

CIDA, CIVIL SOCIETY AND DEVELOPMENT

A DISCUSSION PAPER

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with inputs from CIDA's Expert Group on Civil Society

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I. Introduction and Rationale

1. Civil society organizations (CSOs) are recognized as important players in development. In developing countries, CSOs complement government and the private sector as agents of change and development, and play a number of important roles thanks to the special links that they often have with their constituents and the social values that motivate their work. In Canada, domestic CSOs provide a mechanism through which Canadians can contribute to development and through which CIDA can channel some of its own development funds.

2. CIDA has a long history of support to CSOs in developing and transition countries and of collaboration with Canadian CSOs, beginning with the establishment of a small NGO program in the External Aid Office in 1967. Since that time, the relationship has been a fundamental underpinning of CIDA's development programming. Throughout much of that history the value of CSOs as agents of change, or as channels for Canadian aid has been an accepted part of CIDA's vision.

3. Collaboration with CSOs on program delivery and policy development also reflects Canada's domestic experience as a democratic and pluralist society, and builds on values shared by Canadians as described in the *Accord Between the Government of Canada and the Voluntary Sector* (2001). CIDA's current policy suite includes frequent references to civil society, but nowhere are the roles of civil society in development and in CIDA programming dealt with comprehensively in an explicit way (Ennis 2006). This is a significant policy gap that hinders the establishment of a common understanding regarding civil society within CIDA.

4. There is a demand for a CIDA policy on civil society also from Canadian civil society itself, and increasing awareness internationally about the need for greater clarity on the roles of CSOs in development.

5. Recent discourse on aid effectiveness internationally and in Canada has drawn increased attention to a number of considerations such as the following:

- The need for greater attention to results at the outcome and impact levels
- The importance of working with national governments in the search for greater coherence and alignment
- The need for more comprehensive approaches
- The desirability of greater aid untying.

Considerations such as these have challenged some traditional ways of working with CSOs, and suggest a need to review these ways of working from an aid effectiveness perspective.

6. There is thus a felt need today for a more explicit policy on civil society that speaks to the value of CSOs as agents of change and development, and as CIDA partners, and defines a CIDA position on what constitutes effective aid from that perspective. CIDA's recent review and renewal of partnership programming with Canadian civil society and private sector organizations calls for filling the current policy gap by producing a CIDA policy on civil society.

7. This discussion paper is intended to identify and explore some of the issues that such a policy should address and to suggest some initial directions for discussion within CIDA, with CSOs and with other development partners. It is intended to help build a common Canadian understanding of civil society within CIDA, and with CSO stakeholders in Canada and internationally.

8. The intent is for the policy to take a results-oriented perspective, such that its recommendations support the achievement of development results, including results such as the following:

- Poverty-reduction
- Empowerment of the poor
- Realization of human rights and democratization
- Improved government policies
- More accountable government, donors, and CSOs
- A stronger, more sustainable civil society.

9. The document takes the engagement of Canadians in development cooperation as a legitimate objective that need not be in contradiction with the pursuit of development results. It takes as a premise that CIDA should manage Canadian engagement in such a way as to maximize its impact on development results.

II. Subject Matter and General Considerations

10. The subject matter of this policy requires an understanding of the following:

- The importance of civil society and of CSOs' potential contributions to development
- How CSOs can support CIDA's work as partners
- How CIDA can strengthen CSOs and civil society in developing countries
- How CIDA can help to provide a space whereby Canadians can contribute to development beyond what CIDA itself can do.

11. The following sections deal with each of these topics in turn.

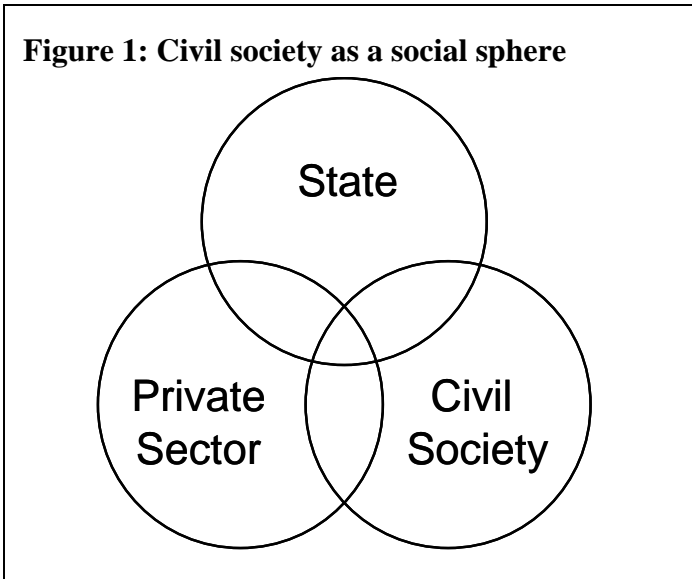
A. Civil Society and Development

12. "Civil society" is often thought of as one of three social spheres, along with the private sector and the state. Civil society, from this perspective, is the social space in which people organize themselves to promote shared objectives and values, and is usually seen as essential to the proper functioning of a democratic society and to the enrichment of a country's institutional foundations. This space is populated by CSOs, which can be defined as organizations of a formal or informal character operating on non-profit principles but lacking the ability of the state to raise taxes to pay for its activities.

13. The graphic that follows illustrates this simplified model of society in terms of three overlapping spheres. The overlap between the three spheres acknowledges that organizations found within each sphere may share characteristics with those in other spheres. Co-operatives for example tend to be considered as CSOs, although their operations follow market principles to a degree. How large or dynamic each of these

spheres might be varies from country to country, and is likely to evolve according to historical circumstance.

