of sectors, no DP to date has been able to develop a programme within the constraints of their sector-focused country programmes for supporting the regulatory body in Bangladesh, an organisation which is in dire need of capacity building and organisational development. There is a need in all the study countries to take a step back and review aspects of the enabling environment such as the legal and bureaucratic framework which hinder CSOs engagement in policy dialogue and make concerted efforts to address these in addition to the DP's sectoral foci.

Promotion of legal measures which will ensure the necessary freedoms for CS engagement and support the formalisation of space for both formal and informal engagement are also critical elements of the enabling environment. The study has shown that DPs have made efforts in this regard particularly by providing support to oversight bodies such as Anti-Corruption Commissions but that they may be too cautious in challenging diminishing freedoms and lack of political will which hinder CS engagement. Efforts to understand the political landscape such as Sweden's Power Analysis and DFID's Drivers of Change have demonstrated the importance of this and need revisiting and constant application in countries where development support is provided. The minimum enabling standards⁴⁶ acknowledged widely and which DPs can add greater support to include:

- freedom of association and assembly
- legal recognition facilitating the work of CSOs
- the right to freedom of expression
- freedom of movement, mobility rights and right to travel
- the right to operate free of unwarranted state interference
- the legal space to seek and secure necessary resources in support of legitimate roles in development.

⁴⁶Derived from 'International Principles Protecting Civil Society in Defending Civil Society, A Report of the World Movement of Democracy and the International Center for Not-for-Profit-Law, Feb 2008

Despite the increasing importance attached to the provision of support to CSOs, DP policies and funding modalities affect and limit CSO effectiveness. The DAC Advisory Group (2011) recommends maintaining a variety of funding mechanisms to fund the diversity of CSOs but experience suggests these still do not fully meet the needs of CS engagement in policy dialogue. The pressures to scale-up disbursements, reduce transaction costs and to produce short-term development results have affected financing available for CS engagement in policy dialogue work. According to most of the DPs interviewed in this study the aid channelled to CSOs has increased slightly over the last decade, but these pressures mean that this does not necessarily translate into more money available for policy engagement (the majority being used for service delivery and humanitarian assistance). Despite clear efforts to respond to the needs of advocacy-type CSOs, the range of DP funding instruments available is not yet fully appropriate.

There are of course other rights issues which need to be not only endorsed by law but also need to be adhered to. These include the rights of women, children, older persons, persons with disabilities, marginalised communities as well as rights to information. CSOs can play important roles in challenging these rights through public information campaigns and engaging in public interest litigation but these can be costly processes which too often fail to attract DP support. DPs have a role not only to provide financial support for upholding these various legal freedoms but crucially a diplomatic role.

Support for public education and active citizenship and the dissemination of information about participatory democracy through CS, government and private sector channels are important contributions to CS engagement in policy dialogue. DPs already support citizenship programmes in schools, NGOs providing political education to voters and elected representatives, local watchdog activities during elections and encourage CSOs to exploit opportunities for participating in decision making and evaluating state provision of services. However, more reflection on who is participating and why is required to ensure that invited spaces and quotas are not simply numerically filled but are productively utilised. There is a need to critically evaluate efforts towards participatory democracy so that information and education programmes are better targeted.

Responsiveness of support to CS agenda

A common concern expressed in all three country studies was the dominance of DP agenda in the support provided to CS engagement. This steering is seen as a threat to CS independence and own initiative and runs counter to the concept of vibrant CS being a public good or *'end in itself'*. CS representatives feel that it makes it difficult for some important thematic areas to be supported (e.g. CS engagement in food security issues in Bangladesh). With the changes in thematic focus evident in subsequent five-year country strategies of most DPs, CS representatives also feel that continuity in support is a problem and there is concern over CSOs *'following the money'* (as a means of survival) rather than concentrating on their core issues and values and the priorities of their constituencies or target groups.

Looking at DP support for CSO engagement as a whole in each country it is clear that there is much overlap around a rather small range of themes with other key issues marginalised or ignored. While DPs continue to promote their own agendas this undermines the AAA principle of CSOs having independent approaches and agendas for change. Funding that emphasises harmonisation and alignment can undermine the added value of CSOs promotion of its constituency interests. As suggested above, a greater emphasis on supporting the enabling environment as well as on the provision of flexible funding that supports CSOs to operate in a demand-drive way, rather than specific thematic foci, helps an indigenous, diverse and pluralistic CS to evolve.

Responsiveness of support to processes

Most DP support to CS engagement is channelled to CSOs themselves as organisations implementing programmes rather than processes of change. This is partly because of the funding regulations which require recipients of foreign donations to be registered with government regulatory bodies. Fluid movements, temporary coalitions and networks and small local issue-based groups can rarely access funds to support their engagement processes. When forced to become formal entities in an effort to access funding they lose the character which was their strength. Processes engaging a number of different actors including debate and dissent are rarely able to be supported by DPs.⁴⁷ Several study participants felt an urgent need to develop support mechanisms which can provide resources for informal and temporary CSOs as well as small responsive grants for unpredictable tipping point moments for agenda to gain attention.

