

# Follow the Money!

*Policies and Practices in Donor Support to  
Civil Society Formations in Southern Africa*



*An update on current trends in light of recent changes in global aid policies  
and the global economic downturn.*

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# Introduction

*In 2007, the Southern Africa Trust commissioned a study on the trends and impacts of changing aid policies and shifting financial flows to civil society organisations in southern Africa. This new report provides an update with a focus on current trends in policies and practices, against the backdrop of the recent changes in global aid policies and the global financial crisis and economic downturn.*

Chapter 1 provides an overview of recent trends and shifts in global aid policies and the role of civil society in development. The Accra Agenda for Action is examined together with a discussion of the implications of the global recession for resource mobilisation.

Chapter 2 provides an overview of recent trends in aid flows and support to civil society in southern Africa. In particular, it seeks to explore how and to what extent the regional adaption of the aid effectiveness agenda through the Windhoek Declaration has led to any changes.

Chapter 3 presents the team's findings and assessments of donor support to civil society.

The final chapter summarises and presents the teams recommendations.

This study was carried out by the Chr. Michelsen Institute (Norway). The team was composed of Elling N. Tjønneland (CMI)

and independent consultant Chris Albertyn (South Africa). The data for this assessment was mainly gathered through reading of documents collected from donor agencies, the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee and others. In addition, the team collected data through interviews in Botswana, South Africa and Mozambique. A list of all individuals interviewed by the team is provided in annex 1.

The report writing team has benefitted from the support and assistance from a number of people, in particular from Patrick Mpedzisi and Themba Mhlongo at the Southern Africa Trust. The team would also like to take this opportunity to thank the many individuals in donor agencies and civil society organisations who gave graciously of their valuable time to provide information, analysis, interpretations and explanations. The views of all of these stakeholders were crucial in helping the team to formulate its assessments and recommendations.

# Development aid and civil society

*Beginning in the 1980s, civil society organisations have become increasingly important actors in official development assistance – both as recipients of aid and as channels of aid. For some donor agencies the new focus on civil society organisations was motivated by a need to avoid state centrism or even to weaken states considered to be too powerful. For others, the motivation was that private organisations were considered more effective and efficient in reaching the poor – they were expected to be service providers, especially related to provision of basic needs and humanitarian relief. In latter years, this has become particularly evident in the health sector, especially related to HIV and AIDS.*

In the 1990s – with the onset of a new wave of democratisation and multiparty elections - attention was increasingly also given to human rights and advocacy, and to facilitate public accountability and participation. In recent years there have also been attempts by donor agencies to facilitate involvement by civil society in programme and budget support provided to governments. Furthermore, the growing focus on post-conflict reconstruction and peace building has also reinforced a focus on Non-Government Organisations (NGOs) and civil society actors as service providers, contributors to policy discussion and formulation, and in advocacy functions. Finally, civil society organisations play an important role as advocates and watchdogs of both governments and donors. In this capacity, civil society can impact on aid flows and disbursements even where the funds do not flow through civil society organisations themselves, by pushing for donor funds to be used in certain ways.

The specific purpose of supporting civil society may have changed over time, but there have always been tensions between donor agencies and funding facilities considering support to civil society as a means to achieve a specific result (e.g. poverty reduction) and those agencies which see strengthening of civil society as an end in itself.

The reporting and classification of aid going to or through official development assistance is still insufficient and does not capture the full picture. There are great variations between individual donors and inconsistencies in reporting to the OECD Development Assistance Committee (DAC) which records all official aid flows. Using the DAC statistics, the 15 bilateral donors to civil society organisations provide between 6 and 34% of all their bilateral Official Development Assistance (ODA) to or through civil society organisations, but even these figures are underestimates.

## Civil society organisations and development – types and roles

The concept of civil society organisations encompasses a wide range of organisations. In a limited sense, it includes all non-market, non-state organisations and formations in which people organise to pursue shared objectives and ideals. This includes not just Non-Governmental Organisations (NGOs) whose missions are explicitly developmental in character, but farmers and business associations, community based organisations, trade unions, “think-tanks”, faith-based organisations, not-for-profit media and other.<sup>1</sup>

There is often an interchangeable use of the terms civil society organisation and Non Governmental Organisation. The most common distinction is that NGOs are not necessarily part of civil society. For example, many northern NGOs who work as service providers in the south do not claim to represent the voice or interests of civil society formations in their home countries or in the countries in which they work. Civil society organisations on the other hand represent or serve specific needs of their members. While these distinctions raise questions on the nature of civil society and their wider role beyond a development aid paradigm, they also imply that strengthening targeted sections of civil society can be a developmental end in itself. However, this definition does not tell us much about the roles that civil society is thought to play in development. To speak of “roles” requires the identification of normative frameworks regarding the positive roles that civil society is thought to play. Three such frameworks can be identified from the literature and common usage:

**1: Civil society and citizen participation.** The predominant normative framework from the literature is to approach the idea of civil society as the third leg of a three-legged stool, complementing the private sector and the state as pillars of any organised and well-functioning society. From this perspective, civil society is usually seen as essential to the proper functioning of a democratic society and to the

growth of social capital. A related view is one that views civil society as one of the five pillars of democracy, along with the executive, the legislature, the judiciary and the independent media.

**2: Civil society as service providers in development.** From this perspective, civil society consists of a constellation of civil society organisations that are actively engaged in development programmes and operations. The value of each civil society organisation depends on the particular values that it brings to the task, and the effectiveness of its operations.

**3: Civil society and social empowerment.** This approach focuses on civil society as mechanism for social empowerment of particular groups and the realisation of human rights.

It is important that any discussion of civil society organisations in development takes into account all three of these sometimes competing approaches and their implications when considering aid effectiveness.

## The changing face of aid – the travelling road show from Monterrey to Doha, and from Paris to Accra

Since the adoption of the Millennium Development Goals the global aid architecture has been dominated by two issues: mobilisation of development finance, and efforts to improve effectiveness of official development assistance. The Consensus Document adopted at the 2002 *Monterrey Conference on Financing for Development* identified the need for action in six areas:

- Mobilisation of domestic financial resources for development;
- Mobilisation of foreign direct investment and other private flows;
- International trade as an engine for development;
- Increasing international financial and technical cooperation (development aid);
- External debt; and
- Systematic issues and coherence in development support.<sup>2</sup>

<sup>1</sup> However, in a broader sense civil society organisations may include market-related organisations such as mass media and other profit making businesses

<sup>2</sup> The Monterrey Consensus and related documents are available from the UN's dedicated website on Finance for Development. See [www.un.org/esa/ffd](http://www.un.org/esa/ffd)

## *The United States and Japan increased their budgets while the European Union committed itself to reaching the UN target of 0.7%.*

Official development assistance (ODA) was seen as a central pillar in this effort. The Monterrey conference “urged” developed countries that had not yet made concrete efforts toward the target of 0.7% of gross national income to do so.

Responses and commitments from developed countries came in two main “waves”. During and after Monterrey, they entered into substantial commitments to increase ODA. These commitments made no specific reference to Africa, but such promises came in the second wave in 2005. First, the EU member countries as a group pledged to reach the United Nations (UN) goal of allocating 0.7% of Gross National Income (GNI) as ODA by 2015 with an interim collective target of 0.56% in 2010. It was indicated that at least half of this increase should go to Africa. The G8 leaders meeting in Gleneagles made a number of further commitments.<sup>3</sup> The United States and Japan increased their budgets while the European Union committed itself to reaching the UN target of 0.7%. These commitments were expected to release an additional USD 50 billion per year by 2010. Of this USD 25 billion would go to Africa, more than doubling aid to Africa compared to 2004.

In addition to the increase in budgeted development assistance, donor countries also agreed to a number of other important steps: debt cancellation and the launch of a number of new innovative financing mechanisms, especially related to health but also more recently related to clean development projects and emission trading schemes. A number of specific initiatives to provide funding for

priority programmes were also launched (such as support for New Partnership for Africa’s Development (NEPAD)-programmes in infrastructure and agriculture).

