

Aid Effectiveness:

Trends and Impacts of Shifting Financial Flows to Civil Society Organisations in Southern Africa



This Report was produced for the Southern Africa Trust by Chr. Michelsen Institute (CMI) in cooperation with Strategy and Tactics.

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The draft report was presented at a roundtable consultation between the Southern Africa Trust, donor agencies and civil society representatives in Gaborone on 2 March 2007. The team has attempted to address all the issues and comments received at the Gaborone consultation.

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Needless to say, the views and recommendations expressed in this report do not necessarily reflect those of the Southern Africa Trust, its Trustees and members of staff or those of CMI and Strategy Tactics.

Summary

I *Significant changes are taking place in the global aid architecture. A number of efforts are also being made to mobilise additional development finance and to make aid more effective in reducing poverty. The purpose of this study commissioned by the Southern Africa Trust is to generate knowledge and insight about how changes in global aid policies is affecting donor support to civil society in Southern Africa.*

The report notes that civil society has a critical role to play in ensuring that aid becomes effective in reducing poverty, but also finds that traditional donor agencies are not always strong in providing direct support to strengthen the capacity of civil society to participate in poverty reduction and to make governments more accountable. The report identifies a number of critical issues which needs to be addressed by donor agencies and civil society organisations. This includes the role of NGOs in service provision and how this relates to sector-wide programmes and budget support; the linkages between support to civil society and support to governments in poverty reduction and efforts to improve governance; the scope for increased practical co-operation between donor organisations, including intermediaries; the role of civil society in advancing regional co-operation and integration; and the tensions between support to advocacy versus support to organisational development.

II Foreign development assistance is a major source of funding for civil society organisations throughout Southern Africa. The report identifies a number of current and emerging trends in development assistance which in various ways may impact on the volume and quality of support provided.

Several efforts are currently being made to increase the effectiveness of aid provided to developing countries. This is increasingly revolved around the concepts of alignment, harmonisation and ownership. Through the Paris Declaration and, in Southern Africa, the Windhoek Declaration, a practical blueprint is emerging which it is assumed will improve the quality of aid provided and help reduce poverty.

Aid effectiveness has so far focused almost entirely on support to the state. Little attention has been paid to the role of civil society and how support to that sector can be improved. Based on data from donor agencies and from interviews with aid officials, civil society representatives and other stakeholders in seven SADC countries (Botswana, Lesotho, Malawi, Mozambique, South Africa, Zambia and Zimbabwe) the report makes a number of observations. The report finds that aid to civil society is significant and increasing. It also notes that the bulk of this aid is channelled through Northern or international NGOs with only a minor portion being disbursed directly from the embassy or agency mission to local civil society organisations.

The report also finds that tied aid is very prominent in civil society support, mainly through the extensive use of Northern NGOs as a channel for civil society support.

The report also finds that the main share of donor support to civil society is provided to organisations providing services in a range of sectors such as health, education and agriculture. This has expanded with the additional funding to civil society organisations active in the HIV/AIDS area. A minor share is provided for civil society engagement in governance issues and efforts to make public policy more accountable. Such support is however, increasing in countries where donors provide budget support.

Furthermore, the report finds that support to civil society in Zimbabwe is large, mainly because civil society organisations are used as service providers and implementers of donor programmes in that country. South African and South African-based organisations, particularly NGOs, are also increasingly seen as channels for donor support to civil society in the region. Finally, it is noted that support to and through civil society has been important in regional support-programmes. Limited efforts have been made to strengthen civil society's capacity to engage in policy dialogues (beyond the significant support provided to a small number of specialised NGOs).

The main donors to civil society in the region is a small group of bilateral agencies, but there has been an influx of a number of new special purpose funding facilities and philanthropic foundations. A few donor agencies which traditionally have not provided much support to civil society have also moved into this field. This had led to increased funding but also added significantly to the diversity and the complexities of the architecture behind civil society support. The role of the World Bank in providing direct support to civil society is limited. The Bank has however a strong influence through its role shaping the policy environment in many countries. It has helped improve the conditions for dialogue between governments and civil society.

III

There is a variety of support models and delivery mechanisms in place to support civil society. Nearly all of the traditional donor countries also

have a variety of budget lines and facilities for financial support in addition to those provided directly from the agency in the field.

At the country level support is either provided directly from the agency mission through a civil society account or as a subcomponent of other programmes. Most support is however, provided through indirect channels where agency missions outsource the management to others. This can be NGOs in their home country, local funding facilities or umbrella organisations such as NGO coalitions or civil society networks.

There is a clear tendency for some, but not all, bilateral agencies in the field to reduce their direct support to individual civil society organisations in favour of local and often joint delivery facilities. In some countries, this trend is coupled with an expanded use of international and Northern NGOs as delivery mechanisms. This is very evident in service delivery but some agencies also use such organisations to provide capacity building support and small grants to community based organisations. Support to national NGOs focusing on governance issues and advocacy tend to be funded directly from the agency mission. At lower levels and in communities such support tends to be provided either through new joint/local funding facilities, or through Northern NGOs.

The extent of donor co-operation in providing support to civil society remains limited, but it is growing among the bilateral agencies in the field. There is little co-ordination involving other support channels. Intra-donor co-ordination also remains limited.

Donor co-operation is mainly confined to donor forums where experiences and lessons learnt may be exchanged both at the technical and more strategic level. There are also a growing number of examples where smaller groups of likeminded donors – but rarely involving more than two or three agencies – agree to co-fund or even establish a donor pool to support a specific organisation or programme.

The impacts of these emerging trends cannot be measured at this stage. The report does, however, conclude that certain types of civil organisations are better resourced than before. Civil society

The traditional donor agencies have so far not proved very effective in providing support for organisational strengthening and capacity development of civil society.

networks and organisations have emerged as an alternative voice and opinion to government, but their capacities to engage in public policy debates are in most countries limited and even more so at the local and district levels.

The traditional donor agencies have so far not proved very effective in providing support for organisational strengthening and capacity development of civil society. The agency missions rarely have sufficient staff to provide this type of support. Another major limitation is also that most of the main donor agencies have not yet developed a proper strategic approach for civil society support. For many agencies civil society is simply an instrument in place to provide services and implement activities. New efforts and approaches by some agencies are however, being developed which may make a small difference.

Most regional support is provided to professional NGOs. It was also found that few donor agencies have been able to link efforts to support civil society at the country level with support at the regional level.

IV

The final chapter concludes that civil society have a critical role to play in ensuring that that a more harmonised aid to governments become more effective. A number of critical issues need to be explored and addressed to make civil society support more effective. This includes the role of civil society in service provision and as implementing agencies for donor programme. The linkages between support to governments and support to civil society in poverty reduction and efforts to improve governance also requires further study, does it strengthen the capacity of civil society in policy engagement?

The study also notes that there are limitations to harmonisation and its ability to ensure increased effectiveness. The study argues that it is important to maintain a diversity of funding channels, and to recognise that each donor agency may have different strengths and weaknesses.

However, the report concludes that a number of steps can and should be made to improve donor co-operation, especially at the practical and strategic level. Donor fora enabling discussion and sharing of experiences are important. Likewise there is scope for much improvement in technical co-operation to minimize transaction costs for grant recipients. Frameworks for harmonisation of aid to governments through budget support and sector wide programmes may also help facilitate better co-operation in supporting civil society both in sectors and on cross-cutting governance issues.

The report also identifies important entry points for improved policy engagement between civil society and SADC both at regional, thematic and national levels. Recent developments between SADC and its international co-operating partners pose new challenges and new opportunities for engagement.

Finally, the conclusion notes that support to umbrella bodies has been an important trend in donor support to strengthen civil society and their capacities to participate in policy dialogues. Impressions from field visits are, however, that this focus unintentionally may have led to a situation where the secretariats of the umbrella or network organisation increasingly take responsibility for advocacy activities while network functions are pushed to the background.

Introduction

Significant changes are taking place in the global aid architecture. A number of efforts are being made to mobilise additional development finance and to make aid more effective in reducing poverty. The implications of these new trends and initiatives are the topic for this study commissioned by the Southern Africa Trust. It is a first attempt to generate systematic knowledge and insight about how these changes in global aid policies are affecting donor support to civil society in Southern Africa.

Chapter 2 provides an overview and discussion of current and emerging trends in aid policies and aid flows and how it relates to Southern Africa. Then the Chapter identifies the main trends in foreign donor support to civil society in the region. A main focus is on the aid effectiveness debate and how the evolving new aid frameworks are affecting support to civil society in Southern Africa.

Chapter 3 gives a more detailed presentation and analysis of the support models for civil

society employed by donor agencies. The Chapter discuss and assess donor approaches and delivery mechanisms, regional support efforts, types of support provided and the nature of aid harmonisation.

The final Chapter 4 summarises key findings and highlights three critical issues emerging out of the previous chapters: harmonisation versus diversity in donor support; regional development and policy engagement; and the role of civil society coalitions and networks.