The focus of funding on individual CSOs can distort the dynamics of policy processes and more careful analysis of the constellation of players and streams needed to affect policy and practice change was felt to be needed to lead to more balanced and productive resource provision around processes rather than organisations. In particular DP activity currently tends to support the notion of bringing like-minded groups together to exert a critical mass of support for policy change when change theory suggests the need for diverse views to challenge and accelerate change processes. This study points out that change is not always brought about through the power of numbers (the oft-noted basis for promoting networks) but by thoughtful evidence collection and the facilitation of debate among groups with differing perspectives. There is an argument for DPs to consider more support to the process of networking rather than networks per se. Networking involves a dynamic process of building useful relationships which may change depending on the nature of the issue whereas networks may often get 'bogged down' in their own bureaucracy and administration and cease to function in the way intended.

Long-term commitment and perspective

The study shows that policy dialogue outcomes generally take time although they may be accelerated through windows of opportunity created by the (often fortuitous) coming together of a number of factors. The more common form of funded policy dialogue is steady and incremental. The short-term nature of most forms of DP funding is an impediment to building the capacity as well as the social and political capital needed by CSOs to effectively engage in long term policy dialogue. Study participants felt that support to advocacy CSOs which have earned public credibility and trust needs to be secured and should not be subject to the uncertainties of project funding or changing DP priorities. These organisations provide a service for the public good as watchdogs and providers of independent evidence.

A preoccupation with results⁴⁸

The premise for active vibrant CS lies in their ability to restrain government excess, ensure accountability, and promote democratic processes and good governance. DP interest in supporting vibrant CS also emphasises its role in promoting equity and adherence to human rights. A vibrant CS will achieve this in a variety of ways. Simply being present may curb government excess. The study has confirmed the perception that current demand for results ends up in valuing service delivery over processes of change which take longer and are more

⁴⁷USAID and GIZ are notable in having their own funds which they can use to support public debate and other processes directly without going through organisations. SDC seems to have this capacity to a limited extent also. However there is some concern about the neutrality of platforms created by and/or underwritten by a DP.

⁴⁸The OECD-DAC study, 2011 How DAC Members work with CS' Organisations; An overview 'cautions DPs about the over emphasis on results and the challenges this poses to CSOs. e.g. it quotes the 2006 DAC peer review of Netherlands which noted 'that results-based reporting might encourage a culture of risk-avoidance (NGOs may focus on delivering services which are easily measurable and move away from addressing underlying political issues)' as well as the need to retain flexibility

difficult to measure. It also leads to a normative interpretation of results. CSOs may not always be fully effective in achieving policy and practice change, but that does not mean they should not be supported. They may present alternative ideas and policies, may be critical of the government, may play key watchdog roles, may be able to articulate and provide evidence of the extent of problems but have little demonstrable impact on policy.

In addition to development outcomes per se (such as enhanced pro-poor service delivery) the support to CSOs is also intended as a means to promote public awareness about development and stimulate public debate. These are key elements of democratic process but conventional evaluations of programmes supporting development education reduce these to processes not outcomes. Despite the view that they are a good thing, advocacy and citizenship-building CSOs which have perceived weak links to achievement of MDGs are less likely to be funded.⁴⁹

As a measure of effectiveness for accountability purposes as pointed out by study participants, the level of legitimacy which CSOs earn as a result of their activities can suffice. This includes their legitimacy to be a part of policy dialogue with the state and whether they can influence the government's policies and and/or whether their activities are accepted and valued by people.

The measurements generally used for CS engagement in policy dialogue are more suited to logic-driven, service delivery-type programmes. Study participants pointed to the need to measure '*value added*' rather than VfM for processes which are subject to such political and contextual unpredictability which is outside the control of CSOs.

Successful CS engagement requires careful strategic positioning as well as agility to adapt to changing circumstances and exploit tipping points. Capacity to do this involves understanding policy processes and decision-making behaviour. It requires formal knowledge of procedures and participatory tools but also requires efforts to build relationships and trust with policy shapers and makers. Many CSOs noted that the current DP pre-occupation with results has led to the reduction of funds available for CSOs for on-going strategic thinking and reflection (beyond start-up), lesson learning, staff capacity and confidence development and social and political capital accumulation despite the critical importance of these.

Burdensome conditions

Many DPs continue to burden CSOs with their own conditions and requirements with regard to proposals, monitoring and evaluation and reporting. Even in joint-funded arrangements, CSOs say they are still often required to report separately and provide detailed financial breakdowns for each DP. This leads to high transaction costs. Furthermore CSOs complain that demands are made of small, informal organisations which are inappropriate and detract time away from their core action (see section 4). Results-based framework reporting may be too detailed and inappropriate for CSOs engaged in the unpredictable processes of policy dialogue. The OECD-DAC study (2011) found that 80% of DPs have formats for reporting for at least some of their support and under a third allowed CSOs to use their own means of reporting.