At the end of 2008, a four-day conference took place in Doha to take stock of achievements. Officials from more than 160 countries and nearly 40 Heads of State or Government took part in this *Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus*. The Doha Declaration basically reaffirmed the principles adopted at Monterrey. The UN member states reconfirmed their aid commitments, including reaching 0.7% of GNI.<sup>4</sup>

Parallel to Monterrey and Doha another theme was developed under the auspices of the OECD Development Assistance Committee (DAC): how to deliver aid more effectively. Through their *Working Party on Aid Effectiveness* donor countries agreed to harmonise and streamline their aid activities with one another. This led to a conference in Paris in 2005 where 130 countries and agencies signed off on the *Paris Declaration on Aid Effectiveness* where they agreed to - potentially significant - reforms of the delivery and management of development assistance.<sup>5</sup> The Declaration endorsed twelve indicators for monitoring progress regarding country ownership, alignment, harmonisation, management for results and mutual accountability. These indicators applied to both donors and recipients. The bulk of the commitments relates to the aid process itself - including improving predictability, reducing missions and sharing analytical work,

3 See the G8 Gleneagles website [www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1078995902703](http://www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1078995902703)

4 The Doha Declaration and other reports and documents from the conference are available from <http://www.un.org/esa/ffd>.

5 The OECD website ([www.oecd.org](http://www.oecd.org)) has a good subsite on aid effectiveness. All documents discussed in this section can be found there - see [www.oecd.org/department/0,3355,en\\_2649\\_3236398\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_3236398_1_1_1_1,00.html). Most of the major donor agencies also have sections on their websites dealing with these issues. Several research institutions are monitoring and analysing developments. See especially the websites of the Overseas Development Institute ([www.odi.org.uk](http://www.odi.org.uk)) in London and the Institute of Development Studies in Brighton ([www.ids.ac.uk](http://www.ids.ac.uk)).

aligning with country priorities, increasing programme-based approaches and untied aid. Each indicator was underpinned by explicit, quantifiable targets to be reached by 2010.

In September 2008, the donor community and aid recipients – 1500 participants from 130 countries, 30 international aid organisations, 80 civil society organisations and the private sector - met again in Accra. They agreed on the *Accra Agenda for Action* which sought to galvanise renewed efforts for reform regarding the Paris Declaration commitments where performance was perceived to be lagging. The Accra conference reviewed progress and the conference document established 48 new commitments – 34 for donors, 29 for developing countries and 15 shared by both. The new commitments were basically an attempt to deepen and more clearly differentiate existing commitments from the Paris Declaration. The next High Level meeting is scheduled to take place in Seoul in 2011 to review progress.

The Accra agenda also sought to expand the Paris Declaration into new areas. This included aid to fragile states, South-South cooperation and more explicitly recognising the developmental role of civil society.

### **The Aid Architecture and Civil Society**

A special *Advisory Group on Civil Society and Aid Effectiveness* led by Canadian CIDA was established in January 2007 with the aim of engaging civil society in the international aid effectiveness debate. Through analytical work, multi-stakeholder consultations and case study work a series of recommendations were presented to feed into the process culminating with the Accra-conference.<sup>6</sup> Civil society organisations – through the *Better Aid* initiative – also prepared a position paper for Accra.<sup>7</sup>

The Accra Agenda addresses these issues and recognizes the role of civil society

organisations. First by emphasising that country-level dialogue must be broadened to strengthen country ownership over development. Donors will support efforts to increase the capacity of all development actors – parliaments, central and local governments, civil society organisations, 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 development objectives for countries.

Secondly, the Accra agenda emphasises the role of civil society organisations in building partnerships for development. Donors committed to deepening their engagement with civil society organisation as independent development actors in their own right, more explicitly recognising that their developmental efforts complement those of governments and the private sector. To this end, civil society organisations were invited to reflect on how they could apply the Paris principles from a civil society perspective. The Accra agenda welcomed the civil society organisations proposal to engage with them in a civil society-led multi-stakeholder process to promote civil society organisations development effectiveness. As part of that process there should be improved co-ordination of civil society efforts with government programmes; enhanced civil society accountability for results; and improved information on civil society activities. Further, the need to work with civil society organisations to provide an enabling environment that maximises their contributions to development is emphasised.

Parallel to this process, several donor agencies have been assessing and revising their guidelines for support to civil society organisations. There has also been significant analytical work and evaluations through multi-donor initiatives. Reports from the past two years include the Nordic+ review of support models to civil society and a joint donor

6 See the *Advisory Group's Synthesis of Findings and Recommendations, August 2008* (available from the OECD website). Much of the analytical work prepared for the Accra conference will be available in a forthcoming book from the OECD DAC in the *Better Aid series, Civil Society and Aid Effectiveness - Findings, Recommendations and Good Practice* (Paris: OECD 2010).

7 *Better Aid. A civil society position paper for the 2008 Accra High Level Forum on Aid Effectiveness* is available from [www.betteraid.org](http://www.betteraid.org). The report from civil society's parallel conference in September 2008 is available from the same site.

8 A synthesis report of *The Nordic+ review* is available as *Scanteam, Support models for civil society organisations at country level. Synthesis report (Norad Report 1/2008)* (available from [www.norad.no](http://www.norad.no)). Case studies include Zambia, Tanzania and Zimbabwe from Southern Africa. The voice and accountability report is available as *Alina Rocha Menocal and Bhavna Sharma, The Joint Evaluation of Citizen's Voice and Accountability*, London: ODI 2009 ([www.odi.uk/resources/download/2560.pdf](http://www.odi.uk/resources/download/2560.pdf)). A briefing paper is available from the same site. DRC, Mozambique and Tanzania were included as case studies from Southern Africa.

evaluation of what works and does not work in donor approaches to strengthen citizen's voice and accountability.<sup>8</sup>

The joint donor evaluation of support to voice and accountability found that donor receptiveness to supporting civil society voice and accountability is inevitably linked to perceptions of a) the alignment of that 'voice' to their own objectives; and b) the likelihood of that voice having an impact upon its target audience. The evaluation emphasises that many donor's have misguided assumptions which lead to extraordinarily high expectations around enhanced citizen voice leading to improved government accountability and performance. The case studies indicate a tension between long-term processes of transforming state-society relations and donor's needs for quick results. Furthermore, it was found that insufficient awareness of context resulted in donors not being able to appreciate key challenges, which led to shortcomings in intervention design and implementation.

The ODI study found that it was almost impossible for external short-term donor agency staff to engage with the significant and important role of informal unwritten rules, social and cultural norms and expectations that mediated and shaped the more formal institutional processes of multi-stakeholder engagement.

Pressures to disburse greater amounts of money with less staff, coupled with limited understandings of the complexities, resulted in donor agencies working with assumptions which do not always hold, including:

- An assumed automatic relationship between enhanced citizens' voice and improved government accountability;
- An assumption that citizens' voice represents the interests, needs and demands of a homogenous "people";
- An assumption that more effective and efficient institutions will naturally be more transparent, responsive and ultimately accountable;
- A related assumption that civil society voice and accountability interventions can be supported via a traditional focus on capacity building of formal institutions; and

- An assumption that democratic processes necessarily lead to improved developmental outcomes (including poverty reduction).

The study suggests that the Paris Declaration recommendation to support national systems and mechanisms tends to promote a donor focus on government processes, and further reduces embracing a deeper engagement of the "*realpolitik* dynamics". These circumstances are thought to "indirectly threaten support to an independent civil society with a role in advocacy and as watchdog."

