European NGO confederation
for relief and development

CONCORD

Confédération européenne des ONG
d'urgence et de développement

<u>Structured Dialogue</u>
<u>Principles Paper</u>

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Introduction

This paper outlines the key principles upon which CONCORD will base its engagement in the Structured Dialogue.

This principles paper is intended to be a reference document which CONCORD will use within the Working Groups, and which will be supplemented throughout the Structured Dialogue process.

This paper was the product of an extended process of consultation within CONCORD, led by the Quadrilogue Task Force, with a broad consultation of members, and a special event meeting to resolve key "hot issues".

The paper gives a brief introduction to the Structured Dialogue, and is then organized into three sections, reflecting the Structured Dialogue's three working groups. In each section we set out our key principles, provide a more detailed analysis in relation to each of the Working Group themes, and present our recommendations for each Working Group.

What is the Structured Dialogue?

The Structured Dialogue (SD) is an initiative launched by the EC to discuss the involvement of civil society organizations (CSOs) & Local Authorities (LAs) in EC development cooperation. Conceived as a confidence and consensus-building mechanism, the initiative **aims at increasing the effectiveness of all stakeholders involved in EC development cooperation**, by building on the momentum gained by international and European debates.

There are four categories of actors involved in the SD ("The Quadrilogue"):

1. <u>European Commission</u>: Headquarters (coordinated by AIDCO) and EU delegations
2. <u>European Parliament</u>: DEVE Committee leads.
3. <u>EU Member States</u>: Representatives of Ministries and National Development Agencies.
4. <u>CSO&LA</u>: 10 Platforms - CONCORD, Cooperatives Europe, ENoP, Green10, HRDN, ITUC, Platforma, Red Cross, Youth Forum and Chambers of Commerce.

What we ask for:

CONCORD has the following expectations for this process:

- The <u>process</u> must be based upon "**policy before funding, but funding that follows and delivers policy".** The dialogue should seek to ensure that funding mechanisms must indeed be coherent with the EC policies as well as with the global development objectives, while recognizing the diversity and nature of CSOs.

- Civil society participation should be facilitated through the creation and institutionalization of **spaces of dialogue** for CSOs, which should provide the basis for the definition of cooperation strategies and policies, funding mechanisms, monitoring and evaluation mechanisms, etc., thus enabling more consistency between public policies and strategies for each type of actor.

- The importance of this debate is fully appreciated by European CSOs and partners, and these stakeholders are fully involved in the debate and have ownership of its conclusions (and so build upon previous similar consultations and the CSO Development Effectiveness agenda).

- We welcome the EU's recognition that CSOs are legitimate partners within the Structured Dialogue.[1]

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[1] The EU Council conclusions 27 May 2008 state: "The EU supports and welcomes the involvement of CSO in policy consultations and the implementation of development programmes, as they are integral to building accountable and responsive States as well as often best able to provide services to more remote parts of society. The Council recognizes these actors (incl CSO, LA, private) as legitimate development actors in their own right and invites them to play their role in achieving the MDG by exploring ways to maximize their added value and complementarity.

WG 1: Roles and added-value of CSOs[2] in external cooperation

1. Key principles

Concord would like to emphasise the following key principles in relation to this Working Group.

✓ **Definition and characteristics of civil society organizations:**
   o **Civil society organisations** have **four main characteristics**:
      1. they are established voluntarily by citizens seeking to promote their concerns, values or identities;
      2. they are organised around the promotion of an issue or the interests of a particular section of society;
      3. they are autonomous from the state and public authorities;
      4. and they do not aim at optimising profits.
   o **Diversity of CSOs**: the diversity of CSOs should be recognised as an integral part of their definition. CSOs are diverse in their nature, size, organisation, financing, role, and added-value within development and external cooperation and partnership relations.
   o **Global civil society:** in an interdependent world, a global civil society is now emerging, and the simplistic North / South terminology should no longer be used to divide CSOs. What is important is to respect the diversity and to promote synergies and cooperation between CSOs active and engaged at different levels whether local, regional or global.[3]

✓ **Role of CSOs in development:**
   CSOs empower people and organisations in the fight against poverty, the promotion of human rights and democracy[4]:
   o They play a key role in ensuring development and poverty-reduction.
   o They play a watchdog role in holding governments to account.
   o They also raise awareness about issues relating to development within society.

✓ **Added value of CSOs:**
   CSOs bring added value to external cooperation through the following elements:
   o A rights based approach to development
   o Outreach to the most marginalised
   o Supporting good governance
   o Empowering grass-roots organisations
   o The power to innovate
   o An ability to react rapidly and flexibly
   o The ability to link local needs with global issues

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[2] In this principles paper, we analyze only the added value of CSOs and not that of Local Authorities.

[3] The Open Forum on CS development effectiveness offers a good example of such an approach (http://www.cso-effectiveness.org).

[4] The Accra Agenda for Action states that: "We [*official donors and governments*] will deepen our engagement with CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector. We share an interest in ensuring that CSO contributions to development reach their full potential. To this end: (i) We invite CSOs to reflect on how they can apply the Paris principles of aid effectiveness from a CSO perspective. (ii) We welcome the CSOs' proposal to engage with them in a CSO-led multistakeholder process to promote CSO development effectiveness. (ii) We will work with CSOs to provide an enabling environment that maximizes their contributions to development".

o Direct access to citizens

✓ **In order to create an enabling environment for CSOs to deliver these added values, the following principles should be respected:**
  o **Supporting a rights based approach to development[5]**: all development programmes should ensure that pro-poor and sustainable development prevail over short term, narrow or elite European interests; that sustainable development and the fulfilment of human rights form the basis for EU policy-making.
  o **Generating real partnerships among development actors and specifically among all CSOs from all over the world**: partnership implies more than complementarity, but rather the need to build partnerships of equals, which are not constrained by donor procedures.
  o **Promoting Inclusiveness**: inclusiveness is needed within the consultation and dialogue process with CSOs.
  o **Recognising independence and legitimacy of CSOs**: Promoting human rights and democracy in difficult countries often involves criticism of government's policies and actions. In such cases, it is especially important to support and assure that external cooperation is channelled through independent and legitimate CSOs.
  o **Acknowledging the need for an institutionalized dialogue between CSO and European institutions at all levels** (strategy definition, prioritisation [etc], instruments, implementation, monitoring, evaluation; at European, national, regional and local level). CSOs welcome and encourage the creation of all spaces of permanent dialogue.