Evidence building under-resourced

The need to link resource provision directly with MDG outcomes is widely perceived by CS representatives to have dampened DP support for research and evidence building. CSOs in all case study countries shared their concern about the paucity of resources for independent research as well as for building the capacity of staff to undertake effective 21st century lobbying and advocacy work. Research is often commissioned directly by DPs or is embedded within projects. Both risk undermining independence and do not allow for inclusion of diverse streams of research and alternative voices. There is often insufficient independent critique of research

⁴⁹Open Forum 2010 Draft International Framework for CSO Development Effectiveness provides evidence of a trend of marginalisation of CSO development education programming.

findings and inadequately substantiated 'evidence' percolates development dogma. Study participants suggested that DPs have a role to play in demanding high standards of research and supporting an environment where contrasting findings can be debated in public.

Risk aversion

CS action cannot be expected to achieve results simply through collaborative actions with governments. CSOs have often accused DPs of being too soft on recipient governments and not speaking out on behalf of CS. Similarly DPs have criticised CSOs for not being outspoken enough in invited spaces (e.g. CAMPE in Bangladesh). While it is appreciated that DPs operate at the invitation of the host governments, study participants indicated that it may be helpful for DPs to put more effort into examining ways in which they can support controversial issues indirectly rather than side-step them completely. Here again the idea to support the enabling environment which allows for protest, contestation, freedom of speech rather than 'risky' CSOs or 'controversial' issues directly may benefit from more consideration as may support to policy dialogue *processes*.

Reducing connectedness to grassroots reality

Both CSOs and DPs note that the way aid is managed currently puts huge demands on individual DP officers who are responsible for very large disbursements and a requirement to minimise administration costs. Some DPs suggest that rather than reducing DP transaction costs, the harmonisation agenda may actually increase costs in time spent with other DPs in negotiating and monitoring collaboration. Whatever the reason, it is clear that DP officers are less likely to visit projects and ordinary people than in the past and are less connected to the realities of the country in which they are working. There is a tendency to depend on INGOs to act as extended arms of the DP (through Trust Fund management or cascade funding through INGOs) and use them as a lens to view CS. Since it is the DPs which interface with recipient governments not the INGOs, this creates a significant gap in the opportunities to influence the enabling environment. DP staff need to understand the dynamics of the wider CS in order to advocate on their behalf for appropriate measures such as *invited spaces* and freedom of expression and the current working modalities limit this exposure. The trend to staff DP offices with civil servants rather than development professionals is perceived as further exacerbating the disconnect with the development significance of CS.

Support to Government regarding their CS regulatory role

Overt and covert controls on CS activity were evident in all three case study countries. The CS regulations and regulatory bodies are often overlooked for support by DPs, possibly partly because such support is cross-sectoral and does not fit well into the thematic foci of DP country strategies. The Global Workshop confirmed that regulations in participating DPs' own countries are often simple and supportive for a diverse range of CSOs allowing relative freedoms including being critical of government. Study participants felt that these models could be useful starting points for what could be achieved in recipient countries in particular moving the government mind-set from regulation and controlling to supporting and promoting the third sector.

DP accountability

The study suggests that there is greater perceived accountability of DPs to their own governments and taxpayers than to the host country. As a result, much of the information gathered from the CSOs on DP policy and strategy in the country case studies was reduced to perception and speculation. Although much has been triangulated by discussions with DPs and documentary review, there remains the issue that information about DP policies and practice regarding CSO support is not publicly available and /or accessible in sufficient detail in country. Local interpretation of global DP policy and contextual decisions make local interface between DP and CS a necessity. Despite efforts by some DPs (notably Sida) to provide public

information on CSO funding decisions study participants feel there is a need for two-way interaction between DPs and CSOs in negotiating the levels and foci of CSO funding in country in addition to *post facto* provision of public information on allocations. There is an urgent need for distinctions to be made in allocations for service provision and advocacy when presenting details of funding.⁵⁰ Even where CSOs are informed of funding allocations, the wider context in which the funding country operates (e.g. diplomacy, security, trade) as well as their contribution to UN and other basket funds is not well understood. CSOs in the study felt they had a right to demand greater accountability and to be given more opportunities to engage in policy dialogue directly with DPs. Griffin and Judge (2010) note that the EC is the only DP out of the 13 included in their study which has a mandate to involve CS in development and on-going monitoring of EC-funded programmes and has been practising this for more than 10 years.

DP non-financial assistance

The case studies confirm that when a particular theme is highlighted by international conventions and endorsed by international agencies as well as the recipient governments and seen as a shared public good (e.g. Education for All) the opportunities for CS engagement are likely to be supported. The issues transcend particular party politics and become a national agenda. DPs can and do play a key role in reminding signatory governments of their responsibility to the tenets of such international conventions. The diplomatic relationship which DPs retain with recipient governments are important avenues to ensure political priorities remain focused especially during political transition.

The diplomatic relationship is considered a key element in supporting other aspects of the enabling environment for CS action and, as noted above, there are fears that the growing preference for supporting CS through intermediaries may distance DPs from CS reality. In addition, just as DPs foster inter-government and private sector exchange, the study participants felt that more could be done to broker international CS exchange. This is envisaged as facilitating bridges between DP's domestic CSOs as well as global CSOs and host country CSOs for capacity building, knowledge sharing and collaborative action.