14. CSOs include non-governmental organizations (NGOs) specializing in development activities, but also membership-based organizations and other organizations whose development role may be only secondary. Examples include farmers' associations, professional associations, cooperatives, women's groups, community-based



organizations, environmental groups, chambers of commerce, independent research institutes, universities, faith-based organizations, labour unions, and the not-for-profit media, as well as other groups. CSOs operate in different geographical spheres, including locally, nationally and internationally and may be formal or informal.

15. CSOs operate on the basis of shared values and beliefs, and relationships of social solidarity with their primary constituencies – the diverse groups of people they serve or represent. This

responsiveness to different primary constituencies is what explains and legitimizes the extensive diversity of CSOs in terms of values, goals, activities, and structure, and helps to define their legitimacy as development actors in their own right.

16. The diversity of CSOs also suggests the need for caution in making generalized comments about civil society. CSOs often have a strong institutional culture that enables them to achieve high levels of motivation, deliver high quality services or to be particularly innovative. However, CSOs may be institutionally weak or strong, innovative or moribund, “good” or “bad” depending on one’s own values; CSOs are not be definition all “good.” The very diversity of CSOs is likely to reflect the vitality and strength of the civil society sphere in a particular society.

17. CSOs produce results in a variety of ways, including the following:

- *Delivering direct development and humanitarian benefits to the most vulnerable:* CSOs are often able to target the poor directly, bringing low cost, tangible results to those most in need. A core group of humanitarian relief organizations operate flexibly in crises brought on by civil or military unrest, and natural or human disasters.
- *Promoting peace and building security:* Many CSOs play a critical role in providing services and relief to poor people in failed and fragile states (e.g. Haiti and Afghanistan) while also rebuilding trust and dialogue in communities torn by civil war and ethnic strife.

- *Pursuing democratic governance and promoting accountability:* Civil society actors hold their governments to account for the use of public funds. They raise public awareness, and engage in policy dialogue on critical domestic and global policy issues (e.g. debt relief, fair trade, or banning landmines, amongst others).
- *Forging networks and linkages:* CSOs often form formal and informal networks in the pursuit of common interests, from local levels to those that cut across international borders. Through such networks, CSOs share knowledge, experience and good practice to increase their collective impact. Networks that straddle North and South also help foster a sense of global solidarity and action.
- *Advancing development practice:* CSOs have often been at the forefront of innovative thinking on cutting-edge issues and approaches to development, such as gender equality, or human rights-based approaches. Sometimes, decentralized, participatory, and relatively small-scale initiatives undertaken by CSOs both require and allows them to be innovative and to pilot new approaches.
- *Developing capacity and empowering the poor:* CSOs, particularly those working in a North-South CSO partnership, often use participatory capacity development approaches to promote local ownership and ensure sustainability of jointly defined development initiatives. Many CSOs mobilize poor and otherwise marginalized groups and communities to pursue development outcomes by demanding the protection and fulfillment of their rights. CSOs are often considered the vehicles for people's voice in democratic governance.

18. Worth noting is that CSOs contribute to development in ways that are often quite independent of foreign aid. Although many CSOs in both the North and the South are dependent on aid for their survival, many others do not. In India, there are more than a million active CSOs, only a few thousand of which can be said to depend on aid for sustenance

B. CSOs as Development Partners

19. When considering how to allocate resources, CIDA is called upon to enquire into the relative effectiveness of different channels. Options include the employment of private sector or civil society "Executing Agencies" on contract to deliver service, direct funding for government programs in developing countries, or working in partnership with CSOs on a cost-sharing basis. This paper is concerned with the last of these three options.

20. The notion of partnership involves a model for bringing development actors together on the basis of shared objectives, shared resources and shared accountability. According to Demerjian (2002), partnership refers to "an agreed-upon arrangement between two or more parties to work collaboratively toward shared objectives - an arrangement in which there is (i) sharing of work, responsibility and accountability; (ii) joint investment of resources; (iii) shared risk-taking; and (iv) mutual benefits."

21. Working in partnership with CSOs based on shared values offers a number of potential advantages for enhancing the quality of aid managed by CIDA including the following (see Lavergne and Wood 2006, sections IIIB and IVC):

- By making use of responsive and core support mechanisms, CIDA is able to tap into a wealth of ideas about effective, often innovative ways, of contributing to

development. Partnerships provide opportunities to share and adapt best practices between CIDA and its partners.

- CSOs often bring to the table additional resources, knowledge, expertise, and sometimes long-standing linkages with target communities or organizations.
- CSOs expand CIDA's repertoire of action, allowing CIDA to contribute in fields or geographical areas where CIDA's own presence may be weak, or where an arms-length intermediary is the preferred or only option over government-to-government investments, such as in fragile or crisis countries. CSOs also often target people or sectors that may be neglected by developing country governments themselves whether due to distance, limited resources, political will, or specialized needs, through direct service delivery or advocacy.
- CSOs are in a better position than aid agencies to understand and address the priorities, needs and capacities of other CSOs. Where strengthening CSOs is one of CIDA's objectives, CSO intermediaries are well placed to understand the institutional realities of CSOs targeted for strengthening based on a shared sense of social solidarity, shared values, and shared experience.
- CSOs have also been described as an "indispensable bridge" between development plans for poverty reduction and the lives lived by the people that aid efforts ultimately target (CCIC 2005, p. 3). By supporting CSOs in this role, CIDA is able to explore alternative ways of supporting the poor, and direct interaction with CSOs allows CIDA to inform its programming and policy negotiations with host governments based on local realities.
- In Canada, CSO partnerships can be used to build understanding and engagement in development. CIDA's Canadian CSO partners have built a domestic constituency of informed and engaged Canadians across the nation who believe that Canada should be involved in international development and contribute directly to Canadian development cooperation through funds, staff and volunteer time.