2. Thematic Analysis

Theme I - Roles and added-value of CSOs in development

1.1. **Civil society is an important actor** in empowering people and organisations in the fight against poverty, the promotion of human rights and democracy, adding value through its independent, autonomous, non-governmental nature. CSOs are also important due to their closeness to grassroots and ability to provide better coverage to remote and marginalized groups. CSOs have a crucial role to play in building ownership and participation in national development strategies as well as holding decision-makers and public bodies to account, and assessing the impact of policies at the grassroots level. CSOs receive resources from a wide range of donors including the general public in order to fulfil these roles.

1.2. A **common vision** between the EC and Member States should be developed outlining the roles and added value of CSOs and the rationale for supporting civil society. On that basis a joint support strategy and division of labour between the national and European levels could be agreed upon.

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[5] CONCORD definition of this concept is: "A rights based approach builds on the belief that all human beings have certain rights which cannot be taken away from them and which enable them to make claims on others when their rights are being denied or violated. Human rights touch upon every aspect of life. They are about giving every human being the chance to live free from want, from fear and from discrimination. A rights based approach creates a framework for a more inclusive, participatory way of doing development, and highlighting the accountability of governments and other development actors to fulfill obligations and responsibilities toward their citizens according to international commitments".

1.3. **Civil society participation** represents an area of enormous added-value which goes far beyond one single thematic programme or a mere funding exercise, it should be a basic principle and right. Policy dialogue and CSO engagement cannot be limited to discussing the provision of development and aid programmes, it should include **all aspects of the relations** between the EU and third countries that have an impact on poverty reduction and respect for human rights, including governance, trade negotiations, management of natural resources and environment, international finance, extractive industries, corporate responsibilities, etc. It should be recognised within the Structured Dialogue that **CSOs are legitimate stakeholders in their own right**.

1.4. Civil society organisations bring added value to the **definition, execution, and evaluation of public policies** in their national context being in partner countries or in Europe. CSOs also contribute to strengthening the functioning of the EU institutions and provide a link between them and the EU citizens.

1.5. While development programmes are still an important component, the complementary and supporting **importance of advocacy work, development education and campaigning** in the delivery of sustainable systemic changes at the global level should be acknowledged. The focus on effectiveness has to shift from *aid effectiveness to development* **effectiveness**, in line with the argument put forward by CSOs that effective development requires more than "just" effective institutional aid. Enshrined in a rights framework, CSOs argue that development effectiveness is about the impact of the policies and actions of development actors, including donors and governments, on improving the lives of the poor and marginalised. It promotes sustainable positive change that addresses, within a democratic framework, the root causes as well as the symptoms of poverty, inequality and marginalization.

1.6. The **role of European** CSOs is to advocate for just and sustainable global development and policies, to support CSOs in other regions, to support the implementation of programmes by mutual sharing of knowledge, experiences and lessons learned, to build awareness for citizen's rights and to empower and foster the participation of all citizens to become actors of change in world-wide poverty eradication. Furthermore, European CSOs play a role in rigorous monitoring and evaluation of development activities and projects in order to lead to an improved effectiveness and involvement of their local partners.

1.7. CSOs play a specific role, which is **complementary to that of local authorities** in relation to development. Each has its own role, added value, and legitimacy.

Theme II - Complementarities between Northern and Southern actors

2.1. A global civil society is now emerging, and the **simplistic North / South terminology should no longer be used** to divide CSOs. We prefer to use the word **cooperation** rather than division of tasks. This dialogue concerns collaboration between European CSOs on one side, and partner CSOs in developing countries on the other, and the necessity to develop a common agenda.

2.2. The **implementation of development projects and programmes** is best done by local actors, including local civil society and, if possible, local authorities, in partnership with European CSOs. However, this will depend on the context, and in more fragile environments European CSOs still have an important role to play in

actually supporting the implementation of programmes while building local CSOs capacity and alliances. European CSOs also continue to work in humanitarian relief and to uphold humanitarian principles.

2.3. Cooperation between European CSOs and partners includes: responding to and empowering partners through supporting their activities and the development of their capacities and competences; engaging in joint advocacy work and supporting advocacy and 'watch dog' work; promoting development education and awareness raising activities in partner countries; facilitating access to funding, to information and to decision-makers. We also work together to share information, expertise and skills for empowering citizens to become actors of change.

Theme III – The involvement of CSOs in the EC development Cooperation cycle

3.1. There is still much progress to be made in order to ensure an effective engagement with civil society in programming and reviewing EU aid strategies in a **systematic, transparent, ongoing and inclusive way**.