Aid policies and aid flows – external donor support to civil society in Southern Africa

Foreign development assistance is a major source of funding for civil society organisations throughout Southern Africa. Domestic revenue sources are in place, especially in South Africa, but it is not sufficient to sustain the present number of organisations and activities. This also applies to efforts by civil society to engage in regional policy developments through civil society networks, institutions and other mechanisms.

This chapter will first highlight recent and ongoing trends in the overall aid policy frameworks affecting the Southern Africa region. Then the main trends in aid flows to the region and to civil society will be explored.

First, however, we must emphasise what we mean by “civil society”. It is understood broadly to include “non-state actors” not focused on profit-making. It therefore includes a wide array of organisations: community groups, non-governmental organisations, labour unions and interest groups, indigenous groups, charitable organisations, faith-based organisations, professional associations and foundations. Civil society is thus varied in its nature and composition. A notable recent development is also the growth of international and Northern non-governmental organisations which has become important players in international development assistance and even crucial actors in many developing countries.

1. From Paris to Windhoek: Aid policies and aid effectiveness

The *Millennium Summit* in 2000 sought to lay the foundations for renewed global efforts to reduce poverty. At the subsequent 2002 *International Conference on Financing for*

Development (Monterrey) world leaders agreed to make aid one of the central pillars of a global development partnership geared towards the reduction of poverty. Some progress has also been made and aid flows to developing countries have increased in real terms every year since 2002. An increasing share of the new aid flow is going to a number of new aid recipients – such as the Balkans, Afghanistan and Iraq.

Aid flows to Africa has also increased in recent years although it is still significantly behind the pledges made by the main donor agencies. It is also far away from the target of spending 0.7% of the gross national income on development aid. At the G8 Summit in Gleneagles in 2005 the G8 leaders committed themselves to doubling the aid flow to developing countries by 2010. They promised – and this was reiterated at the 2006 G8 meeting in St. Petersburg - to increase aid to Africa by USD 25 billion a year. So far they are significantly behind schedule. Survey data from the Africa Partnership Forum indicates that the increase in aid allocations to Africa over the next two years (2007 and 2008) will be very modest. Another disturbing feature is that much of the new aid that is forthcoming is really not new aid, but tied to cancellations of debt. Most of the increases in the aid flow to

Africa are in fact linked to debt cancellations, emergency assistance and other special purpose grants.¹

However, other financial flows to Africa are increasing. Foreign direct investment has grown significantly in recent years. Remittances are also significant and are an important source of finance in many countries. And above all: financial inflows from countries such as China, India and Brazil are becoming significant and growing rapidly.

Table 1 below presents the official aid disbursements figures from OECD countries to seven SADC countries in the 1995-2005 period.

Another issue which has become increasingly prominent is the issue of delivery of aid. Aid has a history of being delivered in the context of patronage and dependency with too many conditions attached. It has often been provided in a manner that is unpredictable, packaged in geo-strategic terms, poorly co-ordinated and tied to the procurement of goods and services in donor countries. Furthermore, the aid architecture has also become increasingly complex with a number of new agencies and delivery vehicles being established both within donor countries and at the international and global level.² According to one estimate there is now at the global level more than 1000 financing mechanisms many of them with

special propose grants in the health sector. The aid architecture has become increasingly more complex. At the same time it suffers from the absence of a central architect that can define the direction of change and ensure that the effectiveness of aid that is delivered is increased and help contribute to development and poverty reduction.

This has led to a series of global efforts focusing on how to improve the delivery and effectiveness of aid. These efforts have increasingly revolved around operationalising the ideas of alignment, harmonisation and ownership. **Alignment** basically means that donors are expected to base their overall support on partner countries' national development strategies, institutions and procedures. Furthermore, donors should work together in this process to be collectively more effective and less burdensome on recipients (**harmonisation**), e.g., by establishing common arrangements at country level for planning, funding and implementing development programmes. This will help, it is assumed, to ensure improved **ownership** by developing countries – they should exercise effective leadership over their development policies, strategies and co-ordinate development efforts. **Mutual accountability** goes to the heart of these challenges. Recipients are highly accountable to donors, but donors are seldom accountable to recipients.

Table 1: Total Aid Disbursements from all Donors 1994-2005

USD mill	Botswana	Lesotho	Malawi	Mozambique	South Africa	Zambia	Zimbabwe	Total
1995	79.37	94.46	348.94	1001.38	367.73	522.53	437.37	2851.78
1996	66.93	75.13	286.55	628.30	348.84	413.02	315.53	2134.30
1997	82.06	67.65	210.67	680.13	443.82	382.42	236.89	2103.64
1998	76.83	50.90	293.37	824.44	457.85	353.18	251.74	2308.31
1999	60.08	34.88	335.53	1467.13	458.63	438.99	225.67	3020.91
2000	36.25	38.83	338.08	901.67	443.20	522.81	188.01	2468.85
2001	34.03	44.05	317.13	828.92	432.18	395.84	162.89	2215.04
2002	51.83	54.63	329.89	2023.84	504.07	523.54	199.90	3687.70
2003	42.02	67.11	467.48	839.67	587.99	742.50	200.95	2947.72
2004	63.91	79.49	507.70	1050.07	602.18	968.99	212.98	3485.32
2005	87.35	63.73	558.45	999.17	666.78	1681.91	376.94	4434.33
Total	680.66	670.86	3993.79	11244.72	5313.27	6945.73	2808.87	31657.9

Source: OECD.stat with the dataset DAC2a: Official Development Assistance (ODA) - Disbursements by recipient and type

The signatories subscribed to some 50 specific commitments to improve aid and, for the first time, agreed to measure progress with a set of indicators and targets.

The aid effectiveness debate has also entered the debate about UN reform. Two countries in the region (Mozambique and Tanzania) have also been selected as pilot countries for efforts to make UN more effective on the ground by merging UN offices, programmes and budget lines into one. This will be implemented from 2008.

The **Paris Declaration** on Aid Effectiveness (2005) is the latest and most advanced expression of these concerns. Signed by donor countries, multilateral aid agencies, recipient countries and a few international NGOs it seeks to address these issues. The signatories subscribed to some 50 specific commitments to improve aid and, for the first time, agreed to measure progress with a set of indicators and targets.³ The Paris Declaration has emerged as a practical blueprint for many donor agencies seeking to deliver aid in a spirit of mutual accountability.

The Paris Declaration has also had important implications in Southern Africa. At the **regional level** a similar **Windhoek Declaration** was adopted in April 2006 at SADC's consultative conference with their international cooperating partners.⁴ This Windhoek Declaration is closely modelled on the Paris Declaration.

Since the adoption of the Windhoek Declaration SADC and their co-operating partners have been preparing an implementation plan specifying objectives, outcomes, activities, time frames and indicators. The current draft (18 January 2007) of the **Windhoek Declaration Implementation Action Plan** identifies **inter alia** 10 objectives and 13 indicators linked to ownership, alignment, harmonisation,

managing for results and mutual accountability. A major element in this plan is the establishment of thematic groups bringing SADC and donor agencies together in addressing key challenges and priorities in the regional co-operation and integration agenda. Two thematic groups are operational – HIV/AIDS and water with respectively Sweden and Germany acting as lead donor/coordinator. Thematic groups for trade, investment and finance (EU), transport (UK), energy (Norway), agriculture and food security (UK), have been launched and will become operational over the next few months. A thematic group for natural resources and the environment is also in the process of being established. The coordinating core group (or alternatively the wider task force) between donors and SADC (co-ordinated by EU) may emerge as thematic group for crosscutting capacity building support to SADC (EU, GTZ and the World Bank are the main donors here). A thematic group dealing with politics, defence and security issues are expected to be established at a later stage and following further work relating to the operationalisation of SADC's strategic plan in this area.

A number of efforts to reform delivery of aid and improve aid effectiveness have also been made at the **country level**. This is particularly evident in countries where a shift to a more enabling pro-poor environment has been central to the donor-recipient relations. This has mainly revolved around a shift from direct project support to developing mechanisms of sector wide programme and budget support, including development of common management arrangements, using national systems to improve coordination of external assistance. The international financial

South Africa and the International Development Cooperation Unit in the National Treasury have been particularly active in the aid effectiveness debate and have been pushing hard for improved delivery of aid.

institutions, spearheaded by the World Bank, have played a key role in this process. This shift is very evident in countries such as Malawi, Mozambique and Zambia. South Africa and the International Development Cooperation Unit in the National Treasury have been particularly active in the aid effectiveness debate and have been pushing hard for improved delivery of aid. South Africa is also one of the country cases in OECD DAC's own monitoring of the implementation of the Paris Declaration. South Africa, however, is in a different position compared to most other SADC countries – the aid flow to South Africa is insignificant measured as a share of government revenue (less than 1%) or as a share of GDP (less than 0.5%).⁵

A number of other features of international politics and the global economy will have the potential to impact strongly on aid flows, delivery mechanisms and aid effectiveness to the SADC region. Of particular importance is the role of the new regional powers in the South who are emerging also as new donors to Africa. The role of Brazil, India and especially China are important here. As donors they are relatively insignificant – their main direct impact is linked to trade and investment. China, however, is also emerging as a major supporter of infrastructure development through provision of soft loans. Will this undermine or strengthen poverty reduction in Africa? How will it impact on aid volumes, the efforts to improve delivery of aid and aid effectiveness? How will it impact on the role and performance of the traditional donor countries? There are no clear answers to such questions. It may reinforce the pressure for improving aid, it may strengthen the bargaining

powers of recipient countries, or it may undermine ongoing efforts to harmonise and improve delivery of aid. At this stage perhaps the main conclusion that can be drawn is that the entry of these new powers will reinforce the need for African countries to strengthen their capacities to engage with external actors and turn challenges into opportunities.⁶

Closely related to these developments is also South Africa's role as regional power and emerging donor in Africa. Several donor countries have responded to this by exploring opportunities for developing "trilateral" relations with South Africa in third countries. This has included use of development aid enabling South Africa to increase their engagement in other countries (e.g. in DRC and Sudan), to use South African institutions as delivery mechanisms of aid, or to provide funding to the Department of Foreign Affairs and South Africa's African Renaissance Fund. Such efforts may well increase in coming years as some donor countries are scaling down their aid contributions to domestic developments in South Africa.