Analysis of the 90 donor-funded interventions indicated that donor harmonisation in relation to 'voice and accountability' is still limited. One of the reasons why donors do not collaborate is because not all of them recognise 'voice and accountability' as a clear operational priority, in comparison to the more 'traditional' sectors (e.g. transport, health, education etc.), nor do they all consistently mainstream 'voice and accountability' as an explicit dimension of their sectoral work.

This ODA evaluation sought to assess changes. The donor funded interventions have helped to bring about four dimensions: changes in practice, behaviour, policy, and power relations. The evidence suggests that some interventions have generated positive outcomes, mostly related to changes in behaviour and practice, such as raising citizen awareness and of encouraging state officials to be more responsive, especially at the sub-national level. In particular, when interventions have been targeted explicitly towards marginalised and socially excluded groups, such as women and ethnic minorities (e.g. in Mozambique), they have been useful in empowering such groups. The same can be said of the work that donors have undertaken with non-traditional civil society groups like social movements and trade unions (e.g. Bangladesh), as well as religious organisations (e.g. Indonesia). However, this kind of focus has been the exception rather than the rule in the interventions included in the evaluation.

In terms of policy impact, the evaluation identified a few instances in which donor support to civil society work contributed to the

## Only 34% of the increase in total aid has gone to Africa – significantly below the 50% promised.

passing of certain legislation in a country (e.g. Benin, Nepal). Yet, such examples have remained isolated. In addition, based on the evidence from this evaluation, changes in state-society relations or power relations resulting from these interventions (e.g., through greater influence of the poor or through decentralisation) have proved much more difficult to come by.

### The architecture at work: From promises to practice

What are the implications of these Declarations, Consensus Documents and promises? There have been - before the onset of the global recession - some important achievements in mobilising development finance for Africa. This has - and most importantly - been evident in mobilisation of domestic resources and an increase in government revenue, i.e. through improved tax administration and revenue collection as well as an increase in foreign investment. Furthermore, there have been significant increases in remittances from the African Diaspora.<sup>9</sup>

The increase in ODA to Africa has also been significant, but far short of commitments made in 2002 and 2005. Total ODA from OECD DAC members increased in nominal terms from USD 80 billion in 2004 to a record high of USD 121.5 billion in 2008. OECD projections suggest that there will be a marked slowdown in 2009 and 2010. ODA to Africa has increased to USD 44 billion in 2008, but this is far less than what was promised. Only 34% of the increase in total aid has gone to Africa - significantly below the 50% promise. OECD projections indicate that Africa - at best - will receive USD 47.5 billion in 2010 (in constant 2008 prices) or around 25% below the levels implied by the commitments made in 2005.

Less is known about the actual impact of the Paris Declaration. A baseline survey was carried out in 33 developing countries in 2005 and this was followed by a monitoring survey and evaluation synthesis report covering 54 countries in 2008. In preparation for the Accra-meeting a mid-term review of progress based on these survey data was made.<sup>10</sup> The review concluded that progress has been made in developing shared clarity of purposes, momentum in new ways of co-operating, and some results on the ground. However, shortcomings were also identified and the review notes that a shift of gear is required if the 2005 commitments shall be met by 2010. Progress is less than expected and many partners find that conditionalities are being reshaped rather than being reduced. It is reported that greatest progress has been made in untying aid, aligning and coordinating technical assistance and reducing the number of project implementation units established to run donor-financed projects.

Significant however, is the finding from the review of progress that implementation of the Paris Agenda in African countries is lagging substantially behind developing countries in Asia, South America and the Pacific. The data are partial, but indicates that in some cases there has also been a decline in African countries such as in the donors' use of country public finance management and procurement systems and the donors' ability to coordinate missions and country studies. There are also great variations among donor countries with some - such as some of the bigger G8 countries (the US and Japan) - lagging behind others.

<sup>9</sup> A good factual update is provided by the Africa Partnership Forum in the background paper *Development Finance in Africa: Update of the 2008 Report*, prepared for the 13th meeting of the Africa Partnership Forum in Addis Ababa, 25 January 2010 (available from [www.africapartnershipforum.org](http://www.africapartnershipforum.org))

<sup>10</sup> Cf. *Aid Effectiveness. A Progress Report on Implementing the Paris Declaration*, Report prepared for the Third High-Level Forum on Aid Effectiveness (Accra), Paris: OECD 2008; *Better Aid. 2008 Survey of on Monitoring the Paris Declaration*, Paris: OECD 2008; and *The Mutual Review of Development Effectiveness in Africa: Promise and Performance*, A joint report by the Economic Commission for Africa and the OECD, Paris and Addis Ababa 2009 (all documents available from [www.oecd.org](http://www.oecd.org)).

## *A recent review of the policies of the eight Nordic+ Group of Donors indicates an unevenly developing but common set of trends among these donors.*

We do not have similar quantitative data on resource flows to or through civil society organisations, or survey data on effectiveness. Donors categorise and report differently on their support to or through civil society. Most would have some global facilities available for support to civil society organisations in the South, often channelled through NGOs in the North or international NGOs. Many bilateral agencies would also have facilities for support to civil society through or related to their country programmes. Significant funding to or through civil society is also coming through various sectoral programmes (agriculture, environment and so on) where, especially development NGOs are contract partners or implementing agents of donor-funded programmes. In some cases - such as emergency and humanitarian relief - funding through big development NGOs can be significant. In governance programmes there also tends to be support provided to civil society organisations, but then less for service provision and more to organisations active in the voice and accountability areas, or on empowerment issues. Media, human rights and gender are typical focus areas for many donor agencies.

Sectoral breakdowns of aid flows indicate that the earlier shift away from productive activities towards social sectors may have been broken with a renewed emphasis on especially infrastructure. Commitments to infrastructure in Africa doubled from USD 5 billion in 2005 to USD 9.5 billion in 2007 (these are commitments which will be disbursed over time). There are no proper statistics to measure disbursement to or through civil society organisations, but there are no indications to suggest any decreases. In all likelihood, there has been an increase in absolute terms and with no indicators suggesting that

the relative share of such aid as a percentage of total aid flows to Africa has decreased.<sup>11</sup> Some major donors are also expanding their support to civil society organisations. Most significantly, this is represented by the Department for International Development (DFID) which in its 2009 White Paper announced a new approach as well as increased funding commitments to civil society. This also includes broadening the new focus to include, e.g., trade unions and faith-based groups.<sup>12</sup> Long-term partnerships with Southern NGOs are also envisaged (traditionally this has been confined to Northern and "home-based" NGOs). These approaches and sentiments are also echoed in the 2009 guidelines for Norwegian support to civil society. Direct support to national distribution institutions (or intermediaries) is identified as a key new channel for civil society support in addition to Norwegian and international NGOs.<sup>13</sup> Other agencies such as CIDA, have however changed their priorities and are reducing support to civil society organisations (in the Canadian case, as a result of dropping "governance" as a priority area in bilateral support).

Common to most of these new guidelines and policy statements from bilateral agencies is a much stronger emphasis on results based management. A recent review of the policies of the eight Nordic+ Group of Donors indicates an unevenly developing but common set of trends among these donors, these include most non-governmental international development agencies working in developing countries.<sup>14</sup> NGOs

- (1) must act in synergy with bilateral aid and contribute to an overall aid strategy that is consonant with the international consensus on good donorship (Paris Declaration);

<sup>11</sup> See more on this in the 2007 report from the Southern Africa Trust on the technicalities and limitations of OECD DAC recording of aid flows to civil society organisations.

<sup>12</sup> See the 2009 White Paper *Building our Common Future*, available at [www.dfid.gov.uk/About-DFID/Quick-guide-to-DFID/How-we-do-it/Building-our-common-future/](http://www.dfid.gov.uk/About-DFID/Quick-guide-to-DFID/How-we-do-it/Building-our-common-future/)

<sup>13</sup> See Norad's *Principles for Norad's Support to Civil Society in the South* (Oslo: Norad May 2009) available from <http://www.norad.no/en/Tools+and+publications/Publications/Publication+Page?key=128394>

<sup>14</sup> See L. Nijs & R. Renard (2009) *Reforming government funding of development NGOs. A comparative analysis of eight European donors*. University of Antwerp

- (2) are recognised as being different from bilateral donors and are expected to perform specific and autonomous roles; and
- (3) that co-financing is not an historical entitlement for long-term NGO partners of the public system and that funds will be allocated on a competitive basis, with winners and losers.