22. CIDA has a long history of working in partnership with CSOs, and provides considerable aid funds to these partnership arrangements, approximately 20% of CIDA's total disbursements in 2005/06.¹ CIDA's CSO partners may be Canadian based or from developing countries, or they may be international CSOs.

23. Currently, CIDA funding to and through CSOs tends to flow mainly via Canadian CSOs. It is estimated that approximately 83% of CIDA's CSO funding first passes through a Canadian CSO whether as Executing Agencies or as partners.² However, there are examples of relatively large-scale support to developing country or international CSOs, and considerable use if made in the geographic branches of local funds that channel support directly to developing country CSOs as well as to private and public sector actors.

24. For CIDA and other donors, CSO diversity is a strength that can be tapped to channel resources where they might most productively be used. Donors tend to focus

¹ Specify exact number later, for 06/07? 07/08? 08/09?

² Better data is needed excluding directive through CEAs; this figure is indicative only.

their support on particular CSOs considered to be potentially valuable as development partners. Choosing partners from the diversity of CSOs requires an understanding of the real and potential contributions that particular CSOs or groupings of CSOs may be able to make in different contexts, considering questions such as the value base and institutional culture of specific CSOs, the accountability mechanisms that they have in place, the niches that they are filling effectively, the results they produce, and the relative advantages that they offer.

C. Civil Society Strengthening

25. Although donors often think of CSOs principally as development partners for the purpose of achieving specific development results, civil society may also be supported as one of three social spheres, the strength of which may evolve over time, in much the same way as government or private sector development in a country may be supported.

26. It is Canada's experience that a strong civil society is integral to social, economic and democratic development. This is reflected in documents such as the *Voluntary Sector Accord*, and is clear from the *Canadian Charter of Rights and Freedoms'* guarantee of freedom of thought, belief, opinion, expression, peaceful assembly, and association, all of which are "important to the success of a democratic society like Canada [where] people must be free to discuss matters of public policy, criticize governments, and offer their own solutions to social problems" (Department of Canadian Heritage 2003, no page). It is further reflected in the fact that CSOs are present in virtually every community across Canada, offering a breadth of service options complementary to those offered by government or the private sector, and representing people's efforts to organize and raise their voices collectively on issues of concern (Statistics Canada 2004).

27. Thus, while CSOs are recognized as having an important contribution to make to poverty reduction, the promotion of human rights and sustainable development, strengthening civil society can also be understood as a valuable development objective in and of itself. While the civil society sphere cannot match the financial weight of government or the private sector, the pluralist ideal of a balance of government, private sector and civil society engagement in development suggests the need to strengthen each of the three spheres.

28. A truly comprehensive approach to development necessarily considers all three spheres, seeking to understand and address the strengths and weaknesses within each, and the challenges and opportunities presented by the interplay among them. Effective donor engagement in civil society strengthening thus requires an understanding of the dynamics of the civil society sphere as a whole, and its relationship with the other two spheres.

D. Canadian Engagement

29. It is through partnerships with Canadian CSOs that Canadians are most actively engaged in international development. All of CIDA's branches work in partnership with Canadian CSOs. These partnerships involve more than 500 Canadian CSOs.³

³ JW to verify figure and ensure consistent with that of section 4. D.

30. These Canadian CSOs are usually partnered themselves with developing country organizations. Canadian CSOs thus play an intermediary role between CIDA and developing country CSOs, usually based on long-term relationships of solidarity with these counterparts.

31. In turning to Canadian CSOs, CIDA is expressing a desire for Canadians to engage in development in active ways that involve direct contact between Canadians and Canadian organizations and their counterparts in developing countries. There are several reasons for such an approach.

32. One reason is the tendency for Canadians to trust Canadian organizations as trustees of Canadian tax revenues. Another is that it enlarges the envelope of what Canada contributes to develop as a national community. From this perspective, Canadians work independently *and* through their government aid program in pursuit of shared development goals. It is important to Canada, and to development, that Canadians engage in development organizations supported by their own government. Statistics Canada indicates that Canadian CSOs involved internationally raised over \$731 million in 2003 from gifts, donations and other non-governmental sources (2004). Over \$200 million was raised in a matter of weeks in response to the Indian Ocean Tsunami in 2004. To these financial contributions can be added contributions of voluntary time and expertise, and the dedication and commitment that Canadians bring to the task.

33. Although the degree to which CIDA's support to the work of Canadian CSOs helps them to "leverage" additional resources for development as often argued is uncertain (Lavergne and Wood 2006, p. 14-15), CIDA's support helps to sustain a rich institutional base of international cooperation, whereby Canadians with a wide range of interests, cultural background and expertise, can contribute to development in their own ways. Canadian CSOs add value to Canadian development cooperation due to their knowledge, experience and networks of counterparts in the South and internationally. They also reinforce the expression of Canadian values internationally such as the importance of democracy, human rights, justice and pluralism.

34. By engaging Canadians in this way, CIDA also helps to create a base of Canadian support for development cooperation, and for an active and generous Canadian presence internationally that might otherwise be difficult to sustain over the long term.

III. Principles

35. Building on the above understanding of reasons for engaging with CSOs and investing in civil society strengthening, it is possible to identify a number of principles that CIDA might take into account in defining a policy on civil society, based on lessons of experience in Canada and internationally. Some of these principles can be found in the Paris Declaration on Aid Effectiveness, and these provide a useful though not exclusive reference point. This paper proposes the following principles:

A. Recognition of CSOs as Development Actors with their own Specificities

36. A first principle that can be proposed is simply to recognize the importance of CSOs as independent development actors in their own right – which is to say that they have independent agendas for change worth supporting in ways that complement the roles

played by government and the private sector. It is important to recognize as well the specificity of civil society as a social sphere. Government, the private sector and civil society differ in fundamental ways as spheres of social activity and what makes for more effective government programs (better, more comprehensive planning and programming, for example), may not apply to the same degree in the private sector (where competition and market forces are more important) or for civil society (where the diversity of views and space for innovation may be of particular importance) (Lavergne and Wood 2006).