Another emerging trend which also may impact on aid policy and aid flows to Africa is the growing emphasis on public-private partnerships in delivering services. In development aid this is perhaps most evident in some of the global health delivery programmes which involves private sector companies. This may well increase and expand into other sectors such as agricultural production. This may lead to the establishment of new global funding mechanisms and initiatives with an impact also in Southern Africa.

2. An overview of civil society support

The Paris and Windhoek Declarations and the ongoing discussion on aid volumes, delivery mechanisms and aid effectiveness have focused almost entirely on support to the state and the public sector. The Paris Declaration only contains passing remarks committing partner governments to develop national development strategies through broad consultative mechanisms. Governments are also committed to systematically involve a broad range of development actors when formulating and assessing progress in implementation of national development strategies.

Limited attention has so far been paid to the role of civil society and how aid that sector can become more effective in the discussion following the adoption of the Paris Declaration. A likeminded group of bilateral donor countries (the Nordics, UK, Ireland, Netherlands and Canada) has met and initiated a discussion around these issues. This has so far led to the commissioning of a series of studies to be completed in 2007. DFID is sponsoring two studies: one on “multi-donor approaches to working with civil society and engaging with non-traditional civil society” and one on “Evaluation of citizens’ voice and accountability”. Norway is the lead agency for a multi-donor “study of trends, impacts and effectiveness of different models for supporting civil society at the country level”. The next high-level meeting on the Paris Declaration to take place in Accra in April 2008 is also expected to address the role of civil society in advancing aid effectiveness.

In pure quantitative terms, civil society occupies a very prominent place in official development assistance. A large share of development aid is channelled through Northern and international NGOs acting as delivery mechanisms of aid or – but on a more limited scale - directly to local civil society organisations in the South. Proper statistics are not available, but it is estimated that perhaps as much as one third of aid is channelled to or through civil society organisations.⁷

This trend began in the 1980s. For some donor agencies it 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/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. Recently there have also been attempts by donor agencies to facilitate involvement by civil society in the programme and budget support provided to governments. Finally, the growing focus on post-conflict reconstruction and peacebuilding has also reinforced the focus on NGOs and civil society actors as service providers, contributors to policy discussion and formulation, and in advocacy functions and as lobbyists. 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.

It is near impossible to put precise figures to the aid flows to and through civil society. OECD’s Development Assistance Committee (DAC) records all aid flows from the traditional bi- and multilateral donors and provides very comprehensive data on aid flows to each recipient countries, sectors and sub-sectors. However, there is no proper recording of delivery channels. We do not know how much of the aid flows are channelled through or to civil society institutions. Nor do we know from these statistics how much of the aid flows actually are reaching civil society organisations in developing countries. Furthermore, donor countries will tend to classify aid flows differently and to use different categorisations in reporting to OECD DAC. However, in 2004

OECD DAC introduced a new category (“support through NGOs”) which is intended to capture the extensive use of NGOs as implementers of aid programmes.

Today, OECD DAC has two relevant categories which the team decided to use as rough indicators. In DAC statistics contributions to NGOs are supposed to be classified as *aid to NGOs* (support to Northern and international NGOs for use at the latter’s discretion). In coming years the *aid through NGOs* classification (where NGOs are commissioned to implement programmes and activities on behalf of the donor agency) will provide additional information. However, the team noted that donor agencies do not strictly follow the “aid to NGOs” guidelines in their reporting. Some donor countries with a particular high proportion of their aid going through their national NGOs (such as UK and Norway) have recorded nothing in this category. They have instead opted to record under one of the sectors where aid through or to civil society in most cases cannot be traced. One of the sectors in the OECD DAC classification (“Government and civil society”) has a sub-sector termed ‘*Strengthening civil society*’ which is defined as “*Community participation and development; co-operatives; grassroots organisations, development of other participatory planning and decision making procedures and institutions.*” We expect that many donor agencies classify civil society support under this heading although much may also be classified under other sectors (e.g., much of the support to HIV/AIDS projects implemented by civil society may be classified under “health”, support to civil society operating in the rural development area may be

classified under “agriculture”, etc). In particular, a significant share of funding to civil society acting as service providers or implementers of projects and programmes are expected to be classified in the various sectors.

Table 2 summarises total disbursements classified in the OECD Tables as “Support to NGOs” and “strengthening civil society” in the seven SADC countries covered by this study. Comparable data are only available from 2000 (for the first couple of years the reporting was poor).

This table is far from accurate. The OECD DAC reporting does not properly capture delivery channels and contract partners. Still, it displays a trend which the team believe is correct: Support to civil society in the region is significant and it is increasing.

In Table 3 the team has used the same indicators to show the source of these aid flows. This Table should be interpreted even more cautiously. Some important donor countries have recorded a larger share of their aid to civil under sector categories. These flows are not captured. A country like the Netherlands which appears to classify a very large portion of their civil society support under the “support to NGOs” category is over represented. In the case of Denmark, on the other hand, it is expected that a significant part of their sizeable support to civil society is not captured in these statistics. Even more significant to note: These figures are based on disbursements and therefore do not capture the more recent and emerging trends in the aid flows to civil society which the team observed during the country visits.

Table 2: Total Aid Disbursements to Civil Society 2000-2004

USD mill	Botswana	Lesotho	Malawi	Mozambique	South Africa	Zambia	Zimbabwe	Total
2000			0.20	0.20	0.63	0.55	0.27	1.85
2001	0.16	0.18	0.93	2.40	1.76	2.53	1.43	9.39
2002	0.79	0.39	6.60	9.65	21.32	6.09	12.77	57.61
2003	1.00	1.35	11.43	16.14	23.88	9.12	13.19	76.11
2004	1.27	1.24	15.31	18.96	25.13	13.26	17.65	92.82
Total	3.21	3.17	34.47	47.35	72.72	31.55	45.29	237.78

Source: OECD.stat, CRS database with the dataset 5.CRS/Aid Activities - Disbursements - All details: 2000-2004

Table 3: Support to civil society classified by donor 2000-2004

Aid to Civil Society in mill USD	Botswana	Lesotho	Malawi	Mozambique	South Africa	Zambia	Zimbabwe	Total
Netherlands	2.48	0.26	15.4	18.05	42.66	16.89	20.8	116.54
Norway	0.24	0.29	4.21	4.22	2.36	1.86	4.23	17.41
Germany	0.25		4.6	1.87	6.37	1.36	1.89	16.34
UK		1.44	6.11	1.19	6.57		0.34	15.65
Ireland		0.15	0.45	3.37	0.93	4.86	0.74	10.5
USA	0.008	0.05	0.06	0.06	0.19	0.55	8.83	9.75
Sweden				2.83	0.76	2.81	3.28	9.68
Japan	0.23	0.58	0.02	2.61	3.68	0.77	0.17	8.06
Canada			1.42	2.04	0.22	0.36	2.64	6.68
Finland				1.41	2.98	0.13		4.52
Switzerland		0.4		2.79	0.66	0.15	0.42	4.42
Italy			0.53	3	0.003	0.13	0.13	3.79
Belgium				0.91	1.67	0.18	0.7	3.46
Denmark			0.26	0.34	1.07	0.79	0.09	2.55
Portugal				1.86				1.86
New Zealand			0.1	0.12	0.72	0.2	0.38	1.52
Austria				0.38	1.09			1.47
UNICEF			0.23		0.59		0.63	1.45
Luxembourg			1.07	0.13				1.20
Spain				0.17	0.3			0.47
Greece					0.04	0.003	0.02	0.06
EC				0.04				0.04
Australia					0.01			0.01
Total	3.21	3.17	34.46	47.39	72.87	31.04	45.29	237.434

Source: OECD.stat, CRS database with the dataset 5.CRS/Aid Activities - Disbursements - All details: 2000-2004

Based on these statistics, documents from donor headquarters and from data collected during the visit to the seven SADC countries the team makes a number of observations. *First*, development aid provided either to or through civil society organisations is significant and it is also increasing. Nearly all donor countries are involved in supporting civil society in the SADC countries, but some stand out as particular important in quantitative terms. They are the UK, Ireland, the Nordic countries, Germany, the Netherlands, Canada and the US, and increasingly the European Union. Smaller donor countries (e.g., Switzerland, Australia or Finland) may be important in individual countries. Notably, there is a growth in civil society support from a number of philanthropic agencies and various special purpose vehicles. The case of Zimbabwe is of particular interest. Most donors no longer provide any financial support directly to the

government or state institutions. Instead funding is channelled to local civil society organisations, mainly through Northern and international NGOs or through the UN system. The total disbursements to Zimbabwe in 2005 were about USD 377 million in 2005 (see Table 1).