### What next? Global recession and changing dynamics

The global recession has had strong negative impacts on Africa with major downturns in domestic revenue, sharply lower export revenues, declining remittances from the African Diaspora and a loss of access to international capital markets. Beginning in 2008 and accelerating in 2009 we have witnessed a significant reduction in economic growth for most African economies, most strongly for oil-exporting and middle-income countries, but all countries are negatively affected. There has so far not been widespread resort to trade and investment restrictions as a response to the crisis, but the danger of protectionism from the North – e.g. through raising tariffs or agricultural export subsidies - can not be ruled out.

Official development assistance to Africa was expected to continue to increase in 2009 and 2010, but at a much slower rate than previously expected (see above). Following the G20 meeting in April 2009, there were renewed efforts to mitigate the crisis through the introduction of a number of new measures to accelerate transfers from the International Monetary Fund (IMF), the World Bank and the African Development Bank as well as efforts to introduce some reform of the mandates, scope and governance of the international finance institutions.<sup>15</sup>

The recession may weaken predictability in donor support, contribute to changing priorities and lead to uncertainties, but there is no hard official evidence to suggest that the recession so far has had any direct and immediate effects on overall official aid flows to civil society organisations. The partial exception to this is contributions from US philanthropic foundations and privately raised funds from non-official funding agencies.

These foundations have been important funders of civil society organisations. With the decline of their assets we may see reductions in their financial support to civil society.

It is too early to assess implications for civil society organisations beyond this. The recession may see an acceleration of earlier trends. Donors are attempting to cut management costs which have implications both for support models and selection of civil society organisations they are able to fund.

Furthermore, we may see additional tensions arising from pressures for harmonisation and internal pressures for donor-specific results. Donors are increasingly under pressure to document and provide home-country-specific evidence of the impact and outcomes of their official development assistance.

### South-South cooperation and emerging donors

The aid architecture as outlined above is dominated by the OECD DAC members. Significant, but much smaller aid is also coming from other countries. The non-DAC members of the European Union are increasing their aid contributions and are committed to increase ODA to targets of 0.17% by 2010 and 0.33% by 2015. Turkey and South Korea have also expanded their aid (each providing about USD 800 million in 2008). Arab states and funds, led by Saudi Arabia, are also significant players. They provided about USD 2.5 billion in 2007, including significant allocations to Africa (mainly to North and Northeast Africa).

More significant is the emerging role of Brazil, India, China and also South Africa. These countries all provide significant development finance, including development assistance, for development in Africa. Together they have provided a new dimension to South-South cooperation in Africa. China's role is particularly extensive and important. China has provided development aid to Africa for the last fifty years, but has emerged as a major economic and political power on the African continent

<sup>15</sup> Cf. also the recent overview in *The Crisis and Africa: Monitoring the Global Policy Response – An Update*, prepared for the 13th Meeting of the Africa Partnership Forum, Addis Ababa, 25 January 2010. (available from [www.africapartnershipforum.org](http://www.africapartnershipforum.org)).

over the past ten years. Trade between Africa and China now equals the trade between the US and Africa. China's role as provider of traditional development assistance is limited (but increasing rapidly). Its role is much more significant in rapidly expanding offers of financial and technical assistance to infrastructure projects linked to purchase of oil and other natural resources, coupled with the emerging trade and economic development zones. This appears to be strongly shaped by China's own experiences in fostering economic development – including the assistance from Japan from the late 1970s in providing loans for infrastructure in exchange for access to China's natural resources, as well as China's own economic development zones. This was successful in reducing poverty in China. We do not yet know how it will impact in Africa.<sup>16</sup>

The Accra Agenda recognises the importance of these new emerging powers and South-South cooperation. The OECD DAC donors are keen to engage with these new powers on development assistance (or to put it more bluntly: to ensure that they adhere to the evolving OECD DAC consensus). These emerging new powers have responded differently to this. China and India have been far more reluctant to engage with Northern donor countries in third countries, while Brazil and South Africa have been far more receptive (although there has so far been little adherence to Paris principles in their development aid practices). South Africa is also an active member of the OECD DAC working group on aid effectiveness and co-chairs the sub-group on "predictability".

The direct implications for civil society organisations are more difficult to identify. Most of these new donors – and China in particular – have a strong emphasis on non-interference and are therefore not engaging with governance issues or with civil society in Africa. South Africa, and to a lesser extent Brazil, have in some cases relied on non-state actors as implementers of projects in Africa. In the South African case South African-based NGOs have been contracted as service providers in several projects with Northern donors in other

African countries (such as Accord in Burundi or IDASA in DRC).

The emergence of China and other new powers, and the changing dynamics of global politics may also lead to changes in the global architecture. The custodians of the aid architecture are the official coordinating bodies and institutions of the traditional donors: OECD's Development Assistance Committee and the international financial institutions. These bodies are instrumental in defining terms and concepts in development assistance, identifying best practices, and providing a framework within which donors can interact with a higher degree of synergy than if they had been left to their own devices. The OECD DAC provides a forum within which members can agree on statements of common principles and actions such as the Paris Declaration and the Accra Agenda. The World Bank and its regional counterparts provide a more formal structure within which development cooperation can be coordinated, but its plethora of planning tools and operational guidelines also remain a powerful symbol of the confidence traditional donors retain in the technocratic coordination of development assistance.<sup>17</sup> A major challenge for these technocratic approaches – and the Paris and Accra agendas – is that they also have to show success in making aid work or at least make it work better in contributing to development and poverty reduction.

It is also important to emphasise that the traditional donors are not a homogenous group. With the Lisbon Treaty having come into effect in December 2009, we may also see accelerated attempts to further harmonise the development policies of the EU and those of their member states. Recent developments also suggest that the agendas of the G20 group will play an increasingly important role – especially in pushing for wider representation and reform in key multi-lateral platforms, including those concerning international finance and aid. What these trends will imply for Africa ten years down the road we do not yet know, but the outcome will also depend on Africa's own capacity to engage old and new powers.

<sup>16</sup> A plethora of studies on China and Africa have emerged in the last few years. The best on aid and developmental issues is the analytically and empirically rich study by Deborah Brautigam, *The Dragon's Gift. The Real Story of China in Africa*, Oxford: Oxford University Press 2009.

<sup>17</sup> See also Dane Reynolds, *Emerging donors in international development assistance: A synthesis report*, Partnership and Business Development Division, IDRC 2008 (available from [http://www.idrc.ca/uploads/user-S/12447280141/Synthesis\\_Report.pdf](http://www.idrc.ca/uploads/user-S/12447280141/Synthesis_Report.pdf))

# Donors and Civil Society in southern Africa: An overview

*Civil society in Southern Africa can be characterised as being diverse and fragile. Significant advances in the consolidation and strengthening of capacities of civil society organisations and spaces for engagement with authorities have been recorded in recent years. However, capacities and space do not automatically translate into institutionally secure bases from which dialogue and partnerships can be built and sustained. Furthermore, civil society also operates in environments which are both unstable and vulnerable and are not immune to rapid deterioration and closure of space for engagement.*

Deterioration in southern Africa can be illustrated by the case of Zimbabwe. Achievements and progress are perhaps best captured by the case of Mozambique. G20 was established as a national platform for participation of Mozambican civil society in the poverty observatory (now development observatory). It has become a mainstream reference point for civil society organisations in dialogue with both government and foreign donors in the context of budget support and poverty reduction. Strong achievements have been made in securing space for civil society participation.<sup>1</sup>

Important achievements in civil society engagement have also been recorded at the regional level in the last few years. There are several manifestations. For example, the efforts to strengthen the capacity of apex organisations or regional umbrella bodies among NGOs, faith-based organisations, trade unions, business and others, to engage with Southern African Development

Community (SADC) and other regional institutions in supporting a poverty focus. Main achievements here include SADC's consultative conference and Summit on poverty and development in Mauritius in April 2008 which – for the first time – had strong participation from civil society organisations. This has led to further engagement between civil society organisations and SADC in the preparation of a regional framework for poverty reduction, especially preparatory work for a regional poverty observatory.