3.2. Discussions on the programming and review of aid strategies should clearly **provide for adequate time to engage civil society**, and this should be sustained throughout the whole process, including mid- and end-of-term reviews. The system of engagement with civil society should be institutionalised and allow for **reporting back** to civil society on the results of engagement. Understanding country contexts is essential and a 'one size fits all' approach to engaging civil society in EU aid strategies and programming must be avoided. In some very repressive environments, a confidential mechanism of consultation could be helpful. **Respecting existing processes for consultation is essential.**

Theme IV - Mapping as a tool for the identification of relevant actors

4.1. **Mapping of the national CSO landscape** is needed on an ongoing basis (regularly updated) in order to identify the most relevant actors, as well as reflect the diversity of civil society. This mapping should be carried out in **consultation with CSOs and other relevant actors** (co-responsibility), and draw upon the existing experience of mapping which have been undertaken by CSOs and international organisations. Mapping should take account of the existing networks which have been built between CSOs (national and regional platforms and thematic platforms) and the existing dialogue processes. This consultation should be based on a participative approach and at different levels, as the definition of the aims of the mapping (only to identify actors or also their needs?), the rules and procedures to update it and the criteria to define "relevant actors". The EU should build upon existing knowledge within the country. The mapping must go beyond a statistical survey and include analysis and assessment. In particular, the recommendations of the Capitalisation Study on Capacity Building Support Programmes for Non-State Actors under the 9th EDF should be taken into account (chapter 3).

4.2. The **mapping of CSOs** needs to be **done by sector** and enough data needs to be held that might produce a 'matching' service which may allow organisations working in particular sectors to better co-operate with one another - or if a particular CSO is interested in working in a different sector that they can see who they may partner with in that sector to strengthen it and provide better expertise.

4.3. Whenever possible, we should avoid an over-dependence of the EU's mapping, as it should not be the role of the EU to map CSOs in any given country, but it would rather be the role of the government from the country concerned. The EU can of course advise and support the exercise but the ownership should be at the governmental level. Mapping exercises should involve civil society actors from their inception, they should be fully transparent and their outcomes should be publicly available. In very repressive environments, such a tool could prevent or repress CSOs from carrying out its work, and steps should be taken to keep some data private.

Theme V - Creating an enabling environment for CSOs

5.1. An enabling environment requires the **strengthening of the participation of civil society in developing countries**, to support their role in building people's participation in their own development. This means that funding should be made available i.e. for CSO-determined capacity building activities, structuring, networking and coalition building. This should include the **participation of smaller CSOs and grassroots organisations** in national dialogue. However, whilst local CSOs need support in building both understanding and capacity, **it is ultimately political recognition that can make the difference** to ensuring the dialogue is mutually beneficial. **Greater donor coordination and coherence** is needed to enhance an enabling environment for CSOs. This should include providing secure, sustainable and responsive funding mechanisms, which are aimed at adopting an impact-oriented approach, by focusing on addressing systemic problems on a longer-term basis.

5.2. A **process approach** should be embraced, as well as an **impact-oriented approach** to assess the effectiveness of interventions that would:
- provide more flexibility in project and programme implementation and reporting;
- provide long-term funding;
- provide resources to finance organisational structures;
- support impact-studies and impact-oriented monitoring and evaluation systems;
- support peer-to-peer exchange of experiences or dissemination of experiences, methods or knowledge

5.3. The **EU lacks a common overarching vision and strategy on the role of civil society** in development, human rights, democratization, governance and conflict transformation, which recognizes and values its diversity and richness. There is also a lack of overall strategy on how to support these roles in developing countries and in the EU. The EU should ensure the **autonomous role of CSOs** and a conducive space for civil society, especially in order to support the democratic scrutiny of government policies. The EU must create spaces to engage in a **genuine and institutionalised policy dialogue with CSOs** and acknowledge and harness the expertise of local CSOs in the planning, budgeting, implementation, monitoring and evaluation of development programmes and projects and international policies. In order to ensure this, the existence of competent staff (in the EEAS, EC headquarters and EU delegations) on development issues and dialogue facilitation with civil society is essential. This is why the European CSOs greatly appreciate the efforts of the EC to set up and achieve successfully the Structured Dialogue.

5.4. The EU should also support the creation of, and use existing **multi-stakeholder policy spaces for CSOs** and make it mandatory for partner governments to engage. These spaces should be developed at several levels: a political and strategic dialogue on the partnership with the EC; a dialogue on the instruments/programmes to be defined and the stakeholders concerned as well as the funding mechanisms, the monitoring and evaluation of the projects; and a local dialogue between CSO and EU delegations (to define the implementation and evaluation of strategies and funding mechanisms) and between CSO and local governments (to define the implementation, monitoring and evaluation of public policies). Ultimately, it is expected that these dialogue spaces are progressively formalized and institutionalized, as to build full partnerships. Their objectives, rules and procedures should be clearly defined and explained.

5.5. Securing an enabling environment for civil society means **respecting** well-defined **international principles protecting civil society** which are embedded in international law, including norms and conventions that regulate and protect civil society from government intrusion. These principles include: the right of CSOs to entry (that is, the right of individuals to form and join CSOs); the right to operate to fulfil their legal purpose without state interference; the rights to free expression and to communication with domestic and international partners; the right to seek and secure resources, including the cross-border transfer of funds; and the state's positive obligation to protect CSO rights, through the elaboration of a charter of rights for CSOs. The European institutions must hold these principles high in ALL their relationships with third countries. It must be a priority and understood as so by their partners.

3. Specific Recommendations

- EC obligations and commitments towards the consultation of civil society and non-state actors should be respected and put into practice by all institutions, in particular by the new European External Affairs Service. A clear **commitment to a regular structured and institutionalised dialogue between the EEAS and civil society** should ensure that appropriate consultations are held at both headquarters and delegations levels. This will allow the meaningful participation and contribution of civil society actors in Europe and in developing countries in all aspects of EU external actions. As far as possible, the EU Delegations should try to send their staff in peripheral regions of the country. Direct contacts are meaningful for the communities and send a strong message to the national, regional and local authorities.