The role of the World Bank is not captured in these statistics. The Bank is not a significant provider of financial support to civil society (although it manages a few global facilities which are available to civil society organisations in the region). Its primary engagement with civil society is through an emphasis on Bank consultations and dialogue with civil society, and in efforts to ensure that national governments receiving Bank support also consult with civil society. This has also helped mobilise funding from bilateral donors to civil society engaged in poverty monitoring.⁸

A **second** observation is that a very large share of support to civil society is channelled through NGOs in the home country of the donor agency or through international NGOs with a minor share being disbursed from the agency's mission in the country to local civil society. It is not possible to provide statistics which captures this properly.

The team had access to more complete figures for one donor country – Norway. Norway is a significant donor to civil society. Based on Norway's official list of recipients ("agreement partners") of all aid to the seven SADC countries of which four are partner countries - Malawi, Mozambique, South Africa and Zambia the team was able to prepare Table 4 below. This shows that support to or through civil society as a share of total aid is significant – it varies from 11% in the case of Mozambique to 43% in the case of South Africa and – as expected – even much higher for the non-partner countries. Even more significantly it confirms the trend indicated above that aid channelled directly to local civil society is limited compared to aid channelled through home-based NGOs. This trend appears to be repeated also by many of the other donor countries.⁹

Thirdly, the fact that the bulk of official agency funding goes to organisations from the donor country also illustrates that tied aid is very dominant in civil society support. One of the main objectives of the Paris Declaration is to reduce the tying of aid (although it does not specifically address the issue in relation to civil society support). Agency officials interviewed by the team tended to give different explanations and assessments of this. Frequently it was

argued that the use of the Northern NGO channel was important to gain and maintain public support for the aid budget. Northern NGOs were also considered to be effective both in reaching the poor and in providing support to capacity building and advocacy work. However, efforts were also made by some agencies to rely more on international tender processes in commissioning service delivery which will tend to favour international NGOs, and to search for ways of providing direct support to Southern NGOs.

A **fourth** observation to be made is that non-governmental organisations – particularly from the North, but not solely – continue to play a large and important role as service providers and implementers of programmes on behalf of donor agencies. This has increased with the expanding allocation to HIV/AIDS and may also imply an increased use of community based organisations as service providers. Aid through such channels is particularly extensive in countries where there is a large need for humanitarian relief operations, in post-conflict reconstruction and peace building and in countries where donor agencies do not want to provide assistance directly to the state. This explains the particular large civil society support to Zimbabwe.

A **fifth** observation relates to countries – Lesotho, Malawi, Mozambique and Zambia in particular - where donors have shifted to sector wide programmes and budget support to governments based on poverty reduction strategies (PRSP processes). In the early stages of these processes civil society organisations may have found themselves marginalised and excluded. It was also feared that funding resources available

Table 4: Distribution of aid – the case of Norway 2005 (percent)

Agreement Partner	Botswana	Lesotho	South Africa	Malawi	Mozambique	Zimbabwe	Zambia
NGO Norwegian	23	100	31	23	10	57	16
NGO Local			1	4	1	12	5
NGO Regional					0.1		
NGO International				1			0.2
Research institutions			11	0.1	0.1	0.03	
Non-NGO	77		57	72	89	31	78

Source: Norad/AMOR/Stat/KRHO 01.02.2007

There is strong emphasis on the role of civil society as service providers, but significantly there is also a trend, but stronger in some countries than others, to emphasise also the accountability and advocacy dimensions.

may be reduced because of the new focus on working through governments.¹⁰ This seems no longer to be the case. There is strong emphasis on the role of civil society as service providers, but significantly there is also a trend, but stronger in some countries than others, to emphasise also the accountability and advocacy dimensions. This seems to have been strengthened by the fear that the budget support provided to central government may not sufficiently filter down to lower levels. This has led some donor agencies to place more emphasis on providing more support to local civil society organisations. This is especially manifest in various donor efforts to support efforts to involve civil society in poverty monitoring. Significantly, this support to advocacy organisations remains mainly confined to national NGOs or coalitions and has only to a limited extent been evident at the local and district levels.

The EU – a major donor institution – has also, following the Cotonou-agreement, introduced a new facility through its European Development Fund for support to what in EU-terminology is referred to as “non-state actors”. Previously such support mainly came through various global budget lines. The support models emerging out of these new trends will be further explored in the next chapter.

A *sixth* observation is that agency missions find direct disbursements to civil society demanding and that staff generally claim that they do not have sufficient time and resources to deal properly with these issues. Weak absorption capacities among civil society organisations have put additional constraints on the ability to provide effective support. This has one on the one hand, reinforced imbalances in favour of supporting professionally run and larger urban-

based NGOs. On the other hand, it has also stimulated the search for funding and support models managed outside agency missions in the expectation that this will help ensure that funding and assistance to capacity building can reach a larger group of organisations.

A *seventh* observation relates to South Africa. South African civil society institutions, especially the NGO sector, receive a significantly higher proportion of support to civil society organisations than other countries in the region. South Africa is also increasingly becoming the base for regional NGOs or NGOs with regional programmes. This is, of course, a reflection also of the size and strength of South African NGOs and the NGO environment in South Africa, but it also appears to reflect a tendency among some donor agencies to rely on South African institutions for advancing regional issues and even to act as service providers e.g. in capacity building programmes to civil society organisations in other countries. This may increase with the new focus in certain donor countries on establishing “trilateral” relations with South African institutions in other countries.

Seventh, support to and through civil society organisations in Zimbabwe as a share of total assistance to the country is particularly large compared to other countries. There is also much stronger co-operation among donor agencies in support to civil society in this country than in the other countries visited by the team. Several multi-donor funds have been established or are in the process of being established in several sectors. However, this is mainly confined to provision of services (such as in HIV/AIDS) and is not equally evident in support to advocacy and in the governance sector. The implementers of these joint programmes are UN agencies

and consortia of international NGOs working through local civil society organisations.

The *final* observation concerns the role of civil society organisations in regional co-operation and integration. Here there appears to be an expanding channelling of funds to civil society organisations acting as service providers (such as in regional HIV/AIDS programmes or training programmes in a range of areas), as monitors and watchdogs, lobbyists and facilitators of regional policy development. Of particular significance is support to professional NGOs to advance the regional agenda in selected areas. This has in particular applied to areas falling under SADC's work in politics, security and defence co-operation, but also, for example, technical work in the trade area. This has included a range of areas from electoral

observation and anti-corruption to small arms and security sector reform. This type of donor-funding has mainly been channelled to a few research-based NGOs in South Africa although organisations and networks in other countries have also benefited from this type of support, e.g. a Zimbabwean NGO which was instrumental in facilitating SADC's adoption of an anti-corruption protocol. Important support for regional networks of civil society engaged in policy and advocacy work has also been provided through a few Northern NGOs and philanthropic foundations.

A notable feature of regional support is also that few donor agencies have been able to establish strong co-ordination between their support to civil society at the country level and regional support to civil society.