37. The diversity of civil society needs to be emphasized, and has important implications for programming of aid to or through CSOs. CSOs reflect a multiplicity of concerns and contribute to development in diverse ways that require space for entrepreneurship and competing ideas. The concept of civil society also covers a wide diversity of organizational types, including informal actors (or informally organized actions), such as social movements or single-issue associational groupings that are dynamic and subject to enter or exit the scene depending on the issues at hand. While some CSOs specialize in one activity area, others cover a wide range of activities ranging from service delivery to capacity development or advocacy. As noted earlier, the diversity of CSOs is an indicator of the strength of civil society, and also provides opportunities for donors to channel resources where they might most productively be used.

38. Realities differ considerably from country to country, in terms of the roles that CSOs are equipped to play most effectively, the environment in which they are able to form and operate, and their potential contribution to development relative to the state or the private sector. The specificity of different contexts needs to inform CIDA's decision-making with regard to where the Agency's investment can best make a difference.

B. Local Ownership and Alignment

39. Experience shows that development is not sustainable in the absence of local ownership. This is recognized in the Paris Declaration, which calls for local ownership, country leadership and alignment of donor priorities to those of host-country partners. It calls also for making use of country systems wherever possible. While the Paris Declaration focuses on donor-government relationships, the same principles can be applied to relations with developing country CSOs, where the relevant ownership, leadership, priorities and systems are those of these CSOs and of their primary constituents – the people they serve or represent. Alignment in this context means alignment of Northern CSO efforts with the priorities and strategies of their CSO partners in developing countries, and alignment of developing country CSOs with those of the populations they serve or represent. It may also, but not necessarily, mean alignment of CSO initiatives with government priorities and strategies.

C. Balancing Short-term and Long-term Results

40. All development cooperation involves tradeoffs between delivering concrete development results of benefit to the poor in the short-term, and longer-term benefits to be derived from investments in capacity development, or in addressing the structural causes of poverty. Awareness of these tradeoffs and of the need for greater attention to capacity development was one of the main drivers behind the Paris Declaration, which

sought to define new forms of donor-Southern-government partnerships that would help to development governments' institutional capacity over time rather than undermining it as had often been the case in the past.

41. Similar tradeoffs exist when it comes to support of CSOs, where focus on short-term results often leads to support for short-term projects with immediately tangible benefits. Accompanying accountability frameworks tend to pay insufficient attention to results associated with the long-term and often non-linear processes necessary for enduring social change. Among longer-term results that can be promoted are institutional capacity development and learning, knowledge building, changes in attitudes and values, enhanced participation and social empowerment, and shifting patterns of accountability. As an approach, this perspective argues that long-term and sustainable results depend upon the existence of a strong institutional base. This is not to suggest that capacity development and social empowerment are the only legitimate objectives of foreign aid. The challenge is to find formulas that deliver short-term results while also addressing longer-term development processes.

D. More Comprehensive Approaches

42. A general trend everywhere is the search for more comprehensive approaches to development. In part, this is a result of improved understanding that partial approaches may have little impact at all if key problems remain unsolved. In part, it can be attributed to technological advances that have made communications and coordination possible in ways that even 15 years ago would not have been possible.

43. In the Paris Declaration, the call is for development cooperation to be better coordinated and better harmonized in support of country systems and strategies, and harmonization of donor efforts under program-based approaches (PBAs). In some cases, enhanced coordination and harmonization may involve CSOs engaging as partners in existing sector programs or other development programs under government leadership, and being supported by donors in that capacity. In other cases, it may mean CSOs taking a more holistic perspective and pooling their own efforts with other CSOs, and donors harmonizing their support for these efforts. It may also involve the adoption of coordinated or joint donors mechanisms of support for CSOs and for civil society strengthening in a country as a whole.

E. Managing for Results and Accountability

44. In broad terms, the objective of all development programming, including in partnerships with CSOs and in civil society strengthening, is the achievement of development results. The implementation of results-based management has been ongoing at CIDA for over a decade, and underpins a commitment of accountability to Canadians for results achieved with government resources. Management for results is also one of the Paris Declaration principles, as is mutual accountability, which speaks to the relationship of shared accountability between donors and recipient governments.

45. CSOs face a complex web of accountability that includes accountability to their funders, to the public, to their boards, to their peers, and, most significantly, to the individuals and organizations they work with or represent who are their primary

constituents. Ultimately, these primary constituents are the communities and individuals who are the intended beneficiaries of aid.

46. Results-based management is one of CIDA's accountability tools, and is most effective when used in a way that emphasizes CSO accountability to their primary constituents. It is also most effective when pursued in a way that recognizes development as a process that is complex and non-linear in nature. Good practice uses results-based management as a way to promote learning so that lessons are integrated into decision-making, and programming is approached in an iterative manner.

47. For a donor such as CIDA it is also important to use RBM to track and aggregate the collection of results from its CSO partners and from its own civil society strengthening efforts, in order to demonstrate to Canadians that, together, CIDA and CSOs are achieving results at the outcome and impact level.

IV. Policy Discussion Topics

48. The purpose of this discussion paper so far has been to build a common framework for understanding the subject matter of civil society and CSOs, and principles to guide CIDA as it develops a policy on this subject. This section suggests an initial series of topics that a policy might seek to address and begins to explore the issues under each topic, building from the base of the previous sections' framework and principles. A limited number of questions are posed under each topic with a view to generating reflection and discussion that can inform CIDA's policy directions. Readers are invited to share their answers to these questions or to pose alternate questions, and to comment on the form or content of this discussion paper overall.