- There is a need to strengthen the policy framework for CSOs' engagement in **all countries.** This framework could be based on best practices of dialogue in the framework of the Cotonou Agreement and the EDF (for ACP countries). Special attention should be devoted to strengthening the policy framework for CSOs' engagement in pre- and accession countries (IPA) to enable their full and effective participation in the reform process, thus improving the quality and speed of the accession of their countries.

- Existing measures should be **properly implemented and reported on**, such as the "Guidelines on Principles and Good Practices for the Participation of Non-State Actors in the development dialogues and consultations".

- Stable mechanisms should be set up for dialogue at country level, such as the creation of **multi-stakeholder committees** to discuss on a regular basis all issues concerning CSO engagement at country level. Such committees would be instrumental in examining mapping and typology, eligibility criteria, dialogue structures, communication and information tools, capacity building needs assessments and funding mechanism and procedures. These committees should include all donors (not only the EU) and ensure that watchdog and human rights groups, who may not be recognized or in the interest of Governments, are also included, as well as a range to ensure inclusion of representatives or spokespersons for all the most vulnerable groups.

- **The creation of an inter-service network on civil society participation** in EC headquarters would increase coherence of approaches and awareness of EC engagement with CSOs.

- **Adequate support to EU wide platforms** is required to ensure continuous dialogue between the full range of civil society organizations across Europe and the EU institutions.

- **Financial and political support** should be given to civil society for information sharing and gathering, structuring, internal dialogue mechanisms and capacity building.

WG 2: Complementarity and coherence within the *Accra Agenda for Action*

1. Key principles

Concord would like to emphasise the following key principles in relation to this Working Group:

- ✓ **Development effectiveness** (rather than the more limited issue of aid effectiveness) should be the guiding principle.

- ✓ **Policy coherence** between public policies and development objectives is essential.

- ✓ **Right of Initiative**: the right of initiative is intrinsic to the nature of CSOs and should be respected in all circumstances keeping in mind that CSOs follow quality standards and respond to the local needs.

- ✓ **Credibility and legitimacy**: the role and legitimacy of CSOs as development actors in their own right must be fully recognized. CSOs are true independent development actors, producing complementary efforts to those of the public and private sectors.

- ✓ **Democratic scrutiny**: is at the core of democratic ownership and good governance and the precondition of an effective development process. Citizens' voices and concerns must be central to development plans and processes, through legitimate and open mechanisms involving parliaments and civil society.

- ✓ **Multistakeholder partnerships are a positive element which can harness the potential of civil society**; all stakeholders should exchange views and experience and identify common objectives in order to promote a results-oriented approach to development and to achieve greater impact.

- ✓ **Division of labour:** any division of labour between donors must not lead to gaps in aid provision or undermining democratic ownership.

2. Thematic Analysis

Theme I - New aid modalities (NAM) and CSO: challenges and opportunities?

1.1. CSOs and the European Commission have a common interest in **longer term planning and joint programming**. Indeed, Council conclusions of 2008 state that "Council calls for MS and EC to continue and extend the use and coverage of multi-year country strategy papers, to include multi-annual commitments in those CSP [..] to develop and test innovative financing modalities to improve predictability, and to press for developing a measurable target for predictability." This long term planning

and joint programming would help to improve alignment, coordination and local ownership according to the Paris and Accra Declarations. This approach could also be reflected in a **move from projects to programmes** and further to **multi-stakeholder approaches**. The EC should adopt a multi-tier model with elements already being tested and used by various other institutional donors.

1.2. In order to better align with Paris/Accra agendas, the EC and CSOs may decide to establish a political mechanism which works similar to the **Country Coordinating Mechanism** (CCM) of the Global Fund in which the whole CCM applies through the government or an international actor and not each single entity for itself. This approach is most appropriate for large-scale projects such as **sector-wide approaches or national programmes** as it can involve multiple stakeholders from government, training institutions, private sector and CSOs. Such sector-wide approaches may prove more effective than General Budget Support (GBS), for example the Court of Auditors found GBS has not been effective in improving health services. However, if CCMs are used, then such approaches must not become cumbersome and slow down the process of implementation, and there must be close monitoring to ensure the transparency of decision-making.

1.3. **Sector approaches** offer also more opportunities to **engage civil society** - at both programming and implementation level - than general budget support. Without undermining state's responsibility and role, active engagement of civil society can help to address specific gaps within a particular sector by improving inclusion, quality and equity in the delivery of a given service. This can range from direct service delivery, to empowerment of citizens and communities in defending their rights, monitoring public service delivery and budget management and in influencing and informing policy making.

1.4. **Small stakeholders**, such as those working on specific themes or regions, should be able to **participate in coordination meetings** and to pool efforts on a national scale as each organisation contributes in its field of expertise.

1.5. **New aid modalities** such as debt relief programmes and General Budget Support represent a **challenge for civil society** at three levels. First, by concentrating aid on supporting the state's responsibilities and capacities donors may reduce financial support to civil society. Second, in countries where the State has little interest or capacity to meet the most basic needs of its citizens or uphold Human Rights - in particular in fragile states and states with high levels of corruption - investment in the state often does not result in poverty reduction and frequently does not reach the most vulnerable. Third, new aid modalities threaten instrumentalising CSOs in order to support European concerns. An autonomous civil society is necessary to ensure that the government at all levels is accountable for EU funds, and that these result in direct development impact, and to avoid the instrumentalization of aid to respond to European concerns such as migration management, anti-terrorism activities, the institution of economic partnership agreements/ trade agreements and to safeguard its watchdog role. The European institutions should ensure that funds from General Budget Support reach the Local Authorities, allowing them to fulfil their role of service supplier and essential level of democracy.