Footnotes

- ¹ Official statistics on aid flows are recorded by the OECD's Development Assistance Committee and is available from their website (www.oecd.org/dac). The National Treasury in South Africa also has a very good website on aid flows to South Africa and related documentation but it is confined to aid going to the government (www.dcis.gov.za). In Mozambique a more comprehensive recording of aid flows to that country is provided at www.odamoz.org.mz. (the data here are the same as those provided through OECD, but this website contains more detail and is more updated with quarterly figures). The Africa Partnership Forum (which brings together the G8, main donors, African countries and AU/Nepad) has recently established a unit to monitor progress in delivering on promises and pledges. It is initially based at the OECD. Their important and informative recent report on "Resources for Development in Africa" (October 2006) is available from www.africapartnershipforum.org. Several civil society organisations are also monitoring this. In Southern Africa this includes the Africa Monitor Initiative in Cape Town, Afrodad in Harare and the Botswana Institute for Development Policy Analyses in Gaborone (which monitors donor policy in relation to SADC).
- ² See e.g., S. Burrall and S. Maxwell with A. Rocha Menocal, *Reforming the international aid architecture: Options and way forward*, London: Overseas Development Institute, October 2006 (Working Paper 278).
- ³ OECD DAC maintains a good website on the Paris Declaration and subsequent discussions on its implementation (www.oecd.org/dac).
- ⁴ The Windhoek Declaration is available from the SADC website (www.sadc.int). See also E. N. Tjønneland, *SADC and Donors – Ideals and Practices. From Gaborone to Paris and Back*, Gaborone: BIDPA 2006 (available from www.foprisa.net).
- ⁵ See especially the report on aid to South Africa, M. J. Smith, P. Browne & N. Dube, *High Level Forum on the Harmonization for Aid Effectiveness in South Africa, Final Report April 2006* (available from the South African Treasury website, www.dcis.gov.za).
- ⁶ See more in this in the recent study of China's Africa policy in G. le Pere (ed.), *China in Africa. Mercantilist predator or partner in development?* Midrand: Institute for Global Dialogue & Johannesburg: South African Institute of International Affairs 2006. See also E. N. Tjønneland et al., *China in Africa, Implications for Norwegian Foreign and Development Policies*, Bergen, CMI 2006 (available from www.cmi.no).
- ⁷ There is a plethora of studies on civil society. A particularly good introduction to the global scene and its regional variations is provided in L. M. Salamon et al., *Global Civil Society. An overview*, Baltimore: Centre for Civil Society Studies, The Johns Hopkins University 2003.
- ⁸ See more about this in the publication from the Bank's civil society team, *World Bank – Civil Society Engagement. Review of Fiscal Years 2005 and 2006* (Washington, DC, The World Bank 2006, available from www.worldbank.org).
- ⁹ See also the recent study from the International NGO Training and Research Centre (INTRAC), B. Pratt, J. Adams and H. Warren, *Official Agency Funding of NGOs in Seven Countries. Mechanisms, Trends and Implications*, Oxford: INTRAC 2006 (Occasional Papers Series No: 46) (available from www.intrac.org).
- ¹⁰ See also a good summary of civil society participation in the early days of sector wide programmes based on data from Malawi, Mozambique, Zambia and Uganda in S-E. Kruse, *SWAps and Civil Society. The role of Civil Society Organisations in Sector Programmes. Synthesis Report*, Oslo, NORAD (Report 1/2004) (available from www.norad.no).

Aid effectiveness at work:

Support models for civil society

What mechanisms are donor agencies relying on in providing assistance and support to civil society in the region? Are new trends emerging with increasing volume and changing aid environments?

The team noted a variety of support models and delivery mechanisms in place to provide assistance to local NGOs and community based organisations in the countries visited. One notable feature is that each donor country seems to have a variety of budget lines, programmes and facilities to support civil society of which support from the embassy or agency mission is just one. Nearly all donor headquarters would have a variety of facilities to provide civil society support in addition to those provided from the mission in the field. Combined with the plethora of global facilities and special purpose vehicles this has added significantly to the complexity of the aid architecture behind support to civil society.

1. Approaches and delivery mechanisms

At the country level a variety of support models can be identified.¹ One model revolves around **direct support** from the embassy or agency mission. Different types of such direct support exist. It can be **ad hoc** based on incoming applications. Most agencies will have some funds available for this, but it will tend to be modest funds available for small short-term projects or events. Many however, have established a facility for civil society support managed by the embassy. This may be a subcomponent of or linked to sector programmes with government. Under such arrangements civil

society organisations will be contracted mainly as service providers often as subcontractors or partners with international and Northern NGOs. In some cases, efforts have been made to include advocacy components in sector wide programmes but most have found this difficult, especially at the local and district levels.

Many donor agencies have also established special governance or human rights programmes which targets advocacy and rights-based civil society organisations, sometimes also related to specific programmes with governments such as poverty monitoring, anti-corruption. The direct beneficiaries have tended to be national NGOs. A few agencies also have specific programmes or facilities for general support to civil society focusing on capacity building.

Some of the bigger agencies may operate with a call for proposals or even a tender process especially linked to service provision. Most would however, scout for organisations and projects to support through various project identification assessments and then invite specific organisations to submit proposals. Again the typical beneficiaries will tend to be national NGOs.

Most support from agency missions is **indirect**. Missions outsource the management of support to civil society to others. Again a

variety of models are in use. One is to rely on NGOs or other institutions in the home countries or international NGOs to manage the support. Another model, and an emerging trend in this region, is to provide funding through intermediary organisations. This can be existing organisations or a management company, or the agency may commission an existing umbrella organisation to handle the disbursement of aid.

A notable trend in most but not all of the countries visited are new multi-donor efforts to support national NGO-coalitions/networks in their efforts to monitor poverty reduction, sometimes also in combination with similar efforts to establish facilities to provide small grants to civil society at the local and district level.

In addition to these country level mechanisms most aid agencies have, as pointed out in the previous chapter, various mechanisms for channelling support through Northern and international NGOs.² Support to and through such NGOs is probably increasing in Southern Africa, but there are different trends in various countries. In some countries some agency missions are increasing their direct or indirect support to Southern NGOs, while other agencies are turning to Northern NGOs to provide such support.

1.1. Examples

Several examples from donor support in the countries visited by the team illustrate this variety of models.

The *European Union* is, in quantitative terms, emerging as a significant provider of support to civil society or “non-state actors” in EU terminology. Following the Cotonou agreement substantial funding is provided through the 9th European Development Fund to local funding facilities. The model is essentially the same in all countries although the focus and types of projects may vary. They always – with the exception of Zimbabwe – work through the government (“the national authorising officer” in the Ministry of Finance), a project management committee is established with a steering committee composed of representatives from government departments, civil society and the EU, and calls for proposals are issued.

In *Malawi* the first agreement to set up an EU funding facility was signed in September 2006 and it is expected that that the four-year 5 million Euro programme will become operational in April 2007. 20% percent of the money will be spent on management (including technical assistance from service providers). The programme will provide essentially two types of support. One is training courses in various organisational skills provided mainly at the district level (roughly half of the amount will be allocated to this) with the remaining being provided for networks to strengthen their engagements with members and other purposes.

In *South Africa* the EC Delegation is providing funding to civil society through a variety of channels. This includes support provided through the National Development Agency, the Conflict and Governance facility and the Foundation for Human Rights. Irish Aid, the Mott Foundation and Care International are also providing funding to the EU initiated Human Rights Foundation. Funding for South Africa is however, provided outside the European Development Fund and through a special European Programme for Reconstruction and Development in South Africa.

DFID is a provider of major financial support direct to civil society in most but not all countries visited. It has provided significant support directly to NGO coalitions such as the *Lesotho* Council of NGOs and the G20 coalition of advocacy civil society organisations in *Mozambique*, and for the Electoral Institute of Southern Africa to set up a project office in Maputo.

DFID has also spearheaded innovative local support mechanisms for provision of small grants to civil society. In *Tanzania* they funded the Foundation for Civil Society to provide small grants to civil society organisations. This facility has now become a multi-donor funded facility. In *Mozambique* a new Civil Society Support Mechanism is in the process of being established. Initiated by *DFID* in co-operation with Irish Aid a separate management unit is being set up which over five years will provide USD 13 million (excluding management costs) in financial and technical support to civil

Most agency missions have also entered into strategic partnerships with professional NGOs with a proven track record in delivery and provide them with long-term programme support.

society organisations at all levels of society working in the era of monitoring and advocacy on governance. Significantly this facility also seeks to provide technical capacity building assistance to civil society organisations failing to secure access to grants.

In **Zambia** a similar Governance and Accountability Programme is being conceptualised by DFID in co-operation with other agencies (such as **Netherlands, Irish Aid and Norway**). The EU is also part of this discussion although they are not in position to contribute financially. In Zambia DFID is also a contributor to the network Civil Society for Poverty Reduction, and are now discussing with **GTZ** – a main provider of support to this network - the possibility of channelling its support to the network through them. In **Malawi** DFID is pursuing a similar approach by channelling the main portions of its direct civil society support through the **Canadian International Development Agency** with the Malawi Economic Justice Network and the Gender Equality Support Programme being the main direct beneficiaries.

Many donor agencies also rely on NGOs and international NGOs as disbursement mechanisms for civil society through partnership and subcontracting arrangements. In **Zimbabwe**, several donor agencies led by DFID are pooling funds into a new programme on urban livelihoods managed by a consortium of international NGOs who subcontract local civil society organisations as implementers. **USAID**, a large donor to civil society in the region, has always relied much on consultants and US-based organisations in their provision of support to civil society although direct funding is also provided.

The **Nordic aid agencies** in the field have also relied on home-based NGOs as channels for support to civil society. The Norwegian embassy in Pretoria, for example, has outsourced most of its support to civil society in the governance and human rights sector to a Norwegian human rights institute which manages the support to a variety of **South African** civil society organisations on behalf of the embassy. In **Mozambique**, Norwegian Save the Children has been commissioned to run a programme in human trafficking in co-operation with local partners. In **Zambia**, Sweden provides funding to local civil society organisations through two Swedish NGOs Save the Children and Diakonia. The budget is 3 million Euro per year and community based organisations can apply for grants from these organisations.

Most agency missions have also entered into strategic partnerships with professional NGOs with a proven track record in delivery and provide them with long-term programme support. In Malawi the Norwegian embassy has such partnership with the Norwegian Church Aid and with the local Christian Health Workers Association. **Denmark** has a track record in providing long-term institutional and programme support to selected civil society partners e.g. the Southern African Defence and Security Management Network which has been funded by the Danish embassy in Pretoria for more than 10 years.

