



November 23, 2010

The Honourable Bev Oda,
Minister of International Cooperation,
Canadian International Development Agency,
200 Promenade du Portage,
Gatineau, Québec
K1A 0G4

Dear Minister,

CIDA's Canadian civil society partners have followed closely Partnership with Canadians Branch's (PwCB) *Partnership Modernization and Effectiveness Framework*, which you announced this past July. You set out "a new approach to engage Canadians and organizations involved in international development," whereby all CIDA/CSO "partnerships" will be determined exclusively through competitive bidding processes.

While CCIC members welcome CIDA's appreciation of "the crucial role Canadian civil society play in achieving poverty reduction," this new competitive approach will, in our view, seriously undermine the effectiveness of CIDA/CSO partnerships in development towards these ends. On behalf of our members, we would like to set out a number of key issues for your consideration. We will be sharing this letter with our members and with Canadians interested in the effectiveness of Canadian civil society organizations.

For more than 30 years, CIDA's highly responsive funding mechanisms have played a crucial catalytic role in strengthening Canadian civil society organizations as effective development actors. These CSOs now bring considerable development expertise to multiple and complex partnerships across many sectors and many countries.

Over decades, CIDA's CSO partners have demonstrated their capacity for development innovation, and have piloted alternative approaches in many important areas of development work, from gender equality, to community economic development to civic participation. Canadian CSOs provide long-term support for local civil society partners, which strengthens local ownership, capacity and development effectiveness. This track record is well-documented in numerous institutional evaluations of Canadian CSO partners.

Canadian CSOs have brought hundreds of millions of dollars in contributions from Canadians to these efforts. But without CIDA's consistent, broad institutional and programmatic support, southern CSOs would not have had the scale of long-term, predictable resources from Canadian CSO partners over these years. Scale and predictability has been essential for the contribution of these organizations on the ground, given the profoundly challenging and unpredictable social, economic and political environments in which they work.

Our concern is that CIDA's new competitive approach for funding in PwCB is fundamentally flawed. Rather than strengthen the effectiveness of Canadian CSO partnerships, the new approach is likely to deepen uncertainty and diminish the long-term development outcomes of Canadian CSOs' work. The two Call-for-Proposal Guidelines released to date underscore these tensions.

What are the key issues?

1. The principles guiding CIDA's new policies to support partnerships are based on a misunderstanding of the Accra Agenda for Action (AAA). The directive nature of CIDA's new approach – through a model that requires “bidding” on specific approaches – and the requirement of links with government programs, undermines the AAA's acknowledgement of CSOs as development actors in their own right.

Development effectiveness principles for civil society are not defined in the Accra Agenda for Action. CIDA's July statement is wholly inaccurate in this regard. Instead, the AAA has supported a global CSO-led process to elaborate such principles. Those principles, the *“Istanbul Principles for Development Effectiveness,”* were only just agreed in September 2010 at the Global Assembly of the Open Forum on CSO Development Effectiveness. The *Istanbul Principles*, which are attached, ought to be endorsed by CIDA as the principles that inform the concept of development effectiveness in CIDA's policies guiding its partnership relationships.

Donors and developing country governments who endorsed the Accra Agenda for Action all agreed to “work with CSOs to provide an enabling environment that maximizes their contribution to development” [emphasis added, para 20]. CIDA's July partnership policies have failed to fulfill that key commitment. The new competitive call-for-proposals approach is directive instead of responsive, and has been decided without consultation with Canadian partners. Moreover, the new requirement that CSO projects be consistent with local government plans means that civil society organizations are not treated as development actors in their own right – who are developing alternative innovative approaches - but instead as agencies that only deliver on government programs and priorities.

Instead of setting out development effectiveness principles as a fait-accompli, CIDA should base the renewal of its partnership policies on consultation with affected partners. This consultation should be regular, transparent and inclusive to meet the requirements of the Official Development Assistance Accountability Act. It should be informed, as well, by the outcomes of the Open Forum's global dialogue on civil society and development effectiveness leading to the next High Level Forum in Busan in November 2011.

2. The effectiveness of the work supported by Canadian CSOs will be weakened as a result of the new requirement that projects must carry out or be consistent with local government plans. Innovation and local ownership will suffer.

The Guidelines published for current “Call for Proposals” rightly require that Canadian CSOs demonstrate their proposals “respond to the needs, priorities and approaches identified by local partners.” But the Guidelines also require “coordination of civil society efforts with government plans and proposals.” In the case of the Haiti call, the rule goes even further, requiring evidence of support by local authorities and other levels of government.