Theme II - Coordination and Harmonization among donors: division of labour

2.1. The objective to create more efficiency in development co-operation via an increased **division of labour among the donors** is welcomed, since avoiding the duplication of efforts in the concentration of countries and sectors reduces the workload of partner countries while saving transaction costs.

2.2. However, there are a number of challenges in relation to such coordination and harmonisation. The initiative can be perceived as being primarily **driven by donors**. Combining donor coordination with developing country leadership of development processes poses a big challenge which can **risk undermining the democratic ownership of aid** by developing countries or leading to gaps in aid provision.

2.3. Achieving division of labour can also be **problematic amongst donors**, since they often wish to retain visibility within certain sectors, and may be sceptical about the effectiveness of division of labour. One consequence of this is the risk that 'orphan countries' or 'orphan sectors' may be created[6].

2.4. A broader **'aid effectiveness' agenda must be maintained** therefore, rather than focusing purely upon the division of labour between donors. As recognized in previous Council Conclusions and EC working papers, the aid effectiveness agenda and overall development impact of aid are seriously affected by continued lack of progress on increasing Predictability of Aid, removing economic policy conditions and putting emphasis of development impact or performance conditions to increase ownership, providing timely and transparent public information about EC and MS allocations and conditions, and overcoming the weakness of existing monitoring mechanisms and lack of local tracking and disaggregated data; for which CSOs could be critical partners and watchdogs. In addition, as noted in EC evaluations, Technical Assistance which receives a very large proportion of EU aid, has not been demonstrated to be consistently appropriate or effective. Capacity development support must be better coordinated, more need-driven and better integrated with the overall development programme framework, with special attention to country-led capacity development

2.5. The **division of labour is not an appropriate concept to be applied to CSOs**, who must respond democratically to individual situations, and with local partners, and who need to preserve their role in relation to **democratic governance**, and as watchdogs. Thus, CSOs are reluctant to apply a top-down concept of division of labour all over the board (among CSOs or between CSOs and other development actors), as it would undermine the right of initiative, the freedom of association and the diversity of CSOs. Nevertheless, in a case by case situation, a division of labour, understood as a way to promote more cooperation, and synergies and that is negotiated by the actors involved is certainly something to encourage and in fact is already taking place in many contexts.

2.6. The EC (and other donors) focus on how to decrease the costs of uncoordinated, project-based funding, while addressing at the same time the multiple and diverse needs of CSOs & LAs in an increasingly mainstreamed way. Experience shows that **pool funding** can be a useful instrument provided that donors and CSOs & LAs have

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[6] The problem of donor "orphans" was already strongly addressed by the Council Conclusions of May 2008, and the EU Division of Labor Code of Conduct (principle 6), and EC staff working paper with more detailed analysis. The problem continues, however, to create imbalances.

been jointly thinking on the best implementation modalities in a given context. Nevertheless, for CSOs, the question is not whether pool funding can decrease costs but whether it is a **suitable mechanism to achieve our development objectives**. As such, pool funding should be discussed in relation to funding mechanisms, not simply in terms of costs.

Theme III - On the coherence & complementarity among EC instruments in support to CSOs within EC development external cooperation

3.1. Thematic and geographic instruments should be **complementary** to each other. There is a need for a clearer vision from the EC concerning the **meaning of complementarity,** which would enable an objective assessment in particular of how complementarity can be translated into programmes and calls for proposals. Complementarity could allow **multi-country issues to be addressed from a regional perspective**, but this requires clearer definition of such issues, including needs-driven assessment. The EC should carry out **a mapping on the complementarity of geographic and thematic funding**, and should engage CSOs in the consultation process.

3.2. In order to improve the outreach and impact the EC funding support and the complementarity with thematic instruments, a **share of geographical envelopes allocated to regional strategies could be used for grants for CSO multi-country projects** focusing on some priorities for the region.

3.3. In order for thematic programmes to complement geographic programmes, the European Commission needs to **re-think its current country strategy paper and national development strategies**, so as to offer greater guidance in terms of topics, added value, standard and quality for a real coordinated approach among the different EC and other donors funding mechanisms and on when each instrument or modality should be utilised and how they can best be used in combination.

3.4. CSO support under **geographic programmes** such as EDF, is generally limited to capacity building, and is often also limited in time and budget. Support provided through the **thematic programme** is distinctive but can be complementary. The two approaches should be **flexibly available** to be used as appropriate in all developing countries in a complementary manner.

3.5. Although in certain countries there has been progress towards periodic consultation and **dialogue with CSOs on aid programming and review**, an effective engagement must be ensured with civil society in programming and reviewing EU aid strategies in a systematic, transparent, ongoing and inclusive way. Priorities related to Civil Society need to be translated into **funding under the geographic instrument** that is accessible to CSOs. New funding modalities under the geographic instrument need to be developed in a way that allows an on-going long-term engagement of civil society in policy dialogue and the creation of sustainable civil society platforms and networks. Such an approach cannot be easily reconciled with the current project approach relying on calls for proposals.

3.6. Whilst **CSO participation in policy dialogue** on national / sectoral development policies is a precondition for responsible national planning, many national governments do not engage in dialogue with their own CSOs, or recognise the value of their participation. In such cases the EC and EU MS should leverage

their political dialogue with the government to support the participation of CSOs via regular, structured dialogue.

3.7. Civil society in Europe and developing countries should also be consulted for the **definition and monitoring of geographic instruments**.