A. Canadian Leadership – Making Civil Society a CIDA Priority

49. Canada is recognized internationally as a nation in which there exists a healthy interplay between government, the private sector and civil society. Internationally, Canada has been a leader in providing development assistance through and to CSOs, and in including CSOs in international policy dialogue such as in UN processes.

50. International trends beginning in the late 1990s through to the Paris Declaration in 2005 have led to increased attention to the state as a development partner of development, and to the necessity of reinforcing the state as a condition of sustainable development. This trend was reflected in CIDA's *Strengthening Aid Effectiveness* policy in 2002 and in subsequent policy documents. This shift in attention towards government-led initiatives, and increased use by CIDA of multilateral organizations led to a relative decline in the attention that CIDA has accorded to CSOs and civil society development. CIDA is now seeking to achieve the best possible balance of investment among development actors from government, the private sector, and civil society.

51. This is a balance that needs to be struck across CIDA's investments, and needs to be sought among donors internationally. Within CIDA, a policy decision to accord increased attention to civil society would imply a decision to systematically integrate civil society analysis into CIDA's decision-making tools – including analysis of the status of civil society, its relationships with other spheres, of CSOs' roles and of the constraints and opportunities they face in filling them – in all countries of CIDA engagement,

particularly in countries of concentration. It would also imply the need to engage in similar analysis in most CIDA interventions, regardless of programming channel.

52. Such an approach is already manifest in some CIDA initiatives, most obviously in the democratic governance sector within which strengthening civil society's role in democratic processes is an obvious area of activity that is sometimes integrated into governance programs. In the education sector, some CIDA investments in government programs of universal access to education through Sector-wide Approaches also seek to enhance the capacity of parent-teacher associations or of teachers' federations. Similar examples could be found in all sectors of CIDA intervention.

53. Internationally, one of the major aid effectiveness themes being discussed internationally is that concerning the division of labour among donors. As areas of comparative advantage are being identified, Canada may be well placed to adopt CSO programming and civil society strengthening as a niche area. As chair of the Advisory Group on Civil Society and Aid Effectiveness, CIDA is rapidly enhancing its status as a champion of support for the role of civil society and CSOs in development. This multi-stakeholder effort is helping to ensure that the international aid effectiveness agenda recognizes the important role of civil society in the development process, by: engaging other donors in the OECD-DAC, developing country governments and CSOs on this issue; supporting consultations and research on best practices; and hosting an international conference on civil society and aid effectiveness. While the Accra High Level Forum is a key milestone for the Advisory Group, CIDA anticipates ongoing involvement in this process beyond Accra, in order to fulfil commitments made and implement the agenda for action that is anticipated to emerge.

54. *Questions for discussion:* Should CIDA build on its experience of working in partnership with CSOs to further strengthen the Agency's capacity and comparative advantage in civil society policy and programming? If so, how should this manifest itself? How can CIDA's work to support civil society be given greater prominence in CIDA's priority sectors? How strong a leadership role should CIDA continue to play internationally on the subject of civil society and aid effectiveness?

B. A Multi-Prong Approach to Civil Society – General Directions

55. In restating and refining its policy approach to civil society, CIDA may wish to consider three distinct but overlapping programming dimensions or approaches:

- Partnership programming through Canadian CSOs, including Canadian engagement
- Direct support to developing-country intermediary organizations or CSOs
- Investment in civil society strengthening.

1. Canadian partnership programming and Canadian engagement

56. As noted earlier, the bulk of CIDA funding in support of CSO programs is now channelled through Canadian CSOs. Other donor agencies also typically give priority funding to CSOs from their own country. Indeed, foreign organizations, including developing country CSOs, are often ineligible to receive funding directly from donor country aid agencies (sometimes due to legal contracting constraints), regardless of foreign CSOs' capacity.

57. However, recent thinking about local ownership and alignment leads to suggestions that support should increasingly go directly to Southern CSOs. Accordingly, some donors are beginning to rethink their approach and to eliminate existing constraints.

58. For CIDA, there are both advantages and disadvantages to working with Canadian CSO partners as opposed to working directly with developing country CSOs. On the negative side, Canadian CSOs sometimes give the impression of being “supply-driven” rather than pursuing local ownership and alignment with the priorities of their developing country counterparts.

59. However, Canadian CSOs are often very effective in working with developing country CSOs. They are likely better equipped than CIDA – a government department – to engage in direct relationships of accompaniment with developing country CSOs, based on a common experience as non-profit organizations. Canadian CSOs may be more familiar with CIDA policies and requirements, and provide an intermediation service both for CIDA and for the developing country partners involved. CIDA may also prefer to enter into partnerships with Canadian CSOs due to the existence of long-standing relationships with them, and the respective understanding of Canadian accountability requirements (Lavergne and Wood 2006).

60. An additional reason for CIDA to pursue civil society development results through Canadian CSOs is administrative: CIDA already supports some 800 organizations through its responsive programming and core support mechanisms. An increase in direct funding relationships with developing country organizations could present an enormous additional administrative burden, particularly at field-level, to reach the same number as those reached via Canadian CSOs.

61. Another reason to maintain strong support to Canadian CSOs is to engage Canadians in international development. Canadian engagement is not a development objective as such, but it is a valid consideration in defining CIDA policy for a variety of reasons. The OECD-DAC recognizes the importance for its members to invest in engaging a domestic constituency to sustain support for international development, and an active and well-informed citizens can contribute to development policy making (OECD-DAC 2003 a) and b) in Lavergne and Wood 2006).

62. Canadian engagement can contribute to development indirectly by helping to increase Canadians’ understanding of development through CSOs’ development education efforts, and building and maintaining domestic support for Canada’s involvement in international development and global issues more broadly. It can also contribute directly by tapping into Canadians’ expertise and interest in contributing to global poverty reduction, and by leveraging additional financial resources for development.