UN agencies are mostly working with governments and have traditionally not been important providers of support to civil society. They also have little funds on their own and rely on support from the bilateral donors in the field. There are however, emerging new trends. One is within HIV/AIDS where UN agencies in several countries, in co-operation with governments,

Many of the philanthropic foundations are also emerging as significant donors in providing direct support to civil society. They may use call for proposals, but also tend to rely on systematic “scouting” for good intervention areas and projects to support.

are distributing aid through civil society organisations. In **Zimbabwe**, UN agencies have become important channels for donor support to civil society in several sectors. One example is the recently established **Programme of Support to the National Plan of Action for Orphans and other Vulnerable Children** in Zimbabwe where UNICEF is managing funds from several countries (47.5 million Euros for the 2006-2009 period). The programme is aligned with government programmes, but is implemented independently while the government is represented in the steering committee). Both international and local NGOs can respond to call for proposals. UN agencies are also involved in other programmes involving civil society, such as in relation to internally displaced persons and human trafficking e.g. through the International Organisation of Migration.

In the last few years a number of new donor institutions have begun to provide direct support to civil society organisations. The **African Capacity Building Foundation** (ACBF) in Harare have in recent years expanded its intervention areas and added a new core programme to its portfolio – **The professionalisation of voices of civil society and the private sector**. They have so far provided grants – typically between USD 1 and 2 million over 3-4 years – to 6 NGO coalitions and networks in 5 SADC countries. They also have a new parliamentary support programme which is providing significant financial support to *inter alia* the SADC Parliamentary Forum: ACBF has emerged as the Forum’s biggest donor. In addition, and through its traditional programmes it has provided significant and major funding to several economic policy research institutes in the region.

Many of the **philanthropic foundations** are also emerging as significant donors in providing direct support to civil society. They may use call for proposals, but also tend to rely on systematic “scouting” for good intervention areas and projects to support.³

Added to these broad support models many donor countries have a variety of special programmes and global allocations for NGOs managed by the aid agency’s head office or directly by the Foreign Affairs ministry. These facilities can be a direct civil society fund where home-based NGOs can apply for funding to work with partners or communities in developing countries. There are also various global budget lines related to humanitarian relief, peace building, HIV/AIDS, governance/human rights or other sectors. Funding from these sources, which are mainly channelled through Northern and international institutions, tend to be based on applications and calls for proposals. Some donor agencies have prescribed that the bulk of the funding from some of these budget lines shall be provided to partner organisations in the South, or that the applicant has to have a partner in the South. The funds flowing from these sources are substantial. Norway, amongst others, is channelling large portions of its aid through such channels.⁴

The EU is also seeking to establish facilities for supporting micro-projects under such global funds. In one of its global funds, the European Initiatives for Democracy and Human Rights, is looking to establish a facility in Zimbabwe where only local organisations can apply through the local EC Delegation in South Africa, however, the EU has for many years, through its special

South Africa programme, provided support to local initiatives, e.g. through the Foundation for Human Rights established in 1996.

1.2. Emerging Trends

There is a plethora of support models in use. Still some trends can be identified. The team will highlight four. **First**, there is a clear tendency for some, but not all, bilateral agencies in the field to reduce their direct support to individual civil society organisations in favour of local and often joint delivery facilities. The Swedish Embassy in Harare is a clear example. A few years ago they directly supported up to 60 different civil society organisations. In 2007 they expect that support to most of these will be channelled through three new initiatives – a joint donor initiative in the HIV/AIDS area, the UNICEF led programme on vulnerable children, and the Zimbabwe Culture Trust.

Secondly, and in some countries, this trend is coupled with an expanded use of international and Northern NGOs as delivery mechanisms for aid. This is very evident in service delivery in sectors such as health, education and agriculture, but some agencies also use such organisations to provide capacity building support and grants to community based organisations.

A **third** trend is that support to national NGOs focusing on governance issues and advocacy tend to continue to be funded directly from the agency mission. At lower level and in communities such support tends to be provided either to new joint/local funding facilities, or through Northern NGOs.

Fourthly, in nearly all countries there are some multi-donor efforts including co-funding or basket arrangements targeting civil society efforts to engage with governments on poverty reductions policies. Similarly, there are emerging co-operation in establishing facilities for provision of small grants to civil society organisations.

There are not just variations between agencies. There are also strong variations between different missions of the same agency in their approach to civil support and the support provided. A donor agency which in one country has a strong focus

on civil society support may in the neighbouring country have a different approach.

2. Regional support

Many donor agencies also provide regional support to civil society. Such regional support will for most agencies encompass a range of different activities. It may focus on support to **regional institutions** – such as the Media Institute of Southern Africa, the Electoral Institute of Southern Africa or the Southern African Regional Poverty Network. The purpose will generally be to support advocacy and linked to issues where regional responses or solutions are required. There may also be regional support to **networks** of civil society organisations to facilitate sharing of experiences and capacity building such as the support provided through the Southern African Legal Assistance Network, or to the many networks related to gender issues.

Other support includes support to **regional service providers** or a national institution providing such regional services where donors may judge this either to be more effective than working through inter-governmental organisations, or because it is an important supplement. One example is the Project Support Group which implements several hundred HIV/AIDS projects through community based organisations and NGOs in several countries.

Regional support may also be provided to NGOs which predominantly work in their home country, but which have **programmes focusing on regional issues**. An example is SAHRIT in Zimbabwe which for some years has been running a regional anti-corruption project and acts as the Secretariat of the Southern African Anti-Corruption Forum. A number of South African NGOs also receive support for regional programmes.

Support may also be provided to a national institution to provide **capacity building support** to similar organisations in other countries. IDASA in South Africa, for example, has been provided with support to provide capacity building support to civil society organisations in several countries, e.g. in Zambia and Zimbabwe.

There is also a long history of donor support to and through civil society related to **SADC** and the implementation of its roadmap for co-operation and integration through RISDP and SIPO. This has been related to service provision, as well as to monitoring and advocacy. This is linked both to the Secretariat in Gaborone and through SADC subsidiary organisations. Donor agencies are seeking to provide support through umbrella bodies e.g. the SADC Council of NGOs and to various gender networks, and through research organisations such as the Botswana Institute for Development Policy Analysis. A notable feature in the politics, defence and security sector is also that a significant amount of donor funding is channelled outside formal SADC structures and directly to NGOs acting as providers of research-based policy advice, as monitors and watchdogs and even as service providers to subsidiary organisations in this field mainly training provided to the Southern African Regional Police Chiefs Co-ordinating Organisation. Significantly, this support has only to a limited extent been co-ordinated with official SADC structures.

Donor agencies may have different modalities and priorities in providing regional support. Some agencies have large regional support programmes which also includes support to civil society. **USAID** has a Regional Service Centre for Southern Africa which provides some support also to civil society organisations, including Transparency International in Zimbabwe which has regional responsibilities and IDASA's Afrobarometer project. They are also supporting SADC PF's election programme. In the past USAID through the US National Democratic Institute provided crucial support through the US National Democratic Institute to SAHRIT in assisting SADC in developing the anti-corruption protocol. Most civil society support from the USAID is however, provided directly from national programmes.

The **EU** is a significant donor to SADC. Through the EC Delegation in Botswana it is seeking also to provide support to regional "non-state actors". Working through SADC ("the authorising officer") the intention is to provide such support to regional umbrella bodies such as - if possible - SADC Council of NGOs.

Germany through GTZ is also providing support to SADC. The support to non-state actors is confined to business organisations, but in the politics and security sector there is a small amount of funds available for civil society. Some of the German **Stiftungen** (perhaps especially Friedrich Ebert) are however, providing small, but strategically significant support to the regional policy work of civil society.

DFID now provides limited direct support to regional civil society organisations, and has instead channelled funding through the Southern Africa Trust. The Southern Africa Trust is a new facility established to support civil society organisations in Southern Africa to participate effectively in policy dialogues on poverty reduction. Similar to the Open Society Initiative its grant making facility is supported by a policy observatory unit which guides its policy dialogue and strategic interventions.

DFID also helped establish and fund the Southern African Regional Poverty Network. In addition it has also joined Canadian CIDA in funding the Southern African Migration Project. Some direct funding however is still provided to civil society from the joint UK Africa Conflict Prevention Pool managed by DFID.

The **Nordic** countries, the **Netherlands** and **Canada** are also providing significantly financial support to a number of regional NGOs and civil society actors in several sectors. Most are managed out of the Pretoria embassies but other embassies also provide support to institutions based in their countries. Sweden has a regional support unit for HIV/AIDS based in Lusaka, for water in Maputo and until last year on democracy in Harare. Denmark has made a number of strategically significant contributions in the peace and security field. Smaller donor agencies such as **Austria, Australia, Finland and Switzerland** have provided small, but often important project support to regional initiatives. Australia, for example, has supported a number of important projects in the trade sector.