Secondly, a number of regional networks and institutions are active and visible in providing technical advice to the Southern African Development Community Secretariat or in efforts to publicly campaign for policy changes. These include regional research institutions and networks such as the Food, Agriculture and Natural Researches Policy Analysis Network (FANRPAN), the Formative Process Research on Integration in Southern Africa (Foprisa),

<sup>1</sup> See also *Mechanisms for Civil Society Participation in Mozambique. The experience of the G20, Maputo: G20 Secretariat, September 2009 (unpublished).*

the Media Institute of Southern Africa (MISA) or the Southern Africa Research and Documentation Centre (SARDC). There are also several research NGOs, mainly but not solely based in South Africa, which are producing ideas and knowledge on regional issues, perhaps most extensively within the fields of trade and economic integration, governance and peace and security.

Good regional platforms for engagement have been created, but progress and achievements are also limited. Most regional apex organisations are weak with limited capacity for policy engagement, and SADC is still ineffective in engaging in deeper

cooperation and consultations with civil society organisations, often in stark contrast to other regional economic communities.<sup>2</sup>

### Aid flows to southern Africa

Total ODA flows – as recorded by the OECD DAC to Southern Africa are presented in Table 1 below. This shows disbursements (excluding debt relief) from OECD DAC members to all 15 SADC countries from 2003 to 2009. The increasingly high figures from 2006 to 2008 can be attributed to debt relief operations and initiatives. The big drop in 2009 can be explained by the onset of the global financial crisis towards the end of 2008.

**Table 1: Total ODA disbursements (excluding debt relief) to SADC member countries from OECD DAC Countries 2003 - 2009 (constant 2008 USD million)**

Recipient		Year						
		2003	2004	2005	2006	2007	2008	2009
	Angola	480,14	382,14	291,94	-66,23	104,87	179,85	40,28
	Botswana	32,09	37,16	33,31	38,66	64,94	245,41	2,38
	Congo, Dem. Rep.	232	463,85	569,37	705,38	698,51	979,4	319,85
	Lesotho	42,96	41,84	45,78	43,19	64,35	64,31	6,11
	Madagascar	200,6	204,58	241,72	276,6	328,26	273,54	22,58
	Malawi	383,21	358,1	369,99	388,46	391,99	431,54	49,87
	Mauritius	-25,91	18,54	23,46	9,84	47,09	16,09	0,76
	Mozambique	934,54	901,19	914,44	988,89	1130,83	1341,22	362,3
	Namibia	147,09	151,36	104,63	119,05	151,56	149,98	51,16
	Seychelles	6,91	7,67	9,6	6,25	1,72	5,03	0,13
	South Africa	624,79	549,49	544,68	649,89	630,15	881,73	182,74
	Swaziland	16,29	7,85	22,05	13,36	13,11	17,81	-1,02
	Tanzania	1194,46	1104,09	1007,21	1131,14	1249,05	1372,78	300,62
	Zambia	467,21	479,07	572,86	592,25	681,02	703,84	179,02
	Zimbabwe	208,99	198,87	217,81	221,93	376,75	532,27	98,88
<b>Total ODA (excluding debt relief)</b>		<b>4945,37</b>	<b>4905,8</b>	<b>4968,85</b>	<b>5118,66</b>	<b>5934,2</b>	<b>7194,8</b>	<b>1615,66</b>

Source: Data extracted on 06 Feb 2010 from OECD.Stat

<sup>2</sup> This has become well illustrated with increasing co-operation between SADC, COMESA and the East African Community. COMESA commissioned FANRPAN in 2009 to facilitate dialogue and involvement between the RECs and civil society organisations on climate change issues, and provided it with donor funds to do so. It is still too difficult for SADC to play a similar role.

However, external development finance goes well beyond traditional ODA. There have been significant increases in foreign investment from both traditional and new investors in the region. There has also been a significant inflow of various types of development finance – export credits and concessional lending – to especially infrastructure projects. Of particular importance here is the role of China. Chinese development finance and investment can be found in nearly all 15 SADC member countries, but it is heavily concentrated in Angola and South Africa. Southern Africa has however been badly affected by the onset of the financial recession from late 2008, both directly through reduced inflow of development finance and falling commodity prices and global demand, as well as through reduced economic growth in the economic power engine of the region – South Africa.

The main statistical source on ODA flows – the OECD database – does not capture aid flows to SADC or other regional programmes. It only records allocations and disbursements to countries and “Africa unspecified”. Some trends in ODA-support to SADC and regional support have been captured in earlier studies.<sup>3</sup> The main developments since then have revolved around new efforts by donor agencies to focus on climate change issues and on north-south development corridors (following the initiatives by the three regional communities – Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC). There also appears to be more ODA resources available than SADC can actually absorb – according to frequent complaints by traditional donor agencies. SADC’s capacity to come up with fundable projects is still considered to be too weak. Substantial donor funds have also been returned to the donor agencies (especially the EU) as a result of the Secretariat’s limited capacity to absorb funding (but also due to donor rigidity in the prescriptions for how funds should be spent). Implementation capacity is also limited. In mid-2010 it is expected that a SADC project and preparation unit – hosted by the Development Bank of Southern Africa – will become operational. This may speed

up identification and development of bankable projects, especially in the infrastructure sector.

The OECD DAC statistics do not capture reliable trends in support to or through civil society organisations. Based on impressions and case studies the team will however still maintain the conclusion from the 2007 study: financial support to civil society in the region is significant with no indications to suggest any decline. In some countries an increase has probably taken place. This includes Zimbabwe and DRC where civil society organisations – mostly Northern and international NGOs – are major service providers for donor agencies. In the HIV and AIDS area there has also been increased disbursement – especially from US sources – through civil society. Most funding for civil society organisations is, however, provided at the country level.

### **Windhoek and beyond: Donors and regional support**

In 2006, SADC and their international cooperating partners adopted the *Windhoek Declaration on a New SADC-ICP Partnership* at a consultative conference in Namibia. The Declaration was an attempt to translate the Paris Declaration into a Southern Africa document. The Declaration was widely hailed as the foundation for a fresh start to the donor-recipient relationship between SADC and ICPs.<sup>4</sup> What happened?

The Windhoek Declaration was basically a replica of the commitments made in the Paris Declaration, but it was not followed by the development of any similar implementation framework with listing of targets, indicators of progress and timetables. Nor was the Windhoek Declaration followed by any local parallel to the Accra Agenda and efforts to engage civil society. Still, some important developments have taken place since 2006.

On SADC – donor relations most progress can be found in the establishment of thematic groups in SADC priority areas. These were intended to help facilitate donor harmonisation, ensure improved alignment with SADC priorities as well as to galvanise additional resources for development.