Another key role is the promotion of the role of CSOs to the public of the host country. Endorsing CSOs and publicising their effectiveness encourages embeddedness. Long-term dependency on DP and external funds is regarded as ultimately counter-productive. The value and importance of CS action must be internalised by CS, governments and private sector themselves.

CSOs prefer direct bilateral funding arrangements partly because they can build up a relationship with the DP and feel they can rely on the DP for support if they face challenges. The high turnover of staff in DP offices is seen as a hindrance particularly where support to CS engagement are differently interpreted by different officers.

The challenge now is how to take them forward and translate these lessons learned into action which supports the development of vibrant civil societies. Section 9 provides some specific conclusions and recommendations to this end.

⁵⁰ Although it is also recognised that some advocacy work is purposely funded 'under the radar' in order to reduce potential risks to the CSO.

9. Overall conclusions and recommendations

9.1. Introduction

The case studies are diverse and the contexts very different and yet have yielded a number of common conclusions. These focus on:

- i. the need to better understand and support the enabling environment for CS engagement in policy dialogue
- ii. the need to better understand and accommodate the complex dynamics of policy dialogue processes
- iii. the need for better financial and evaluation instruments for supporting and assessing CS engagement in policy dialogue

Rocha Menocal and Sharma (2008) in their DAC-commissioned Citizen Voice and Accountability (CVA) synthesis report pointed out that DPs do not sufficiently *'grapple with the key challenges posed by interaction between formal and informal institutions, the prevalence of the latter over the former in many instances and the underlying power relations and dynamics'*. This study four years later concludes that although DPs are fully aware of the key importance of context for supporting CS engagement in policy dialogue, they still rarely conduct regular, joint and rigorous analyses of the political economy of the countries they work in and where some power analysis is done, DPs still fail to translate this awareness into practice when providing support to CS engagement in policy dialogue.

The increased demands for measurability and demonstration of VfM have challenged support to CS engagement in policy dialogue in particular. However popular concerns among taxpayers in donor countries include both the perceived endemic corruption in recipient countries as well as the need to support democratic principles which promote the interests of the less powerful. Support to strengthen CS in recipient countries which can demonstrably expose corrupt practice, name and shame and build support for anti-corruption measures as well as promote inclusion needs customised measurement so that it can be justified as well as conventional service provision interventions which are more amenable to standard numeric forms of measurement.

Much of the responsibility for better CSO support for policy dialogue lies with both the DPs and the CSOs (both national and international) and so our first set of recommendations addresses them both. These are then followed by recommendations specific to the two stakeholders. All these recommendations have been shared, developed, extended and endorsed by CS and DPs in a series of validation workshops in country, in donor countries and in a Global Workshop held in Kampala.

9.2. Recommendations for DPs and CSOs

Carry out regular contextual and political economy analyses and develop systems approach thinking

This study makes two important points regarding the context in which CS engagement in policy dialogue; that the context for CSO engagement in policy dialogue is **crucial** both in terms of determining strategies for engagement and expectations of achievement and that the pace of contextual change is accelerating particularly as a result of globalisation. These factors preclude simplistic transfer of best practices from one context to another (even within countries). Another significant finding is that constellations of CSOs which are not necessarily 'like-minded' may successfully forge wide public demand for policy change, particularly where there is limited political will or vested interest barriers for change. This means that effectiveness will

require strategies to embrace an understanding of potential (and possibly unconventional) strategic alliances and power relations.

The CVA Synthesis Report (2008) suggested considering undertaking joint country or sector analyses of the political economy on a regular basis and this remains a key recommendation in this study too as this study found little evidence that this recommendation has been actioned.

We recommend that these are undertaken at least every five years by **independent research organisations** (i.e. not likely to benefit from the findings) and are jointly commissioned. Joint DPs/CSOs (and preferably also host government) commissioning of such political economy reviews would be expected to increase ownership by commissioning partners and provide the basis for establishing the diversity as well as the gaps in CS action. It would also provide a 'pulse take' of the prevailing political response. The analyses would be expected to identify the range of CS action including emerging CS actors and provide a basis for more nuanced **systems approach**⁵¹ for action by CSOs (and indeed CS action which was not necessarily formally organised) and support by DPs. Based on the review of the political economy, the most strategic approaches and strategic alliances can be identified and supported for their potential synergy and enhanced effectiveness.