Some of the philanthropic foundations especially the **Open Society Initiative for Southern Africa** and **Ford Foundation** are also providing small but significant funding for

Support provided from donor agencies mostly come in the form of financial assistance, although some also make provision for technical assistance and other types of assistance.

a number of regional civil society initiatives. Some of the **Northern NGOs** from Norway, Sweden and the UK are also providing small but significant support to regional civil society initiatives such as the support provided to Afrodad and Mwengo in Zimbabwe, and to various faith-based initiatives.

3. Types of support

Support provided from donor agencies mostly come in the form of **financial assistance**, although some also make provision for **technical assistance** and other types of assistance. There is rarely a **policy dialogue** between embassies/ agency missions and recipients. Dialogue appears to be mainly confined to some of the Northern NGOs, intermediaries and philanthropic foundations. Financial support comes in different types and forms. Much of the support provided by embassies and agency missions directly to civil society organisations have come as project funds often with a short time horizon. Long-term programme support and/or core funding tends to be limited to selected professional NGOs.

The recent focus on providing support to umbrella bodies and civil society networks, and the emphasis on facilitating involvement by civil society in poverty monitoring and policy dialogue may have led to a greater emphasis on institutional development at the national level. Some of the bigger agencies active here but not in all countries are DFID, the EU and also the ACBF. They provide or intend to provide significant funding for national umbrella bodies and NGO coalitions in several countries. Other agencies are also significant in individual countries such as Norwegian embassy support to the NGO coalition in Malawi. For others, and

for some of the smaller donor agencies, core funding and programme support will tend to be limited and confined to a few selected NGOs they have worked with over a longer period and which have proved their ability to deliver.

Northern NGOs, intermediaries and the philanthropic foundations, on the other hand, tend to be more focused on project support, sometimes also with smaller grants and short time frames. Some of them, however, also emphasise dialogue and strategic planning in their engagement with grant recipients.

The experience of expanding financial support to civil society through umbrella bodies and networks have also emphasised a familiar bottleneck. In most SADC countries such bodies are weak although there are great variations and have limited capacity to absorb new resources made available. They often do not have the required management procedures in place to handle major grants. Providing funding through “calls for proposals” has also underscored that few civil society organisations are able to draw up good and fundable project proposals. On the other hand, the team came across several examples where agency bureaucracy continues to lead to delays in disbursement. This has severe implications for civil society organisations relying on project income and without access to long-term programme or core support.

Several aid officials interviewed also highlighted that they had experienced problems with “call for proposals”. This had in many cases led organisations to deviate from core functions and priorities in order to access new funding opportunities. Many applications are also received from organisations not really committed to the issues.

Others have responded to the capacity constraints by seeking to place more emphasis on performance monitoring and also, in some instances, reverting to short-term project support as a way of ensuring outputs.

Few attempts have been made by the main agencies to provide capacity building assistance beyond financial support. The EU support to non-state actors is emphasising capacity building but mainly through the provision of training courses. Some of the new national funding mechanisms being set up, such as the Civil Society Support Mechanism in Mozambique, seek to go beyond this by also providing non-financial support – training, job placements, exchanges, mentoring, etc. Others have responded to the capacity constraints by seeking to place more emphasis on performance monitoring and also, in some instances, reverting to short-term project support as a way of ensuring outputs.

4. Harmonisation

The study has noted both an increase in aid volumes to civil society, an increasing diversity of donor agencies and a multitude of support models. What is the extent of donor co-operation in providing support to civil society?

The models and prescriptions for harmonisation outlined in the Paris and Windhoek declarations are focused on government-to-government relations. They are not easily replicated in civil society support. First, because there is not one single recipient, but a plurality of civil society voices and representatives which makes harmonisation and alignment much more difficult. Secondly, and even more challenging: in civil society support with the question of intra-donor harmonisation is crucial. In most donor countries several channels for providing support to civil society are in place. For many donor countries support from the agency mission in the field is not even the main delivery channel for such support.

The study has made a number of observations on the seven SADC countries researched. The **first** thing to note is that co-operation – as we would expect – is much more limited in civil society support than in support to governments. The exception is Zimbabwe where the political situation has prompted several donors to establish a number of major programmes with significant civil society components. Donor co-operation is however, increasing also in other countries, particularly related to civil society participation in poverty reduction strategies.

A **second** trend is that donor co-operation, so far, has mainly involved co-operation between embassies/official aid agencies and have rarely involved support provided through other channels. Nor have the philanthropic foundations or local funding intermediaries been part of co-operation efforts in any systematic way, but some of them have attended the informal donor forum on regional support to human rights and democratisation. The one important exception that the study noted was support to the Lesotho Council of NGOs where DFID and Irish Aid are providing basket funding together with the Open Society Initiative for Southern Africa (OSISA) and the Kellogg Foundation.⁵ OSISA has also entered into various co-funding arrangements with Northern NGOs in support to regional initiatives such as in the co-operation with the Dutch HIVOS and NiZA in providing support to the Media Institute for Southern Africa's Precondition for Elections Programme.

A **third** noticeable trend is that representatives of donor agencies interviewed all tended to emphasise the importance of increased co-operation between donor agencies. Practices

are, however, lagging well behind attitudes. Several reasons for this were mentioned by officials interviewed. Many revolve around technical issues. Agencies find it extremely demanding to establish joint approaches and funding mechanisms. There are major variations in prescriptions for assessments, disbursements, reporting and auditing. The fiscal year is different, and the degree of autonomy between the mission and headquarters also varies greatly. Some agency missions are able to be very flexible like Norway and Sweden while others like the EC delegations are very tightly regulated by headquarters. An added obstacle in some countries is that donor agencies that need to co-operate may be located in different countries. The extreme case is, of course, Lesotho together with Swaziland, Botswana and Namibia, where most donors are based in South Africa. This is also evident in other countries visited by the team. While most donors giving support to civil society in Zimbabwe are based in Harare there are also important agencies operating out of South Africa and Zambia.

Fourthly, the study observed that there is stronger tendency in many but not all countries for agency missions to meet informally and exchange experiences related to civil society support. This can deal with technical issues – “comparing notes” on specific organisations and initiatives – but also on broader strategic issues. The number of agencies taking part tends to be large and often goes beyond the “likeminded” donors, although the participation varies from country to country. In Malawi there appeared to be limited consultations on civil society support in the donor governance forum but more in sector wide programmes. On the other hand: Civil Society support in Malawi has other notable features - DFID is channelling most of its direct support through CIDA (in economic governance and gender) and Sweden, which does not have a mission in the country, channel all its funding through the Norwegian embassy.

Fifthly, the extent of co-operation in support to specific organisations, umbrella bodies or programmes remains limited. Where it does take place – through co-funding arrangements and in some cases basket funding, sometimes

with one agency acting as the lead donor – it rarely involves more than two or three agencies. The agencies most involved in these efforts appear to be the Scandinavian countries, Netherlands, Irish Aid, DFID, and Canada. In individual countries it also involves countries like Germany and Switzerland.

Sixthly, at the regional level there appears to be more limited co-operation. However, most donor agencies involved in regional democracy and human rights issues including also agencies like the Open Society Initiative for Southern Africa have met informally every sixth months (first in late 2005 on a USAID initiative) to discuss common issues and exchange experiences. There are few attempts to provide joint or co-funding to regional civil society projects the most extensive is probably the Scandinavian joint funding to the Media Institute of Southern Africa and other media projects, and also the Norwegian/Dutch co-operation in providing support to the Project Support Group. Notably, there appears to be very limited donor co-operation in the peace and security sector where several donor agencies/embassies are making substantial financial contributions to several NGOs or more precisely to a handful of South African NGOs. One exception is co-operation between Norway and Sweden in providing support to the Institute of Security Studies.

5. Has aid to civil society become more effective?

Is the increased donor funding to civil society aligned with the needs of civil society organisations? Is the support based on the strategies, priorities and procedures of civil society organisations? Have increased co-operation led to reduced transaction costs in planning, implementation and reporting? Are civil society organisations able to exercise stronger leadership over their activities? Have the donor agencies become more accountable to civil society or vice-versa?

Most would immediately respond with a “no” arguing instead that what we are witnessing is a civil society that has become more aligned to donor priorities. However, such “Paris-questions” may not necessarily be the best

way to address effectiveness of aid provided to civil society. It is important to keep in mind the overall objective: Has the civil society voice in encouraging pro-poor development, in providing inputs in policy formulation process and in holding government to account been strengthened?

The study at this stage could not provide a proper assessment of these issues. However, and based on interviews with a few civil society actors and impressions, the team was able to make a few observations. It is, however, important to distinguish between different types of civil society organisations. They range from professional NGOs and advocacy and rights based organisations via networks of civil society organisations, trade unions and faith based organisations to relief, welfare and development oriented organisations down to small community based associations. Donor funding will have different impacts depending on the type of civil society organisation supported.

A *first* observation is that certain types of civil society organisations in most countries seem to be better resourced than just a few years ago. There has also been an expansion in the number of organisations. This applies in particular to professional NGOs and to those able to act as service providers. In some countries, these civil society organisations are also better integrated in the donor agencies sector wide programme and budget support to governments than just a few years ago – primarily as service providers, but also on a more modest scale in advocacy roles as monitors and dialogue partners. A notable trend in countries receiving budget support is also that donor agencies have been important providers of financial support to national civil society monitoring of poverty reduction. In most countries these NGOs are fully funded by international aid and would collapse if donor money were to be withdrawn. There is also a strong donor influence on the priorities and work plans of some of these organisations.