<sup>3</sup> See especially, E. N. Tjønneland, *From aid effectiveness to poverty reduction, Gaborone: BIDPA 2008 and the SADC Secretariat Mobilising External Development Support for the Millennium Development Goals in SADC. Promises, progress and challenges, Background document for the SADC International Conference on Poverty and Development, Mauritius, April 2008.*

<sup>4</sup> See the first Foprisa report, E. N. Tjønneland, *SADC and donors – ideals and practices. From Gaborone to Paris and Back, Gaborone: BIDPA 2006 and p. 3 in SADC Today Vol. 9 No 2, June 2006*

**Table 2: SADC Thematic Groups**

Areas for Thematic Coordination	Lead ICP (donor agency)
Trade, Industry, Finance and Investment	European Commission (Gaborone)
Water	Germany (GTZ) (Gaborone)
HIV and AIDS	Sweden (SIDA) (Lusaka)
Agriculture and Food Security*	UK (DFID) (Pretoria)
Natural Resources and Environment*	FAO (Harare)
Transport	UK (DFID) (Pretoria)
Energy	Norway (Maputo)
Peace and security	Austria (Pretoria)
Education, Science and Technology	(to be launched)
Institutional Strengthening and Capacity Development	SADC/ICP Core Group

\*A decision was made in 2009 to merge these two groups

Achievements in these groups are highly uneven. The work has in most cases barely moved beyond the level of networking and information sharing. The strongest groups can be found in HIV and AIDS, water and energy. Some groups have developed work plans which can provide a framework for donor funding. In some cases – notably in Water and HIV and AIDS - two or more donors have pooled resources with one donor managing funding and support on behalf of the other(s).

In addition to the thematic groups, some donors (mainly Pretoria-based) also meet informally to discuss regional thematic issues. Current groups are focusing on HIV and AIDS, food security and employment/growth. Groups which appear to have disappeared include one focusing on human rights and democratisation.

Significantly: there appears to be limited co-ordination between what happens at the level of the thematic groups and the overall co-ordination between SADC and the donor agencies. This has also contributed to a poor implementation of the Windhoek Declaration.

Civil society was not directly involved in the preparation and launch of the Windhoek Declaration. Their engagement through the thematic groups has been limited and mainly confined to NGOs with a capability to provide services. The main involvement may have been in HIV and AIDS (where one NGO - Regional Psychosocial Support Initiative (REPSSI) – also funds a technical advisor in the SADC Secretariat). In the energy group, the lead donor (Norway) has commissioned an NGO (Southern African Research and Documentation Centre) to publish and disseminate news on SADC's work in the energy sector and the role of the thematic group. Many donor agencies are however, commissioning civil society organisations to play a role in their various regional programmes, but such involvement is mainly confined to bigger NGOs able to deliver services and implement projects.

Secondly, there have been some efforts and some achievements in support to regional civil society initiatives to help facilitate citizen participation and accountability and to build civil society capacity and ability to engage with SADC and other inter-governmental institutions in the region.

## *Apart from funding through the Southern Africa Trust, the bulk of funds for civil society engagement with SADC at the regional level are provided through Northern and international NGOs.*

Most bilateral donor agencies are not very active in this (beyond supporting think-tanks and research NGOs, such as for example the Media Institute of Southern Africa or the Electoral Institute for the Sustainability of Democracy in Africa), but there are some exceptions. The most significant is DFID who provided the necessary funds for the establishment of the independently managed Southern Africa Trust, a major channel of support to civil society organisations in this area. CIDA has provided additional funding to the Trust (but due to changing political priorities at home they are now ending civil society support in the governance area).

GTZ – through its project to support the SADC Organ on Politics, Defence and Security Cooperation – has also provided some small funding for the SADC Council of NGOs to help strengthen their capacity to engage with SADC and to speak on behalf of national NGO umbrella bodies.

Apart from funding through the Southern Africa Trust, the bulk of funds for civil society engagement with SADC at the regional level are provided through Northern and international NGOs. Typically this may be support from e.g. trade unions in Europe to Southern African Trade Union Coordination Council (SATUCC) or from Church organisations in Norway and Sweden to

the Economic Justice Network. In addition, support is also provided through regional and international foundations such as Open Society Initiative for Southern Africa (OSISA), Trust Africa or the Melinda & Bill Gates Foundation.

One important new development is the EU's planned support to regional non-state actors. Significant funding has been made available for this purpose under the allocation to SADC under the 10<sup>th</sup> European Development Fund, but guidelines are still to be developed and allocations and disbursements are still to be made.<sup>5</sup>

Some positive impacts of this support to civil society can also be noted. Platforms for civil society engagement with regional inter-governmental institutions have been created, some regional apex bodies are stronger than they were 2-3 years ago, and civil society organisations have been able to make significant inputs into SADC's evolving approach and framework for poverty reduction. The Southern Africa Trust has been instrumental in facilitating this beginning with the SADC consultative conference on poverty and development in 2008 and subsequent efforts to develop SADC's poverty strategy and the proposed regional poverty observatory.

<sup>5</sup> See more details on this in the EU-SADC, *Southern Africa: Regional Strategy Paper and Indicative Programme 2008-2013*, available from [http://ec.europa.eu/development/geographical/methodologies/regiopapers10\\_en.cfm](http://ec.europa.eu/development/geographical/methodologies/regiopapers10_en.cfm)

# Findings and assessments

*What do the documents, aid statistics and interview data tell us about donor agencies and trends in policies and practices? The first observation is that there are no significant abrupt changes evident since the previous report to Southern Africa Trust in 2007.*

One key issue highlighted in 2007 was that most traditional donor agencies did not really have any clear strategy or approach to supporting civil society organisations regionally. Reports from the field indicate an ongoing absence of informed or clearly defined strategies on the part of donors when it comes to supporting civil society to engage at a regional level. Most official development agencies active in providing regional support would tend to have some funding available for civil society organisations, but mostly as part of their sectoral programmes. Typically most funding would go to bigger NGOs either able to provide knowledge and insights or to implement programmes on behalf of donors. Support from these agencies in the voice and accountability areas are probably strongest in relation to media and gender issues, and in recent years with support to intermediaries such as the Southern Africa Trust and the Open Society Initiative for Southern Africa.

Secondly, civil society dependence on aid remains very strong. There are also indications within some countries (for example, Mozambique) of bilateral donor-funding targeting NGOs that can support their country assistance strategy priorities. This makes civil society organisations vulnerable to shifts in donor priorities, and may push them to opportunistically seek funding where donors are making funds available, weakening long-term planning and constituency accountability, and thus civil society organisation credibility

and legitimacy. This may have resulted in some organisations taking on donor objectives outside of their core competencies, and past their capacity to absorb.

Thirdly, there are still strong limitations on dialogue and engagement between civil society and authorities in most SADC countries. State-civil society relations are characterised by largely out-of-date legislation, rules in favour of state control rather than protection of civil rights and civil society organisation roles, and civil society organisation vulnerability to *ad hoc* state decisions and power. But the trend towards more space for dialogue and engagement, also evident in 2007, has increased in most SADC countries as well as at the regional level.

## Volumes and disbursement patterns

There are no available statistics telling us the precise aid volumes or trends in donor funding to or through civil society organisations in southern Africa. What we do know is that such funding is significant and that it may well have increased over the past few years as a result of increased spending on HIV and AIDS and on humanitarian relief in DRC and in Zimbabwe. In these areas civil society organisations – and, in the case of DRC and Zimbabwe, international NGOs in particular – have been subcontracted to deliver services and implement aid projects. In the case of Zimbabwe, maybe as much as USD1 billion, was disbursed

in 2009. Most of this was channelled through UN agencies and international NGOs.

There is no hard evidence yet to indicate that the global recession has led to any general reduction in support to civil society organisations. However, many US foundations – important providers of funding for civil society in southern Africa – have been hard hit by the recession and this has led to reduced giving which also has affected civil society organisations in the region. Oxfam America closed its southern Africa office and globally reduced its staff complement by 9%. It is expected that many of the smaller philanthropic organisations in the USA will close, while others will target government monies. “Non-profit programs will remain strong in countries that are of strategic importance to the United States and can win big government grants”<sup>1</sup>.

The bulk of funding for civil society organisations is provided at the country level, with little being provided specifically for regional initiatives or regional civil society organisations. The bulk of the funding is provided to NGOs judged to be able to provide services.