Facilitating an enabling and supportive environment for CS engagement in policy dialogue

The study highlights the crucial importance of the enabling environment for CS engagement and points out that since much CSO support from DPs is provided through sectoral windows, the more general needs of the enabling environment are often overlooked. As well as specific actions such as attention paid to the **regulatory environment** in which CSOs operate, there are general **democratic principles** which can be promoted more systematically across all sectors. DPs and CSOs need to be more proactive in influencing the enabling environment for CSO engagement in policy dialogue. This should include the following:

- *Invited spaces*: directly promoting the establishment of *invited spaces* for CS and CSO engagement as a matter of principle in all sectors. These include consultation spaces within development programmes at key strategic moments (e.g. planning, annual reviews, policy development) as well as the establishment and operationalisation of citizen participation in statutory oversight bodies such as parliamentary standing committees, Office of Ombudsman and Commissions (e.g. for human rights, information etc.) and local level planning and budget review meetings.
- *Continuous Monitoring*: As this study points out, provision of *invited spaces* does not necessarily mean they are effective and further measures must be negotiated to ensure continuous monitoring of the actors and processes of engagement within these spaces with built in opportunities for adjustments.
- *Freedom of speech and access to information*: CSOs (with DP support) should champion legislation change and compliance to ensure the necessary freedoms of speech and association as well as access to information.
- *Civic education*: supporting civic education to demand state accountability and develop democratic norms beyond the ballot box.
- *Support to regulatory bodies*: provision of direct support to government CSO regulatory

⁵¹The 2009 evaluation of the 9th EDF (EC funding for the ACP countries) which examined support to 40 CS support programmes also notes the importance of looking at the CS sector 'from a systems perspective' rather than the classical project approach – i.e. to think about how the different actors relate to each other rather than considering each non state actor independently.

bodies so that they transform into institutions which promote and encourage rather than control and restrict third sector participation.

- *Make resources available:* provision of resources, training and exposure to contemporary platforms for engagement (e.g. e-governance, productive use of social network and other internet based forms of CS-state interface).

DPs and CSOs can do much towards the above by:

- demonstrating the importance of public consultation *themselves*;
- continuously reminding governments of their need to listen to the diverse demands of citizens;
- publicly standing up against abuses of freedoms of speech and association;
- finding ways to include political parties (as distinct from governments) as integral parts of CS in policy dialogue processes; and
- promoting the integrity and relevance of the CSO community, including by encouraging transparency, insisting on public disclosure of financial accounts, adherence to codes of conduct and other means to build public trust in these institutions.

Themes and issues for policy dialogue

CSOs make more effort to promote local and contextual needs to DPs: The study noted that there is too much support for some areas of policy dialogue and little or none for others. It also indicates that DPs' own global priorities dominate and international development trends change rather frequently. In view of the AAA recommendations to align aid not just with national governments but also with their citizens, we recommend that CSOs make more effort to promote local and contextual needs to DPs and that DPs become more responsive to these.

CSOs need to be proactive in identifying and communicate the important issues: The review of the political economy recommended above is one way which would be expected to contribute to a better understanding of what issues are priorities for citizens of the recipient country and in particular people living in poverty. CSOs, civic networks, independent research and the media need to be proactive in identifying the important governance, development, poverty and environmental issues which should be championed and communicate these better (and more innovatively) to DPs for a clearer understanding of the grassroots realities. The overlap and gaps in support should be identified and harmonised action among DPs improved.

Improved DP staff with CS engagement experience: The basic requirement for sound financing decisions for CS engagement in policy dialogue work implies a need for DP staff with good political knowledge as well as the necessity for a well-developed institutional memory so that the turnover of staff has minimal effect on these decisions. In this regard, DPs need to improve their knowledge management and ensure sufficient time for hand-over among colleagues. The practice of immersions and in-country orientations is especially relevant for staff who are expected to support CS engagement in policy dialogue work and understand the complex environment in which CSOs operate.

DP staff and CSO to be better connected to the grass roots: As noted in the study it is not only DPs which may be remote from grassroots reality. CSOs and INGOs also need to be critical of their connectedness to people living in poverty particularly as the pace of change is accelerating. The same recommendations of ensuring staff have good political knowledge, enhancing institutional memory and ensuring regular opportunities to interact directly at grassroots (e.g. through professional immersions, Reality Check Approaches etc) apply to CSOs too.

DPs to provide more invited spaces for CSOs: DPs can be more proactive in providing *invited spaces* to CS to help identify issues and themes for support. CIDA's Annual Round Table consultations held in some countries with CSOs to understand priorities and explore opportunities are an important initiative. SDC (in Bangladesh) importantly promotes the concept that CSOs are accountable to CS not to them as a clear indication of the importance of local ownership. While laudable initiatives these may still not go far enough.

DPs to support emerging CSOs with new ideas: Finally, we recommend that support is not just provided to effective CSOs (i.e. those which have a track record) but that through the joint identification of issues and themes that those with alternative ideas, play watchdog roles and raise critical voices are also supported.

More appropriate expectations of CS engagement in policy dialogue and improved monitoring and evaluation

This study has noted that largely as a consequence of current global financial constraints, there is increasing scrutiny from donor countries regarding development investments with more insistent calls for results and demonstration of VfM. This has put work on CS engagement under particular pressure where the articulation of results and instruments to measure these (particularly numerically) remains limited and where processes are complex and often non-linear.