Theme IV - Right of initiative of CSOs, in view of the AAA

4.1. The **right of initiative, recognised by the AAA,** is intrinsic to CSOs and must be guaranteed in order to safeguard the added value and effectiveness of CSOs. The right of initiative creates space for creativeness and innovation for CSO's, and offers a considerably degree of autonomy for CSO's. These 3 aspects: creativeness, innovativeness and autonomy are necessary to create a vibrant and strong civil society that plays an independent and inspiring role as partner to governments (in developing countries and in Europe) and to the EU in debates on development. It also guarantees an independent watchdog function to keep governments on track.

4.2. The right of initiative implies a responsibility upon CSOs for **accountability**. Principles of **results-based management** remain applicable. Under all circumstances CSOs remain responsible and accountable (upwards and downwards accountability) for their own initiatives and the implementation, as well as the results and effects of their interventions.

4.3. The right of initiative also implies **flexibility**, and a focus upon **outcomes and impacts**, rather than simply upon activities. The right of initiative provides opportunities for CSOs to respond on a **creative, innovative** way to context specific situations in the south, where other funding possibilities are not accessible.

4.4. The right of initiative may help to solve situations such as those described in the point 2.3 (the risk to create 'orphan countries' or 'orphan sectors' in achieving division of labour).

3. Specific Recommendations

- The EU should adopt an **explicit policy and a support strategy regarding the multiple roles of civil society** with regard to development, human rights and democratisation, governance, peace and security, etc. The strategy should be mainstreamed in all aid instruments and programmes (identifying the contribution each of them can make to the strategy).

- EU policy and strategy for supporting civil society participation should explicitly include the responsibility to enable civil society's **freedom of action** in the dialogue with partner governments.

- **EU Delegations** should use the different cooperation instruments at their disposal to support civil society's multiple roles and should consult regularly with CSOs to discuss the priorities of the different geographic and thematic instruments.

- **Financial and political support should be given to local civil society** for information sharing and gathering, structuring, internal dialogue mechanisms and

capacity building. Local CSOs need support in building both understanding and capacity, but it is ultimately the political recognition that can make the difference to ensuring the dialogue is mutually beneficial and should thus be a regular (structured) exercise.

- **More transparency and better information and communication towards the public** in partner countries and in Europe would certainly help increase the interest of civil society (both local and European) in engaging in a watchdog role. EU and local civil society should themselves contribute to disseminating information through their own means. Free media, as part of the civil society sphere, has also an important role to play.

- The EC should work to improve the **transparency** of budget support negotiations by involving civil society and all of the stakeholders in the monitoring and evaluation of the budget support, whether in terms of strengthening the State or in terms of concrete results for the populations concerned, by limiting the use of technocratic indicators and instead developing a more participatory and integrated evaluation of the impacts of budget support. States receiving budget support, should strengthen their monitoring mechanisms, foster the establishment of participatory mechanisms for devising and monitoring budgets at the local level.

- **Communication strategies and tools** at both headquarters and delegations levels should be reviewed in view of making information more accessible to civil society actors on a broader scale (making better use of websites, local media and civil society communication tools (e.g. community radio).

WG 3: EU aid delivery mechanisms

1. Key principles

- ✓ **Access to funding**: alternative funding solutions must be found for CSOs. These alternative solutions should build upon the lessons learned during the current financial perspectives, are adapted to current needs, improve cooperation between the EC and CSOs, and fully respect the actions of CSO actors within the EU and developing countries.

- ✓ **Funding should be made available along both geographic and thematic lines**, in order to promote aid effectiveness and ensure that there are no gaps in aid delivery. Geographic and thematic funding should be regarded as complementary to one another.

- ✓ Base new aid delivery modalities upon the **analysis of the recommendations from reviews of the current financial perspective**[7]. The specificity of CSOs should be taken into account, including whether they are new or more well-established, (e.g. new versus old Member States) making sure that new mechanisms accommodate the specificity and added value of a wide range of CSOs actors (from Europe and developing countries).

- ✓ **Earmarking of funds for CSOs** should be promoted in order to increase effectiveness of aid delivery.

- ✓ **Encourage collaboration amongst CSOs:** Donors should enable CSOs from Europe and developing countries to collaborate amongst each other and with other actors in development (private sector etc) through Multistakeholder approaches rather than compete for funding.

- ✓ **Calls for Proposals:** more flexible and innovative procedures should be developed for CSO funding calls for proposal.

- ✓ **Single country and multi-country:** both single country and multi-country approaches are legitimate and complementary to each other.

- ✓ **Respect of the right of initiative**: The right for CSOs to initiate, define and conceptualize projects, as their capacity of innovation and response to the problems of the local populations is restricted when the guidelines of the calls for proposals are too specific.

- ✓ **Information** on EC funding to CSOs should be **transparent and clear**. A clear, precise and detailed financial report on the nature, the amounts and the beneficiaries of EC development aid should be published every year.

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[7] In particular the Court of Auditors' report, the Capitalisation Study on the 9th EDF, the mid-term review of the NSA&LA thematic programme, and the CONCORD reactions to them (which provide the CSO perspective on feasibility of the recommendations).

2. Thematic Analysis

Theme I - Current challenges for the EC in relation to a new EU donor approach

General challenges

1.1. In order to develop an effective new donor approach, the EC needs to learn the lessons from the current financial perspective. Better cooperation should be achieved with CSOs through **flexible and tailor-made funding mechanisms** which use a mix of instruments according to the needs of the situation. The EU **administration should be strengthened** through better support to, and resourcing of EU Delegations, and the establishment of a Civil Society knowledge hub within the EC and the EEAS. In adapting its approach, the EC should draw upon the recommendations of the Court of Auditors, the Mid Term review of the NSA&LA thematic programme, the Capitalisation study for the 9th EDF, and the input of CSOs.