Significantly, much of the funding to civil society organisations active in policy dialogue and engagement with regional institutions are funded directly from Northern NGOs (such as Church- or trade union-based NGOs, or some of the German political foundations) and from intermediaries such as the Southern Africa Trust. Such funding tends to be small in size and allocated for specific projects, but they are a significant source of funding for many of the emerging regional apex-organisations.

Recent policy documents from some bilateral aid agencies (see the discussion above on the aid architecture) may suggest a move to provide more support directly to Southern civil society organisations or to intermediaries and other distribution facilities.

### Priorities and predictability

The team has not detected any major changes here. Support to local civil society organisations tends to be of a short-term

nature. A significant share of funding for local civil society organisations is also coming from Northern NGOs, charities or through financial intermediaries and less directly from the traditional bilateral agencies.

Civil society organisations interviewed generally complained about lack of predictability. In Mozambique, concerns were expressed that funds for local-level organising were diminishing, running the risk that groups seeking to give voice at national level were losing key local perspectives and information. This is reflection of the short term nature of civil society organisation-funding, particularly to those engaged in advocacy, voice and accountability issues. Major donor agencies also change their priorities, both more abruptly as result of changing political priorities, or because they want to respond to new development or perceived needs (such as the emergence of HIV and AIDS or more recently with the a new focus on the environment and climate change). The case of Canada provides an interesting example. CIDA was the agency leading the work on civil society organisations and aid effectiveness issues in the preparation for the Accra conference (they chaired the sub-group in charge), but have since decided to drop “governance” as a priority sector in their aid programme. The bulk of Canadian funding for civil society organisations used to come through the governance window.

### Service providers and advocacy

The bulk of the funding is channelled through NGOs (international/Northern and national/Southern) for the purpose of implementing specific projects and tasks. Many donors tend, however, to include some funding for civil society voice and accountability subsumed under their various sector programmes. Few donors would tend to see voice and accountability as a discrete area of intervention, but prefer to see it as a subsidiary of their work in other thematic areas. A partial exception to this includes DFID which has made several efforts to strengthen its efforts with civil society; not just as a service provider but also as a partner in development. The 2009 White Paper heralds a new approach as well as increased funding commitments to civil society organisations.

1 The Chronicle of Philanthropy. (23rd April 2009). “Global Charities face the recession” ([www.trickleup.org](http://www.trickleup.org))

## *A rapid envelope fund was also established, managed by a commercial agent, to distribute grants to support innovative interventions by civil society organisations in response to dealing with HIV and AIDS.*

Following on from a mandate determined in Accra, the UNDP in Mozambique is prioritising support to developing the capacity of civil society to participate in what have become known as Development Observatories – multi-stakeholder forums at which there is sharing of information and discussion on progress in implementation of the Poverty Reduction Strategy. Support is also provided to enable broader engagement at District Council level.

There are two dimensions to the process of developing the capacity of civil society to engage in multi-stakeholder processes. On the one hand, the credibility of the perspectives presented by civil society organisations is enhanced when they are backed up by evidence emerging directly from identifiable constituencies and issues which address priority poverty-related matters. On the other hand, governments say they cannot take civil society organisations seriously if they do not present robust information, analysis and arguments. Being informed by and connected to grass-roots aspirations, and providing sophisticated research and analysis are costly endeavours.

Some civil society organisation representatives interviewed also argued that donor agencies sometimes had difficulties in adapting to participation by civil society in more strategic national and regional forums. Recent efforts by some members of the G19 group of donors in Mozambique, to open their meetings to other donors and civil society organisations has been reportedly resisted by some key players. In Mozambique civil society representatives suggested that donors became uncomfortable or did not understand when civil society organisations representatives chose not to act as “shadow governments” and sought to develop

relationships with government in promoting voice ahead of demanding accountability.

On the side of civil society organisations, there is a perception that donors are interested in providing support to civil society organisations that seek to open doors and provide spaces which could hold governments publicly accountable. Once those spaces are created and political circumstances change there is an experience of limited follow-up and donor support to enable meaningful use of those spaces. The experience reported by Mozambique civil society organisations may apply more widely. A significant proportion of donor support from the bilateral donor agencies to Mozambique civil society is for specific project-focussed engagements. The donor offices are primarily Mozambique-focused and provide limited support for Mozambique-based civil society organisations to engage at regional and continental levels.

ODA donor assistance to civil society organisations in Mozambique has – since the recession – become less predictable and has shifted more towards project-based shorter-term support, with a further reduction in what few core relationships there were. In addition to cuts by the Netherlands, civil society organisations report cuts by the Nordic donors as well as DFID and the Irish. There is a hesitance to consider starting new projects – both with Government and civil society organisations. The message received is that the situation is temporary and should correct itself.

### **Support models**

The team is not able to draw any conclusion related to support models and frameworks for financial assistance to civil society organisations. Donor thinking seems to be

<sup>2</sup> See also the report from the multi-donor study commissioned by the Nordic + group, *Support Models for civil society organisations at Country Level, Synthesis Report*, Oslo: NORAD 2008 (NORAD Report1/2008 Discussion). This study includes country case studies of Tanzania, Zambia and Zimbabwe.

dominated by three choices when structuring their support; (a) whether funding was for core or project activities, (b) whether funding was provided directly or through intermediaries, and (c) whether it was provided unilaterally, or through joint arrangements.<sup>2</sup>

These models are represented in most SADC countries. Core funding tends to be provided to bigger NGOs with a strong organisation, while project funding goes to smaller organisations and permits greater targeting by donors. Several intermediary models are in place. The most common – and possibly increasing – support model is the use of various intermediary agents. NGOs from the home country of the donor agency tend to make up the highest number of intermediary agents chosen by the donor, but there are a growing number of local intermediaries in several SADC countries. In the last case they are often joint initiatives of several donors.

In the case of e.g. Tanzania there are several complex models in place. This includes the Foundation for Civil Society established by several bilateral donor agencies and which seeks to provide grants and capacity building support to civil society organisations, including trade unions and media, in the area of voice and accountability. A rapid envelope fund was also established, managed by a commercial agent, to distribute grants to support innovative interventions by civil society organisations in response to dealing with HIV and AIDS.

There are cases where the government is seen as a partner in the intermediary modality. This is perhaps most strongly illustrated by the EU and its facilities for support to “non-state actors”. In its geographic/country budget lines support is provided to civil society organisations through the government which acts as an intermediary and contracts civil society organisations for particular tasks with the government programme. In South Africa, for example, the Department of Justice has contracted the Foundation for Human Rights with funding from the “non-state actor” facility in the EU programme.

### **Regional Support**

Regional support remains a challenge for most donor agencies. Regional support also means different things. It can be support to

SADC and other regional institutions, support to a project involving two or more countries, support to one country for engagement with another, etc. Regional support to civil society organisations is even more complicated.

The donors’ regional perspectives remain significantly influenced by country and donor-specific priorities and circumstances. Overall, the nature and focus of donor support to civil society remains informed by donor interpretations of country-specific circumstances rather than being guided by a clear set of regional objectives. Few donors have regional plans with strategic objectives that apply across the region. Several donor agencies have or are developing more thematic-specific programmes and projects (most strongly in relation to infrastructure development and HIV and AIDS). On the side of civil society, the credibility of regional platforms is dependent upon the strength of and contributions from national platforms, which in turn are defined by their connectedness to those they represent.

Donors engaged in southern Africa are often grappling with how to define and formulate a regional approach beyond more immediate bilateral agendas and multi-country interventions. Many donor representatives interviewed also complained about the difficulties of working regionally. Regional institutions are weak with limited capacity to develop bankable projects or to implement projects. In addition to the manifold complexities of working regionally, donors report that it is difficult to work with civil society organisation membership-based networks at a regional level as there are inevitable challenges of organisation, mandate, and capacity. Few agencies also have the required staffing resources to maintain a sustained and strategic institutional knowledge base in the region.