Rocha Menocal and Sharma (2008) allude to the *misguided assumptions* which underpin much of the CVA work including an '*assumed automatic relationship between enhanced citizens' voice and improved government accountability and that democracy leads to improved developmental outcomes (including poverty reduction)*'. Our study has highlighted the growing frustration of CS and DPs alike that normative logic models and results-based measurement instruments applied to these programmes as if they were service delivery programmes places pressure to demonstrate numbers within unrealistic timeframes. Even using contribution theory, it is difficult to attribute achievement in what are nearly always messy and complex processes of negotiation.. It is recommended that results-based models of intervention which are important means to objectively frame interventions are used but are better tailored to the needs of CS engagement programmes. At a minimum the different levels of outcomes noted in section 5.4 should be distinguished

Unequivally, DPs and CSOs can recognise and promote 'good' CSOs which are demonstrably active and effective in policy dialogue processes. It is incumbent on all to develop the means to objectively verify these perceptions through the development of appropriate indicators and instruments. CSOs need to explore and develop means to explain and justify their policy dialogue work better, including the work which they carry out 'behind the scenes'.

One option is a joint recognition that strong CS is an 'end in itself' The AAA and subsequent international declarations on CS role in development re-iterate this and provide a good rationale therefore for this becoming a basis for measurement of investment. On this basis DPs and their commissioning governments can be satisfied with returns on investment which rely on measurements of the legitimacy, diversity, vibrancy and increasing productive participation of CSOs in *state-invited space* as well as public perception about the importance of CSO contribution to public debate as means to characterise strong CS.

Although outcomes of CS engagement in policy dialogue may be unpredictable, long time coming, disappointing, difficult to measure and difficult to attribute we recommend three ways to improve on the prevalent means of assessment:

- Identify and use outcome and progress indicators for a vibrant CS and the CSO contribution to this (to satisfy the claim that a strong CS is an '*end in itself*').
- Develop good quality process tracking tools which CSOs can use to demonstrate their direct contributions to policy dialogue which are both public and behind the scenes.

These costed processes can be better assessed than the somewhat scatter-gun activity driven approaches which prevail now. DPs will need to find ways accept process tracking as adequate measures of achievement. Standards of good practice for measuring these changes including standards for robust and quantifiable perception studies as well as for qualitative evaluations need to be established and used.

- Develop good documentation (knowledge management) within CSOs and DPs.

Evidence of change needs to be reported and publicised in ways which are appropriate to this type of investment. Donor governments and taxpayers want to know that *'every penny goes to poor people'* so convincing them of the relevance and achievements in curbing corruption, for example, and directing resources to poorer sections of society though CS lobbying should not be difficult.

Where there is public trust in the core competence and defined mandate of any particular CSO, it may be sufficient for it to provide annual audited reports and short narratives of its activities and contributions supplemented by independent perception studies which assess and confirm their reach, influence and legitimacy to act on behalf of CS.

Finally, DPs need to balance their currently predominant accountability to their own Parliaments and public with accountability to those of the country they support. Information about their funding decisions and how they assess achievement need to be publicly accessible and DPs need to be able to explain and justify their support in country particularly in the sensitive area of policy dialogue. Likewise, CSOs need to balance their predominant accountability to the DPs with improved accountability to their own constituency (if they have one) and the public at large.

9.3. Recommendations for DPs

Identify better funding instruments

The study has shown that despite the recognition that current funding modalities are sub-optimal for this kind of work and despite efforts to improve these, there is a need for more radical re-think of funding approaches to CSO engagement in policy dialogue.

The study found that none of the current forms of funding CS engagement are without criticism and efforts to improve on them and to develop and test out new forms of funding are vital. DAC (OECD, 2009) recommends as good practice, maintaining a wide range of support modalities suitable for the diversity of needs. A range of mechanisms means that actors of different sizes, strengths and interests can access funds and also helps ensure a diverse CS (see also Griffin and Judge, 2010). However, this study finds that the variety in DP funding modalities is tending to shrink rather than increase and this needs attention.

A starting point for identifying new financing instruments should be an understanding of the needs of the plethora of CSOs and CS activity which are currently excluded from financial assistance. This might be expected to be developed from the review of political economy which forms our first recommendation. The needs are likely to include small funds, unrestricted funds, flexible and agile response funds, funds for processes and funds which support the *right to initiative*⁵².

The study notes that there are three types of need:

- Long term support:* The cases presented in this study indicate that successful CS engagement in policy dialogue often derives from long timeframes where CSOs build on their accumulated social and political capital to exercise influence. The credibility and legitimacy created enables them to participate in *invited spaces* and partner in policy development and policy implementation processes. The ultimate outcomes of these

⁵² i.e. the right for CSOs to identify their agenda and modus operandi independently of DP policy, priorities and strategy

careful 'drip-drip' advocacy strategies is changing entrenched attitudes, positively influencing power dynamics, reforming long-established structures and improving behaviour of service providers - all of which take time. This suggests that DPs must develop a long-term perspective to supporting CS engagement if they want to see this level of change (long-term behaviour change outcomes).

- ii. *Specific targeted support*: Some of the cases reviewed directly or indirectly in this study suggest value in support to well-orchestrated action around a single legislative objective e.g. Domestic Violence Act in Mozambique, Right to Information Act in Bangladesh (policy change outcomes). Unlike (i), this support has a projected clear end point and may be more easily time-bound.
- iii. *Opportunistic right moments*: The cases in this study also point out that achievements may rely on seizing right moments to raise issues in the public domain or influence decision makers and these are rarely predictable. Funds are needed to be mobilised swiftly in order not to miss these windows of opportunity, (process, and at best policy change outcomes).