63. CIDA can facilitate Canadians’ efforts to make a contribution to development through its support to Canadian CSOs. Where CSOs actively involve Canadians, this can foster an increased sense of ownership among Canadians for the international development agenda (Lavergne and Wood 2006).

64. The challenge in pursuing the Canadian engagement objective lies in being strategic in engaging Canadians in ways that most effectively contributes to development results,

whether indirectly or directly. Engagement via Canadian CSOs may be the most significant contributor, but it is not the only one. CIDA has already tasked itself to define more clearly the objectives of its public engagement strategies, and to increase investment in public engagement with international partners and Canadians.

2. *Mechanisms for direct support of CSOs in developing countries*

65. There is an important distinction to be made between making use of Canadian CSOs as intermediaries, and more general arguments for intermediation bodies. Thus, while support to CSOs in developing countries via intermediary organizations may come with a sound rationale for achieving development results (including local reach, cultural and political appropriateness, capacity building, networking, and administrative simplicity), this is increasingly being achieved through intermediary bodies based in developing countries (Scanteam, 2007).

66. For donors, intermediary bodies are a way to reduce their transaction costs of direct support to Southern CSOs. Other ways of reducing these costs may be to combine the use of intermediary funding mechanisms for small and community-based CSOs with program support and core support of larger partners. One of the challenges is to access a broad and diverse base of civil society partners, including those outside of capital cities, and informal civil society actors that tend, by virtue of lack of legal status, or capacity to manage donor financial contributions, to not be engaged in partnerships with donors (Scanteam, 2007). This includes a broad spectrum of civil society actors, including small-scale informal actors such as community-based associations (e.g. *tontines* in Francophone West Africa) or equally informal but far-reaching social movements. Outreach to such actors has its challenges as they are often not legal entities, and can have flexible structures that change in shape and over time. Ways of reaching these civil society actors may require working through formal intermediary CSOs with a demonstrated direct link to broader civil society.

67. Direct support to a broad and diverse base of CSOs also means looking beyond traditional non-government development organizations to other civil society actors likely to have a strong constituent base and niche expertise who may be strategically important development actors. These could include organizations such as trade unions, professional associations, or human rights organizations among others.

3. *Civil society strengthening*

68. A major issue in all CIDA civil society programming is the degree of emphasis that should be placed on civil society strengthening, as opposed to more immediate development results. As noted in the Principles section of this paper, there is a proper balance to be struck between these longer-term and shorter-term programming objectives.

69. This can be achieved by making capacity development considerations an objective in all or most CIDA civil society interventions, and ensuring that capacity development results are integrated in the logic models of these initiatives. Informally, this seems already to be the case because many CIDA investments are designed with capacity strengthening of individual CSOs, families of CSOs, or CSO umbrella organizations as their main goal. Furthermore, the integration of capacity development is already emphasized in current policy statements regarding partnerships with civil society in

Canadian Partnership Branch (Saxby, 2003). However, there may be a case for an overarching policy statement in this regard.

70. An option which has not yet been explored to a significant degree in CIDA is to direct CIDA investments not at individual CSOs but at civil society as a whole. This could include efforts such as:

- Support for CSO resource centres that provide goods and services to civil society such as training and consultancy services, access to resource materials, computers and internet connections, training and conference rooms, and fora for exchange and collaboration.
- Promotion of CSO self-regulation geared at intra-CSO for accountability.
- Peer monitoring initiatives for accountability and joint learning.
- Support for formal and informal networking and linkages among civil society actors at the local, regional, national and international levels.

71. CIDA's investments in civil society strengthening could also be directed not at CSOs but at governments, the policies and behaviour of which condition the environment in which CSOs form, operate and interact with each other and with other development actors. Interventions in the enabling environment could also be directed at members of the public or at private sector actors, such as to build an understanding of the value of CSOs' contributions to development.

72. There are a few areas that have a significant impact on the enabling environment for CSOs such as:

- The general legal and judicial system and related mechanisms through which CSOs can seek legal recourse (i.e. the broad legal framework, court system, legal aid, national human rights institutions, ombuds officers)
- Mechanisms to ensure the promotion and protection of the rights to expression, peaceful assembly and association, and access to information, as guaranteed under the International Covenant on Civil and Political Rights, and facilitated by respect for the rule of law
- Enactment, reform or implementation of CSO-specific policies (e.g. CSO/NGO legislation, taxation regulations including charitable status provisions)
- Encouragement of multistakeholder dialogue between and among CSOs, government, elected representatives, and donors
- Measures to promote philanthropy and corporate social responsibility.⁴

73. *Question for discussion:* These various considerations suggest a number of areas requiring general policy direction from CIDA, to address questions such as the following:

- How can CIDA determine the optimum balance of support that it provides through Canadian CSO partners and directly to CSOs in developing countries, to best support the achievement of development results?
- Could more effective ways be found to promote Canadian engagement that maximize the benefits of CIDA investment to and through Canadian CSOs as a way

⁴ From UNDP's *Sourcebook on Building Partnerships with Civil Society Organizations* (2004)

of mobilizing additional contributions from Canadians and a growing commitment to development objectives over the medium and long-term?

- Within developing countries, how can CIDA determine what balance should be sought between working with different types of CSOs to ensure the achievement of development results, including:
 - Support to large, proven CSOs
 - Support for smaller CSOs through intermediary organizations or other means
 - Core support
 - Project-based support?
- Finally, should CIDA make an explicit policy decision to systematically invest in capacity development in most or all initiatives involving Southern country CSOs? Should it establish strengthening civil society as a whole as a corporate objective?