This approach erodes CIDA’s commitment to ensure a better enabling environment for CSOs and to treat CSOs as development actors in their own right. CSO development effectiveness and innovation flow from programs and proposals that are based on participation and a good understanding of local needs. But local needs are contested and defined in complex ways – beyond merely the directives of Government programs and priorities. The new rules for CSOs that require “sign off” by local government ignore the lessons of more than a decade of civil society contributions to strengthening democratic governance and citizen participation, which may sometimes be resisted by local governments wishing to preserve the status quo.

3. Partnership with Canadians Branch has conflated procurement and partnership in its efforts to introduce a competitive calls-for-proposal system. Such a time-limited, project-style, approach undermines sustainability and predictability in CSO partner relations.

Some forms of aid programming are well-suited to competitive calls-for-proposals, such as special initiatives for innovation or emergency reconstruction. But the time-limited, project-style approaches that characterize this model are uniquely unsuited to partnership relationships, which derive their effectiveness through long-term accompaniment, predictability and responsiveness.

Evidence from donor assessments of call-for-proposals mechanisms has found that these favour relatively short-term projects, but are ill-suited for longer-term development processes. A recent comprehensive evaluation of civil society programming in the European Union noted “the [competitive calls for proposals] system does not really offer scope for building up partnerships with CSOs to tackle issues over the medium term in a planned and sustainable manner.”

Programming designed project-by project is necessarily more “one-off” and short term than directed at long-term development and processes. Moreover programs divided into short term projects inevitably results in a loss of infrastructure and an erosion of institutional capacities, undermining the ability to sustain authentic partnerships.

The recent Haiti Call-for-Proposals unrealistically requires supported project activities to be sustainable within a year. An additional requirement for an exit strategy within a year may seek to avoid aid dependency, but is an unacceptable blow to the integrity of mature partner relations, which requires a flexible and responsive consideration of the real circumstances in the field.

4. Setting specific call-for- proposals in Ottawa breaks the link with the field. It takes no account of southern partners' perspectives and limits the ability of Canadian CSOs to follow the lead of their southern partners.

Call-for-proposal approaches are based on donor-determined priorities for CSO programming. The specificity and directive nature of these calls will confound the ability of Canadian CSOs to meet their responsibility to take effective account of southern partners' perspectives and follow their lead for programming priorities. This undermines the quality of aid provided through CSOs and its development effectiveness.

5. Small and medium sized CSOs will find themselves excluded in a competitive system that favors large players. This kind of "Partnership with Canadians" will mean fewer, not more, Canadians are involved.

Many small and medium-sized Canadian CSOs that are highly innovative and effective in their chosen areas of work may be particularly affected by these policies. Their scale does not permit investing very scarce human resources in lengthy proposal competitions whose outcomes are highly uncertain. Now that operational costs – not directly related to projects for which proposals might be made – are seemingly ineligible for consideration as contributions to cost sharing, many CSOs, and not just small and medium sized CSOs, will find that the "price" of their cost-sharing component has risen.

Most CSOs, having already allocated fundraised dollars in long term partnerships, face the challenge of pre-investing in proposal preparation and setting aside significant revenues to address their cost-sharing contribution to projects for which proposals have been made—without knowing the likelihood of success for proposals, which will now be assessed in a competitive environment.

In our view, there is likely to be a significant reduction in the participation of Canadians through small and medium sized CSOs in Canada, whose work and achievements have benefitted from a programmatic and institutional relationship with CIDA, but who may no longer be viable as development actors in the context of the new approach adopted at PwCB.

To conclude, CIDA has played an important historical role in supporting an architecture for Canadian civil society that allows many Canadians to participate directly in development. This relationship has understood Canadian CSOs not just as contractors, but more importantly as partners who have shared a goal to strengthen southern civil society organizations in their own right as crucial development actors.

There remain many Canadian CSOs who have existing multi-year program-based contribution agreements with the PwCB, and others were able to submit proposals before the September deadline. We trust and expect that PwCB will continue to deal expeditiously with these proposals

and agreements, respecting the programmatic integrity of the CSO involved, irrespective of the new approach announced in July.

CCIC members are deeply concerned about the future directions of their relationships with CIDA and the impact of the July “partnership modernization” for PwCB. To date, they have been working with little information on how the new approach will affect their institutional capacities and their programs with their counterparts in the South.

The competitive approach is new ground for both the PwCB and Canadian CSOs. CCIC members urge you to consider very carefully the terms for future calls-for-proposals. It is crucial to maximize the programmatic flexibility of Canadian CSOs to enable them to continue to make significant contributions to development, based on the needs and unique roles inherent in long-standing CSO partnerships, not CIDA’s changing themes and priorities.

As you consider new call-for-proposals, CCIC members are eager to contribute ideas on how to strengthen a new approach to CSO funding modalities. We also urge you and PwCB to consult with Canadian partners in 2011 to review the experience and implications to date of this new approach and adapt it accordingly.

Sincerely,

Gerry Barr
President-CEO