Support for (i) and (ii) may be provided through 'project type' funding and is likely to be a mix of support to *invited* and *claimed* spaces. It is recommended that the following important 'givens' should be considered in any new 'project type' funding modality:

- Transaction costs will be higher than for service delivery projects so this needs to be accepted and built into the funds made available.
- Process and outcome-led budgets (as opposed to activity-driven) are essential to enable the flexibility required for opportunistic, effective and 'behind the scenes' engagement.
- Capacity building costs will be a higher proportion of total programme funds, at least in the short term, than formulae dictate for service provision projects because total project funds will be much lower (policy dialogue is relatively resource -light) and capacitation needs to propel CS engagement into the 21st century are many.
- Administrative costs may also be proportionally higher for advocacy and lobbying work than other forms of intervention as exchange of ideas, regular strategic reflection and adjustment may be legitimately a larger proportion of the programme costs.

Core funding to trusted CSOs should be continued and expanded so that they can continue to engage in long term advocacy (a) but also retain the flexibility to respond to key moments (c)

Intermediary funding needs critical review as many of the advantages presumed have not been realised in practice. We recommend caution in establishing these mechanisms and instead suggest DPs examine alternatives which follow.

During the study a number of suggestions were made for improved funding modalities beyond the conventional project type funding. These address the issues of providing support to the range of organisations, movements and spontaneous activism which cannot (or prefers not to) be registered but which contributes importantly to policy dialogue. These seek to address many of the limitations noted in Lesson Learned on DP support and enable:

- off-setting the closure of many small fund windows;
- provision of resources for local agenda, 'risky' actors and issues; and
- support to a wider range of CS action including small episodic actions which increasingly prevail.

These modalities essentially provide funds for public access resources, events and processes rather than conventional projects.

Resources for All: A notable potential which gained considerable support during the conduct of this study is the idea of 'Resources for All' (RfA or public access resources), see Box 9.1. This recommendation was made in the 2008 CVA study but has not been taken up. It side-steps the issue of the necessity to meet funding eligibility criteria which constrains many CSOs and much CS action from accessing DP support. It therefore has the potential for providing a more '*level playing field*' for a diverse range of CS actors.

Box 9.1: Resources for All

Resources for All responds to the need for providing support to small NGOs, CSOs (which have not become/not wanted to become NGOs) as well as the plethora of temporary issue-based movements and activist groups which make up a vibrant CS and which are not necessarily registered. There have been examples of similar initiatives but they serve the formal registered third sector only and are largely dependent on physical facilities. By contrast, RfA resources are entirely public-access and primarily web-based. They may provide information and advice about organising action, lobbying and running campaigns, comprehensive funding directories, etc. Small organisations may use this hub to benefit from bulk-bought services such as printing, accounting or insurance. As well as assisting with smaller but potentially important initiatives, public access resources enable new ideas to grow and new actors to emerge. In some donor countries public access resources are provided by the government, but they can also be established by independent organisations.

A systems funding approach: It is recommended that another modality to be taken up is enhancing the capacity to support constellations of actors within thematic areas. This recognises what the study has highlighted as the dynamic of CS engagement and the life cycle of policy dialogue issues which require different strategies and different sets of actors at different times. Support for this can be achieved in a number of ways (e.g. Fund manager/co-ordinator led-alliance, projects with multiple implementors in strategic alliance) and would contribute to taking what was referred to above as a more '*systems approach*'.

One option is a variation of the RfA approach for particular sectors. Thematic fund support is made available for processes rather than projects and consequently supports a diversity of actors (and positions!). Additionally funds for *networking* rather than for individual organisations, could be provided with the explicit aim of building relationships, partnerships and opportunities for collaboration including between dissenting groups. More needs to be done to ensure that CS action reaches to districts and villages rather than being concentrated in capital cities and this too can be accommodated in a systems approach.

Responsive Funds: This study noted that whilst much advocacy work undertaken by CS is slow in achieving results, change also happens unpredictably and sometimes rather rapidly when the right combination of factors coincides (see (c) above). Responsive funds are needed to be immediately available to support these opportunistic '*right moments*'. Unrestricted funds which can be mobilised in country swiftly and with few bureaucratic hurdles are vital for this sort of support and those DPs which have these already need to be sure they are '*fit for purpose*' and can be mobilised quickly as well as vigilant that changes in their financing policies do not erode these important funds.

Invest in the right kind of CS capacity building

The study indicates a reluctance to invest in CSO capacity building. Again, this seems to have evolved from budget directives which limit capacity building to a formulaic percentage of total investment. CS engagement programmes are often relatively resource-light and the resultant small budgets allocated for capacity building are directed at capacities which largely benefit the DP e.g. the use of their planning, finance and evaluation instruments, production of gender, transport, HR policies etc.