C. Enhanced Coordination and Harmonization and the Role of Responsive Funds

74. Another area where greater policy clarity would be useful is with regard to the general subject of enhanced coordination and harmonization of efforts, in contrast to the sort of project-based perspective that characterizes some responsive funding mechanisms. As noted in the Principles section, the trend today is towards more comprehensive approaches, and there has been much criticism internationally of project-based approaches to development.

75. Applied to partnership programming with CSOs, this suggests that CIDA's CSO partners should be encouraged to work more closely with each other and with other development actors in developing countries, including CIDA, thus avoiding duplication of effort and ensuring comprehensiveness and complementarity so that "all bases are covered" in terms of the needs and priorities of aid recipients.

76. Yet CIDA, like other donors, has not yet paid much attention to the ways of encouraging collaborative and 'harmonized' work among CSOs (see AG 2007a & b for further discussion). Like other donors, CIDA does not currently offer systematic incentives or conditions for its own CSO partners to work more collaboratively other than the requirement for Canadian CSOs to work with developing country partners.

77. Some of the most remarkable examples of coordination among CSOs come from CSOs' own efforts. Indeed, some CSOs see a role for donors in supporting CSOs' joint efforts only once CSOs have themselves determined they will work together on an issue. Many CSOs already work collaboratively to varying degrees on specific topics, in specific geographic regions, or through specific approaches.⁵

78. However, donors are making efforts to coordinate and harmonize their own civil society support mechanisms. Sometimes these efforts involve baskets (pooled funds, for instance, to support large-scale programs or to provide core funding to one CSO), but they may also engage a range of other mechanisms and agreements.

⁵ For example, volunteer-sending CSOs in Canada are submitting joint proposals (CECI-WUSC, CUSO-VSO). See Lavergne & Wood (2006) for additional examples.

79. Core funding to CSOs is one formula that can be adopted in keeping with a more comprehensive and holistic perspective on development. Core funding is a type of program-based approach in that it supports the whole of a CSO and the development results it is pursuing, often over a relatively long-term (e.g. 5 years), rather than funding its activities on a short-term and piecemeal basis. While coordination and harmonization, whether by CSOs or by donors, tend to require considerable up-front effort, such efforts can encourage a change in attitude away from working in isolation on individual projects in favour of thinking in terms of the big picture (programmatic approaches) and in concert (coordination). It can also be a step toward better sharing of lessons of experience. Some creative information sharing efforts are underway intended to strengthen coordination and knowledge sharing among donors pursuing civil society development results, such as the European Commission/World Bank web-based Donor Exchange, Coordination and Information Mechanism.

80. On the other hand, recognizing CSOs as distinct and highly differentiated development actors with their own specificities suggests that the high level of emphasis of the Paris Declaration on coordination and harmonization may be more appropriate for government-led programs than for civil society-led initiatives. In the bilateral relationship between donors and recipient governments, program-based approaches such as Sector-Wide Approaches, are the operational embodiment of the coordination and harmonization principle. Typically, these are in sectors such as health or education, where somewhat standardized programs exist for scaling up to reach as much of the population.

81. CSOs, however, tend to work on a smaller scale, in a diversity of programming areas and approaches that are adapted to the circumstances and needs of their particular constituents, such that participatory and iterative approaches may be more appropriate than efforts at large-scale coordination and scaling-up (Lavergne and Wood 2006). Support for such initiatives is not necessarily in contradiction to principles of aid effectiveness, and is perfectly consistent with principles of local ownership and alignment. Under appropriate circumstances, niche programming of the sort that this represents can afford extraordinarily high returns.

82. If the specificity and diversity of CSOs are recognized, as suggested in this paper, this suggests that CSOs can be supported as independent development actors in their own right, with legitimate priorities and strategies developed in the spirit of local ownership, with their primary constituents. Acknowledging CSO diversity also suggests that there is an important role to be played by responsive programming as a way to tap into the ideas, energy and resources of potential CSO partners, including in relatively small-scale initiatives through which new or innovative approaches can be developed and piloted. Responsive mechanisms are also a means to encourage CSOs, including Canadian CSOs, with a wide range of interests and expertise to engage in international development.

83. Such programming may be more costly than programming to scale, as the initiatives involved may often consist of smaller initiatives and the CSOs involved may require relatively high levels of technical support. Ways will thus need to be found to support the costs associated with this type of programming, either directly, or by passing such costs onto intermediary agencies.

84. *Question for discussion: Considerations such as these range a number of general policy issues for CIDA, including the following:*

- Are there ways that CIDA can encourage CSOs to collaborate and work together for greater impact where this makes sense?
- Should CIDA establish a policy of working more closely with other donors and with Canadian CSOs in providing core support for key CSOs in the South and otherwise strengthening civil society in those countries?
- Would it be useful to issue a statement reaffirming the value of responsive programming and core support for CSOs, and specifying the conditions under which such mechanisms continue to have value?
- Does CIDA need to have a policy on how to manage transactions costs with reference to CSOs?

D. Country and Sector Concentration

85. In the pursuit of enhanced aid effectiveness, CIDA, along with many other donors, is seeking greater focus in its investments by concentrating its efforts in a limited number of countries and sectors. Greater concentration means that the division of labour among donors can be improved, and can assist CIDA to build up a critical mass of expertise and influence for engaging in policy dialogue.

86. On the other hand, consideration of some of the principles presented above suggests some tension between a rigid application of the “focus” concept and the pursuit of civil society development results. Recognition of CSOs as development actors in their own right implies that CSOs may come to CIDA with sound and strategic initiatives that may fall outside of CIDA’s countries or sectors of concentration but are nonetheless worthy of support. Understanding that local ownership means CSOs should as a first order of priority align with their partners’ priority sectors, and work as best as they can within their partners’ systems, has similar implications.