1.2. EC strategic, thematic and geographic priorities should be set on the basis of **countries' ownership and driven by evidence of need** expressed by the base population rather than political, historical or diplomatic considerations. Thus, CSO's and EU should have a common understanding on the importance of the principle of Right of Initiative and this principle should receive full support of the EC. This is crucial since CSO programme priorities are jointly developed between EU / International CSO and local partner CSOs, are informed by the local context, and by evidence of need and are therefore grounded in the reality of the field, therefore can maximise the sustainability and impact of their actions.

1.3. As part of the Quadrilogue process the EU must **clarify and reiterate its support for civil society's role in development**, as well as clearly stating its financial and political commitments to CSOs. The EC must ensure that the space for CSOs in EC Aid Modalities is secured and that adequate local aid delivery mechanisms are in place, for example within the Sector Wide Approaches (SWAp) that are most accessible for CSOs.

1.4. Funding for CSOs should be undertaken with the general aim of promoting a rights based approach to development, with the ultimate goal of enabling people's access to rights, social services, and to improve their livelihoods. Concord proposes that funding should target the **empowerment** of Civil Society in order to work on rights-based approaches which defend rights, and enable people to execute their rights and duties as democratic citizens including through development education, advocacy and other related work in Europe and the South. Funding for **service delivery** should be undertaken via local CSOs, with support from EU CSOs. EU CSOs should also be funded for **direct implementation of aid** and service delivery in contexts of need (for example within fragile states, in relation to very difficult contexts or in relation to neglected population groups).

1.5. The current mix of EC funding has focused mainly upon geographic funding, alongside with complementary **thematic programmes**. In addition, General Budget Support (GBS) represents a challenge for civil society at two levels: (i) by concentrating aid on supporting the state's responsibilities and capacities these modalities may deprive civil society from part of the financial support it previously

benefited from and marginalise the role of civil society in development; (ii) the lack of consultation with CSOs at national level reduces the space available for CSOs in the decision making process

1.6. There should be recognition that EU CSOs (and among them CSOs from EU-12 and EU-15), partner CSOs in developing countries, and Local Authorities are diverse actors with different needs and capacities. EC funding instruments should be **better aligned to the specific needs and capacities** of these actors and funds could be ring-fenced for each group of actors so they are not competing against each other, and so that partnership between actors is encouraged.

Geographic funding

1.7. The EU should set **clear targets for the earmarking of aid funds for CSOs** within the next EC Financial Perspectives 2014-2020 and beyond. This will both increase the impact of geographical funding, and overcome the limitations of budgetary support. Ring fencing a percentage in the national envelopes and Country Strategy Papers (as foreseen for instance in the Cotonou Agreement for the ACP countries) should be undertaken in order to set up funds for CSOs at country level, accessible for local CSOs and managed at country level by the delegation or another CSO and LA. CONCORD recommends that by 2020, the **EU should seek to earmark at least 15% of country aid budgets to go directly towards CSOs**, and should aim to **double the funding which goes to CSOs within thematic and actor-specific funding**.

1.8. Geographic funding should include conditions to promote the representation of local CSOs, provisions for multi-stakeholder partnerships, and for development education.

Actor-specific funding: NSA-LA programme

1.9. In relation to the **NSA-LA thematic programme**, CONCORD believes that ultimately a different programme should exist for LAs in developing countries, since they are different actors with different needs.

1.10. The opening up of the **NSA-LA thematic programme** and other thematic programmes to organisations in developing countries and local authorities is welcomed; however, **funds** have not been increased to cover the increased demand, nor **modalities** revised sufficiently to take into account the diverse nature of the new actors.

Need for new funding mechanisms

1.11. As part of a new donor approach, a new programme for '**Europe for Development**' should be created. This would be a thematic-based programme, funding CSOs for advocacy, watchdog role, development education, coordination, research & information, and capacity-building. The approaches should be multi-country, within and without the EU, multi-stakeholder (with initiation by CSOs), and should be rooted in EU CSOs.

1.12. We strongly believe that there is still a funding and policy **gap in terms of Linking Relief, Rehabilitation and Development (LRRD)**. The EC funds short-term emergency / humanitarian interventions through ECHO, but there is little post-crisis continuity, as well as little funding for disaster preparedness.

Theme II - The Call for Proposals mechanism and questions around targeting

2.1. The **calls for proposal** system should deliver the right amount of funding to the most appropriate actors for the **most development impact** according to the policy determined objectives[8]. The system should be **cost-effective, timely** and avoid waste of donor or applicant **time** and **resources**. The system should respect the **principles of transparency and open selection**. The calls for proposal should be **appropriate to the actors and projects targeted** by the selection procedure.

2.2. However, there are **significant problems with the current calls for proposal system**. In particular, the calls are massively over-subscribed and highly bureaucratic leading to very low success rates, and wasted resources in responding to calls. The complicated and bureaucratic nature of the calls often risks leads to projects being funded according to the quality of the proposal writing, rather than the inherent quality of the project itself. This is replicated within the administration of funded projects, where there is too much emphasis upon purely financial control, rather than controlling the implementation of the project. This can have a detrimental impact upon the quality of the programmes, which focus more upon administration, rather than upon promoting quality projects.

2.3. Whilst we believe that new models for funding are needed, **simplified Calls for Proposals system should remain in place** to avoid the exclusion of smaller and newer CSOs and to make EC funding available to those who have not previously worked with the EC through an open and competitive funding system.

2.4. The **cycle for projects** executed under calls for proposals is too short - an average of three years – and successive projects are rarely related to each other, whilst the substantive lessons within project reports are not systematically fed back into programmes. This limits the potential for building social change.