This study recommends that DP support should devote more resources to empower CSO *capacity to engage in policy dialogue*. Lobbying and advocacy, negotiation and communication skills as

well as evidence and case building are key skills which are not necessarily available in CS in developing countries. Globalisation, as well as the technical advances of 21st century pose new challenges for the operation of the interface between CSOs and governments. Competitive funding modalities generally expect implementers to already have the skills and resources necessary to engage effectively but the reality is very different. DPs need to recognise the importance of up-grading these skills and capacities by investing in capacity building and equipping for 21st century advocacy (e.g. state-of-the-art provision for computers, internet, mobile telephone and other technological innovations which facilitate information gathering and real time monitoring of policy dialogue and practice).

DP should support the development of a range of skills including legal education, communication for behaviour change, evidence-gathering and research, public speaking and campaigning, writing and language skills which will further CSOs and individual CS members to present ideas and demands for policy dialogue and conduct themselves appropriately and productively in *invited spaces*.

Some of this support could be channelled through a 'RfA window (see Box 9) but can also be supported by encouraging interaction between CSOs in developed and developing countries, (e.g. placements of young professionals, exchange visits, mentor arrangements etc). A good example for exchange learning is to experience the arrangements for and practice of official lobbying of parliamentarians which many European countries practice. In particular much can be achieved by placing volunteers and interns from DP countries (including through corporate social responsibility initiatives) to bring their technological expertise to the CSO as well as brokering effective technical assistance linkages between DP country CSOs and those in recipient countries. DPs and Embassies can broker contacts needed for international exchange much as they do for business interests.

Support to independent media and independent journalism

This study has reiterated the key role of the media in policy dialogue and the use CS can make of this channel of communication. While some DPs have embraced this by supporting journalism training, commissioning media coverage of issues, supporting popular TV chat shows and debate, there is still more that they can do. For example, programmes could be usefully expanded to extend the skills and capacity of the media to provide public information and platforms for public debate; as well as to improve CSO capacity to use the media productively in publicising their research, their positions on issues and to directly challenge inefficiency and inconsistencies.

Fundamental is the regulatory framework within which the media operates. The cases show that that this is often under threat of increasing state controls. DP support, both in terms of finance and voice, to protect the independence of the media is critical.

9.4. Recommendations for Civil Society Organisations

Empowering others to take action themselves

The study has noted the effectiveness of strategies where conventional NGOs facilitate those most affected by particular policies to take action themselves rather than on their behalf. Examples included the empowerment of local communities and CBOs in the natural resources sector in Uganda, the support given to associations of local government representatives in Bangladesh and as well as facilitating very local CBOs to champion local issues and learn to use *invited spaces* provided by the new local government legislation in Bangladesh. This approach draws on local motivation and commitment to change and builds capacity to ensure local compliance when new laws and policies are made. It is recommended that CSOs at central levels

further explore and establish links with CBOs and CSOs at the level directly affected by any outcomes of particular policy dialogue to ensure more sustainable outcomes.

Educating citizens

The models of change used in the study highlight the importance of citizen education; moving people's expectations from *users* to *choosers* as they become more familiar with participatory democracy. Instilling in the young a sense of community responsibility and an awareness of the role CS can play in society, and in this context in particular how it can influence policy should be part of the school curriculum. CSOs should continue and expand their current education initiatives through school, college and club visits to provide information to young people, so that the next generation is better equipped to participate and contribute to the influencing policy in their local areas and nationally. Youth parliaments and watchdog groups are important initiatives to support.

Make more use of social media

Social media in particular has become a major instrument for CSO and CS activity, whether it be in improving communication amongst members or more importantly in sharing and shaping ideas on policy matters through dialogue among a much wider range of CS members than was possible before. It is recommended that CSOs actively plan on how best to make most effective use of this technology which is fast penetrating even remote and poor regions and communities.

Evidence gathering and alliance building

The study indicates that the collection and building of evidence to support informed engagement in policy dialogue is often quite weak and insufficient use is made of working with independent research organisations or encouraging the collection of alternative views. To be credible, CSOs need to develop skills to commission, use, and critique research studies. They must be able to work in strategic alliances in order to harness the range of skills needed for effective policy dialogue and create a critical mass for change. The range includes research bodies, lawyers, media as well as diversity of CSOs including unconventional partners.

Much can be achieved for national CSOs from greater connection with international CSOs which operate globally to challenge and support CS action, such as Open Forum and Better Aid Forum. Keeping up to date with the provisions they have negotiated for DP-CSO relationships will allow for closer monitoring of these at ground level (where translation into practice often lags or becomes distorted).

Self-regulation

As argued in this study the litmus test for CSO achievement in policy dialogue often lies in the legitimacy and public confidence it earns. Current legislation and regulation for CSOs focuses on financial accountability and Government control of subversive activities rather than social accountability to the public. The CSO community needs to ensure that its public image is maintained and that the highest levels of transparency and accountability are upheld not only as individual organisations but collectively. We recommend the wider use of Codes of practice and Quality Assurance standards as key ways to promote public confidence in CSOs engaged in policy dialogue.