87. Further, Canada’s objective of engaging Canadians in international development means that CIDA may be called upon to support Canadian CSOs’ work in countries and sectors in which they have historically been engaged and may have existing linkages with partners on-the-ground, or in which they have specialized expertise or resources to offer. Canadian CSOs also play an important role in responding to humanitarian crises in any country when such needs arise. Supporting Canadian CSOs’ work in countries that are not among CIDA’s countries of concentration, such as India or Cuba, also allow Canada to maintain a presence even when there is limited or no bilateral investment.

In reconciling these tensions, CIDA has in the past tended to adopt a balanced and differentiated response as follows:

- In the geographical branches, where CIDA has a responsibility to promote a coherent approach to programming, the Government’s country development strategies have led to CSO funding primarily in countries and sectors that CIDA has identified as a priority – which sometimes includes efforts to strengthen CSOs and civil society in those countries – while leaving some space for independent CSO initiatives of exceptional merit or complementarity to the bilateral program.

- In Canadian Partnership Branch, a range of mechanisms have been used to enable Canadian CSO partners with different interests and expertise to contribute to development in the most effective way possible, within certain parameters. Partners have been encouraged to further concentrate their efforts, and to coordinate their efforts with those of other development actors.

88. *Questions for discussion:* Should CIDA retain this approach to reconcile the tension between its need to increase focus, while also upholding the principles suggested in this paper, or should it consider enforcing a more focused approach to all of its CSO programming? What would represent an appropriate balance between the need for focus and the need to seize opportunities of high development potential by working through Canadian partners or Southern CSO partners?

E. Dialogue and Learning

89. As part of its partnership review and renewal process, CIDA is taking steps to improve its own capacity in the field to better coordinate, communicate and consult with Canadian CSO partners active on-the-ground.

90. Enhancing dialogue with a wide base of Canadian and developing country CSOs in Canada and in the field has merit for a number of reasons. There is benefit for CIDA in learning about CSOs' approaches where these are innovative, and in cross-fertilization of ideas and approaches between CIDA and CSOs. Given that most CSOs have ongoing and direct linkages to poor and marginalized people living in developing countries, dialogue with CSOs is also an important opportunity for CIDA to gain exposure to these ultimate beneficiaries of aid are (or are not) experiencing development results.

91. The Government of Canada sees consultation and dialogue as necessary to “enhance service to Canada and to Canadians by involving members of the public in program and policy matters that affect them directly and indirectly” (TBS 1992, p. 1). When it comes to development assistance, the Government may not be in a position to dialogue with the people in developing countries that are directly or indirectly affected by CIDA's program and policy choices. It can, however, engage with them via the CSOs that work with or represent them, while also encouraging developing country governments to engage the people living in their jurisdiction on program and policy matters. Integrating dialogue and knowledge-sharing into CIDA's relationships with CSOs can also help to maintain constructive relationships between CIDA and CSO partners, even as particular programming arrangements change.

92. Dialogue and learning relationships can be formal or informal. Informally, these processes take place on a routine and ongoing basis through communications, formally through more systematic, structured and institutionalized exchanges in advisory bodies, public panels and discussion papers, workshops and the like. Sometimes, the source of discussion for such exchange is CIDA, such as with this discussion paper. Sometimes it is CSO-derived learning from the monitoring and evaluation of their programs, their research, and their ongoing engagement with their primary constituents and with other development stakeholders.

93. *Question for discussion:* Should a CIDA policy on civil society explicitly establish the desirability of dialogue and mutual learning as a feature of CIDA partnerships with CSOs?

F. Accountable and Results-Based Programming

94. We began this paper by adopting a results-based perspective. In this last section, we enquire into the ways that CIDA should account for results when engaging with CSOs. CIDA needs to be able to demonstrate value-for-money in the use of public funds, and should encourage its CSO partners to manage for results in such a way as to enhance their results-performance and cost-effectiveness over time.

95. There are a number of ways in which the practice of results-based management could be improved so that it is not simply used as a mechanism to ensure compliance with budget and activity plans and reporting requirements, but to monitor progress toward results, to learn from the findings, and to make decisions based on these lessons, all which can increase the likelihood of results being achieved.

96. CIDA and its CSO partners also need to implement results-based management in a way that contributes to CSO accountability to their primary constituents by being responsive to their timelines, expectations and learning processes. Ways need to be found and encouraged to capture important qualitative, capacity development and other process-related results. While results-based management remains the over-arching model for CIDA, there may be merit in learning from and integrating complementary approaches to performance management, such as the Most Significant Change Method or Outcome Mapping (see AG 2006b).

97. An important step for CIDA to address accountability and results in the context of its civil society work will be to develop an Agency accountability framework to support the aggregation of civil society development results. There is much to draw on from the Agency's experience in gender equality, which from the 1999 *Policy on Gender Equality* began with a clear articulation of a limited number of gender equality results, followed by a performance measurement *Framework for Assessing Gender Equality Results*.

98. While this discussion paper makes some reference to what civil society development results might look like, more effort will be required in this regard to elaborate a corporate-level accountability framework, with a menu of results and indicators to which CSOs' and civil society strengthening initiatives might contribute, all taking into account the Agency's Management, Resources and Results Structure.

99. To strengthen CIDA's own accountability and transparency with CSO partners, Canadian Partnership Branch has already undertaken important steps to establish clearer and more consistent funding practices, as well as to increase efficiency by reducing the response time for proposals, steps that are being rolled out across the Agency. This, and additional recommendations from the Agency's partnership review and renewal, such as developing an accreditation process, are anticipated to further address CIDA and CSOs' accountability relationship.

100. *Question for discussion:* What would CIDA need to put into place (processes, tools, other) to support application of results-based management in a way that is appropriate to CSO development results?

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