2.5. One means of improving calls for proposals would be to initiate a **structured dialogue** at country level between CSOs, EU delegations and the EC in order to improve the formulation of programmes, to ensure that calls for proposals are more fair (particularly for smaller CSOs), and accurately related to needs, and in relation to the execution of projects, so that discussion moves beyond financial control to more substantive issues.

2.6. **Targeting[9]** is required in cases where the **value-added of a specific development actor** in relation to a policy is acknowledged. Southern voices have to be present, not only as partners but as main actors for targeted funds. Targeting should be used to **meet gaps in development activities** which particular development actors can fill. Such targeting may encompass **reduced regulation funds** for local civil society, combined with capacity-building via technical assistance or other measures. Targeted funds for **global partnering**, or for **development education** should also be considered.

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[8] We presume that the policy determined objectives have been complemented by CSOs.
[9] It is important to differentiate "targeted funding" or "direct funding" for networks like CONCORD, which is not the same as "targeting funding for development actions" amongst actors or approaches.

Theme III - New funding models in support to and through CSOs

3.1. The EC should consider **the use of framework agreements** as a new funding model which allows a focus on both geographic and thematic areas. This approach allows for more long-term, stable and flexible funding. Framework agreements can be rapid and flexible, building upon the positive aspects of ECHO FPAs[10]. Programme support which is not tied to produce particular outputs but to more general outcomes **provides more predictability and flexibility to CSOs** to determine the most efficient use of funds and to avoid bureaucracy and administrative burdens.

3.2. Programme funding for CSOs is a progressive approach to the resourcing of civil society activities. It demonstrates trust and a belief in partnership between donor and recipient. Many Member State donors use this approach (e.g. DFID and PPAs in the UK, DGIS and MFS in The Netherlands...) and it enables recipients to conduct more experimental work, perhaps on neglected, non-priority issues, and to take risks. Such funding would allow a timeframe which moves beyond the usual three year cycles, through longer-term partnerships.

3.3. Matched funding is used to a far lesser extent amongst member state donors in comparison to EC percentages and the EC should consider either **abandoning or reducing the percentage of matched funding** required, since there is no evidence that it is an indicator of the sustainability of the project. Furthermore, the absence of matched funding provisions does not prevent CSOs from contributing extra resources to projects. Particularly in these times of recession, matched funding is increasingly difficult to find and there is evidence that some European CSOs have had to cease existence due to an inability to find sufficient matched funds for their EC grants. The difficulty to find matched funding is even more acute for CSOs in developing countries so CONCORD asks for 100% funding for organizations in developing countries (or at least accept in-kind contributions).

3.4. **New funding mechanisms to support multistakeholder partnerships** should be created. Funding must be more flexible in terms of timing, range of partners, contractual requirements. Funding should be open to a multitude of potential 'partners' and possibilities for partnership in development including CSOs, other community based organisations, local authorities, the private sector and donors, and should allow for different and evolving types of relationship (e.g. some formal, some informal).

3. Specific Recommendations

- There is a need to look at **alternative funding mechanisms** and to find an adequate mix which allows for long-term relations and responds to the needs and capacities of the different actors with good designed eligibility criteria. This should incorporate calls for proposals, framework partnerships or programme

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[10] However, framework agreements risk excluding less well established CSOs. One option (not yet agreed and supported by wider CONCORD membership) to avoid the exclusion of smaller or newer CSOs from a framework funding system could be the '**clustering**' of CSOs and communities in order to create different 'leagues'; this could be developed with criteria according to context and activities. Certification of funding would be based not only on size, but on strategy. This clustering approach would move beyond the mapping proposed by the EC. An additional alternative solution to this exclusion risk is for larger grants to be made which could be managed by well-established CSOs, as a means of redistribution to smaller organisations. This could be one way of including grass-roots CSOs, and if regulated properly, could reduce pressure on projects budgets. Block grants allows for small, flexible granting to be made, and can promote a learning and exchange approach.

approach support for multistakeholder formulas, as well as local funds for CSOs, and other modalities which will deliver a flexible and effective mix.

- A **structured dialogue** at country level should be established in relation to funding between the EC and CSOs. This should be open to CSOs from developing countries, as well as to EU CSOs. The dialogue should cover the elaboration of new aid modalities, the development of programmes, of calls for proposals, and the development of Framework agreements.

- The **NSA-LA thematic funding programme** should be divided into two complementary funding lines (NSA and LA taken separately) in order to recognise the specificity of different actors (this does not exclude partnerships to support those objectives).

- More **sustainable funding** modalities should be explored to fill the gap in relation to Linking Relief, Rehabilitation and Development (LRRD). The EC should promote transfer of knowledge among CSOs and between CSOs and schools.

- A new thematic programme for '**Europe for Development'** should be created.

- **Calls for proposal** should be simplified and focus more upon project quality than upon bureaucratic controls. Early forecasts and extended time periods for calls for proposals would allow CSOs to have more time for long-term planning, programming and alignment with government policies.

- The EU should seek to **earmark aid** funding to CSOs, in order to ensure more effective funding, targeted towards need. By 2020, a target should be reached for **at least 15% of country aid budgets to go directly towards CSOs**, and the EU should aim to **double the funding which goes to CSOs within thematic and actor-specific funding**.

- **New funding models** should be used within countries, with better relationships between CSOs and delegation on the basis of genuine dialogue. Local CSOs working in the field should be more included. Money should be earmarked for CSOs from developing countries, and organizations from the EU 12 (new Member States).

- Clearly, new funding models will require a **revised financial regulation** and implementing rules, especially with regard to risk sharing and redistribution of funds. The present / ongoing Revision of the Financial Regulation (proposal COMM 2010/260) and its Implementing Rules should fully take into consideration the outcomes of the Structured Dialogue when making final decisions.