In relation to SADC, there remain challenges in establishing frameworks and conditions for effective engagement and policy dialogue. In some respects the challenges of developing an effective set of engagements at SADC level has had the effect of some donors diverting and diversifying their efforts to other regional avenues – including to

research, training and think-tank civil society organisations, perhaps especially in relation to governance and peace and security issues.

For some donors, regional engagement is a matter of becoming cost-effective in addressing challenges in a number of smaller poor countries in a regional context where middle-income countries such as South Africa can play a catalytic role. For other donors, support to regional economic priorities, for example the north-south transport corridor, switches focus to COMESA and specific regions along the corridor (e.g., Tete in Mozambique).

Several donor agencies are scaling down or phasing out their bilateral country programme with South Africa. At the same time many donor countries are emphasising the wish to continue to work with South Africa as the “regional power”, “strategic partner” or “anchor country” in their Africa and foreign policies. Several donor agencies have developed ideas and plans on how to work with South Africa in “tri-partite” cooperation in third countries in Africa. The Nordic countries have also signed a Declaration of Intent with South Africa laying out the principles and guidelines for such co-operation.<sup>4</sup>

The South African Government’s role in the region as a development partner, and the nature of possible partnerships with traditional donor countries in ‘tri-partite’ cooperation remains under review by the South African Government. Several projects have however, been launched both with traditional donor agencies and with South partners (especially through the formal IBSA co-operation with India and Brazil).

These developments have facilitated a renewed emphasis from several donor agencies on how to work with South African and South Africa-based NGOs in Africa. In several cases such NGOs have been contracted as implementers of tripartite

projects (such as the case of Accord in Burundi). Some donor agencies also emphasised, in interviews with the team, that they also saw their relations with such NGOs as very useful in facilitating a strengthening of bilateral relations between the donor country and South Africa.

The *Southern Africa Trust* stands out as a significant intermediary donor and agent of support to regional engagement and voice by civil society. The ongoing support provided by DFID and with additional funding from a few other donors, plays a critical role in enabling a deepening of regional engagement through support to selected umbrella organisations. The ongoing challenges in attracting and maintaining bilateral donor support beyond that of DFID is an indicator of the relatively limited importance that bilateral donors in the region currently attach to the widening engagement in poverty-related policy dialogue at regional level.

There is a larger donor focus on development and service delivery than there is on voice and accountability issues. There are opportunities and instances of donor support towards initiatives that enable civil society to engage in thematic-specific discussions and processes at a regional level. FANRPAN, for example, is receiving funding via COMESA from the Norwegian Embassy in Zambia in order to support COMESA in developing its analysis and knowledge with respect to climate change in the region, and in helping COMESA, SADC and EAC in engaging with civil society. DFID is supporting a South African consulting company (One World) providing capacity development support which seeks to empower governments and civil society stakeholders in the region to engage in climate change negotiations. A number of donors are supporting the regional NGO, REPSSI (Regional Psycho-social Support Initiative) with respect to their interventions on HIV and Aids.

<sup>4</sup> See also a further discussion of these issues in the recent joint evaluation of Scandinavian and Dutch aid transformation strategies in relation to South Africa in Pundy Pillay & Elling N. Tjønneland, *Managing Aid Exit and Transformation. South Africa Country Case Study*, Stockholm: SIDA 2008 (available from [www.sida.se/Svenska/Om-oss/Publikationer](http://www.sida.se/Svenska/Om-oss/Publikationer))

*The growing donor focus on results-based management, coupled with cuts in field staff and 'head office' pressure for demonstrable impact in alignment with foreign policy objectives, can lead to a framework that emphasises measurement at the activity level.*

**Aid effectiveness**

Is the aid effectiveness agenda being encouraged by donor head offices? Both bilateral and multilateral donor head offices are promoting adherence to the Paris principles in country programmes. Reviews also indicate some progress in implementation. However, there is far less attention to the spirit of Paris and Accra in the various global facilities and thematic budget lines at the disposal of donor agencies. This also includes support to civil society organisations and regional programmes which are often funded outside country programmes.

The extent to which Paris principles are being prioritised and implemented in the field also varies according to circumstances and country, with implementation in Africa lagging far behind those of other regions.

More recent global economic and geo-political circumstances may have further weakened commitment to the Paris agenda.

This is not to say that the principles are not important, but rather to suggest that more immediate circumstances require greater flexibility in their interpretation and implementation. Some respondents have suggested that the aid effectiveness agenda is becoming a set of tools that are selectively used in promoting broader donor agendas.

The growing donor focus on results-based management, coupled with cuts in field staff and 'head office' pressure for demonstrable impact in alignment with foreign policy objectives, can lead to a framework that emphasises measurement at the activity level. This is especially the case at a regional level when measurable strategic objective-level outcomes have not been clearly articulated. Increasing pressures for results-based management can also translate into shorter project time-frames and horizons. Smaller staffing complements also contribute to the trend of funding fewer and bigger organisations.

## Conclusions and recommendations

*This study has noted that there is significant donor funding going to civil society organisations in southern Africa, both directly and through northern and international NGOs as well as through various financial intermediaries and national distribution mechanisms. However, support at the regional level and efforts to strengthen citizens' voice and accountability in relation to regional institutions remains limited. Furthermore, there is also a strong tendency within many donor agencies to view civil society organisations as instruments for delivering on donors current priorities.*

The team's **first** recommendation is to reiterate the spirit from the Paris and Accra agenda: recognise the critical role of civil society organisations in broadening ownership and dialogue on development and support efforts to strengthen their capacity to do so also at the regional level.

A **second** recommendation is that donor support to civil society organisations working regionally to enhance voice and accountability needs to balance the principles of co-ordination and harmonisation with the respect for diversity, division of labour and innovation.

**Thirdly**, the team notes that support to regional civil society organisations is heavily skewed towards project funding, most often channelled through Northern civil society partners and North-South partnerships. The team recommends that this is supplemented by efforts to explore new additional approaches involving mechanisms such as programme-based support and more use of intermediaries and regional distribution mechanisms to enhance voice and accountability in the region.

**Finally**, the team will highlight some of the most relevant findings from the recent joint donor evaluation of support to citizens' voice and accountability (CV&A):

- Build or sharpen 'political intelligence' in developing CV&A policies and in undertaking CV&A interventions on the ground;
- Work with the institutions you have, and not the ones you wish you had;
- Focus capacity building not only on technical but also on political skills;
- Place greater focus on CV&A mechanisms that address both sides of the equation within the same intervention;
- Diversify channels and mechanisms of engagement and work more purposefully with actors outside donors' 'zone of comfort';
- Improve key design and implementation features of CV&A interventions and aid effectiveness
  - Establish more realistic expectations for CV&A interventions;
  - Provide longer term and more flexible support, recognizing that CV&A efforts can take a long time to bring about;
  - Improve donor coordination of CV&A initiatives;

*The team notes that support to regional civil society organisations is heavily skewed towards project funding, most often channelled through Northern civil society organisation partners and North-South partnerships.*

- Pay attention to issues of integrity, quality and capacity when selecting civil society organisations partners to engage with (so as to avoid supporting what in the case studies were identified as 'briefcase' NGOs and other civil society organisations lacking legitimacy);
- Be more selective in choosing experienced partners that have ties to the grassroots and can reach otherwise marginalised and isolated groups (especially in the rural areas);
- Continue to work with or work more closely with non-traditional civil society organisations like religious organisations, trade unions and social movements;
- Ensure that CV&A interventions include relevant and specific actions to promote access to voice and influence among excluded, marginalised and otherwise discriminated against groups (such as women and ethnic minorities); and
- Develop a much clearer and targeted pro-poor approach that is informed by issues related to social exclusion and discrimination.

# Annex

## List of persons interviewed

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