A *second* observation is that most civil society organisations are struggling to absorb donor funds. They have limited capacity to develop and implement strategies for organisational

consolidation and institutional development. In many countries their skills to engage in policy dialogue and formulation are also limited.

A *third* observation is that many civil society organisations continue to experience high transaction costs in engaging with donor agencies. Increased co-operation among donor agencies have only to a limited extent filtered down to traditional practices associated with separate procedures for assessments, disbursements and reporting. NGO representatives interviewed by the team also mentioned several examples of untimely and delayed disbursements of funds.

This brings us to the study's *fourth* observation. Donor agencies have so far not proved very effective in providing support for organisational development. Simply providing training may not be sufficient. The focus on civil society networks and NGO coalitions has yielded limited results in providing support to member organisations. A partial exception is a few professional NGOs with skilled and specialised staff who have managed to secure long-term financial support for programmes and institutional development.

Northern/international NGOs and some of the philanthropic foundations and the intermediaries, on the other hand, appear to be more effective than embassies/donor agency missions in providing support to build capacity in advocacy and policy engagement. However, their ability to strengthen the institutional capacities of their grant recipients appears at best to be highly uneven.⁶ Simply subcontracting partners to implement projects and provide services is rarely sufficient. This challenge is reinforced by the competition for staff which implies that highly skilled staff in local civil society organisations often is recruited by Northern NGOs setting up their own project offices in the country. Another disturbing trend evident in some countries is that some of the Northern NGOs tend to “crowd out” space for local NGOs in advocacy and policy work. These negative dimensions may be reinforced with the expansion of South African NGOs or South Africa-based organisations into the region.

A *fifth* observation is that few donor agencies in the countries visited seem to be guided by

Donors support “professionally” run and directed NGOs as opposed to more democratic, participatory forms of civil society.

any strategic approach to how they can assist in strengthening civil society. For many the role of civil society is simply seen as organisations that may provide services where governments fail. In addition they tend to concentrate their support to those organisations best able to absorb funds and satisfy the priorities of the donor agencies. The net result will then often be a focus on a few urban based professional NGOs.

Donor agencies often complain about the lack of constituency or legitimacy of NGOs. However, the some donor policies, procedures and practices themselves often have reinforced such trends. By focusing on professional NGOs able to “deliver” rather than on the broader civil society donors have created imbalances whereby a few NGOs dominate resources to the detriment of other civil society organisations. Donors support “professionally” run and directed NGOs as opposed to more

democratic, participatory forms of civil society. Furthermore such imbalances do not lead to sufficient support to popular engagement in governance at the grass roots level, and it sometimes leads to feelings of resentment from civil s society organisations towards the big NGOs.

A *final* observation is that few donor agencies have been able to facilitate co-ordination and alignment between civil society support at the country level and support to civil society at the regional level. Regional support has mainly been confined to support for individual civil society organisations to enable them to attend regional networks or benefit from training opportunities in other countries. There are however, important exceptions. One is the Scandinavian regional support to the Media Institute of Southern Africa which is reinforced through country level support by the same agencies to national chapters in individual countries.

Footnotes

- ¹ See also an unpublished report commissioned by Swedish SIDA, Maria Gunnarsson, Civil Society Support Models (n.d., 2005?). The study is largely based on Swedish experiences.
- ² See more on this in a study of practices in seven donor countries from the International NGO Training and Research Centre (INTRAC), B. Pratt, J. Adams and H. Warren, Official Agency Funding of NGOs in Seven Countries. Mechanisms, Trends and Implications, Oxford: INTRAC 2006 (Occasional Papers Series No: 46) (available from www.intrac.org).
- ³ There is little systematic knowledge available on the role of these foundations, but see a report on their role in South Africa by Deborah Ewing, Private Foreign Giving, October 2005, a sub-study of the project The State of Social Giving in South Africa, implemented by the Centre for the Study of Civil Society at the University of KwaZulu-Natal. See also the OECD DAC study, “Philanthropic Foundations and Development Co-operation”, DAC Journal, vol. 4, 2004, No 3.
- ⁴ The extensive use of Norwegian NGOs as channel for Norwegian development aid prompted the Ministry of Foreign Affairs to appoint an independent evaluation committee to assess the effectiveness of this channel. It reported in June 2006 and recommended inter alia that the use of this channel in long-term development assistance should be downsized in favour of increased support to local funding mechanisms.
- ⁵ See more about this important joint Civil Society Support Programme in the recent Annual Review (prepared by Itumeleng Kimane, Marethabile Sekhiba and Steve Godfrey in August 2006). However, three stakeholders outside the Lesotho Council of NGOs – Action aid, Care and the Catholic Commission for Justice and Peace – have launched a programme with similar objectives. The programmes were developed in isolation from each other.
- ⁶ Some of the best studies of these issues have emerged from evaluations of humanitarian relief. See e.g., J. Cosgrave, Synthesis Report: Expanded Summary. Joint Evaluation of the international response to the Indian Ocean Tsunami, London: Tsunami Evaluation Coalition, January 2007. This major evaluation shows how local capacities were undermined and weakened by the approach and practices of the international relief operations.

Moving forward:

Recommendations and Policy Implications

The study has found that the volume of funding to civil society in Southern Africa is increasing. It has also noted a growing diversity of funding facilities. Some new trends in support models have also been identified. This includes new multi-donor efforts to establish country-based facilities to strengthen the capacity of civil society organisations to fulfil advocacy functions and participate in policy dialogue. It also includes efforts to establish small grants facilities through intermediaries. The study has, however, shown that there are differences in donor policies, both between agencies as well between countries. The extent of donor co-operation remains limited. Furthermore, the study has confirmed that the bulk of civil society support from donor agencies are channelled through Northern and international NGO acting as service providers with civil society partners in the South being subcontracted to assist with implementation.

What are the implications of these trends? The **first** thing to emphasise is that the role of civil society may be strengthened with the current emphasis on multi-donor support, aid effectiveness and shift to poverty reduction budget support. But for this to yield the desired results, it is important that public institutions become more accountable to the citizens. This in turn requires a civil society giving voice to the citizens. This has prompted several donor agencies to search for ways and means of increasing aid allocations to civil society. This also creates a window of opportunity for civil society to engage more with donor agencies.

Secondly, the traditional donor agencies are not necessarily equipped to provide the best type of civil support required to strengthen civil society and their capacities to engage with national and regional authorities. Most agency

missions do not have sufficient staff to cope with increased budgets, they prefer to allocate large amounts of money to organisations able to absorb, and they prefer a distance to the civil society institutions they support and does not want to get too involved in dialogue and policy discussions. On the other hand, this has also stimulated search for multi-donor approaches and support to joint initiatives, to an increased use of Northern NGOs in certain areas, and to the search for local intermediaries able to channel funding and support to civil society.

Thirdly, the study has also noted a number of critical issues which requires further study and clarification. Two shall be mentioned here. One is the implication of the heavy use of non-governmental organisations as service providers. How is this affected by the current efforts to strengthen government ownership

and capacities through sector wide programmes and budget support? How and to what extent are the NGOs integrated in such programmes? A second critical issue is the link between support to governments and support to civil society organisations in poverty reduction and efforts to improve governance. What are the experiences and lessons from such linkages? Have civil society's capacity to engage with the government been strengthened? How has this affected the autonomy and independence of civil society?

Finally, the study highlights and elaborates on three of the issues which have emerged out of this research work:

1. Harmonisation versus diversity

There has been some improvement in donor harmonisation in civil society support, particularly related to the bilateral agencies and linked to service provision in sector-wide programmes. There is considerable scope for improvement, but it is also important to recognize that there are limits to what can be achieved. The list of donor agencies is long and diverse, and there is an almost equal variety of self-interests and objectives behind development assistance. Nor is full harmonisation in support to civil society, implying that all/most donors pool their funds into one or more basket arrangements/funding facilities, necessarily a desirable goal. First, because "civil society" is an extremely broad category which makes alignment near impossible. By definition "civil society" is diverse in terms of purpose, organisational structure, and constituency. This diversity may be weakened with too much harmonisation. Harmonisation may also weaken the ability to provide flexible support.

It is important to recognize that different funding channels and agencies have different strengths and weaknesses in providing support. This is perhaps especially evident in the support being provided to advocacy organisations in the human rights and governance sector. Important support is here provided by Northern NGOs, philanthropic foundations and intermediaries which provide assistance based

on common values and shared objectives. The support provided through such channels often goes beyond grant making and includes dialogue, information sharing and capacity building which official agencies from donor countries rarely provide.

Despite this emphasis on the need for some diversity there are still a number of steps which can and should be made to improve the effectiveness of civil support through increased practical co-operation among donors. **First**, it is important that donors meet and exchange experiences regarding civil society support. At the country level the arena for this will be both the governance and the sector wide programmes. Also new donors – from the ACBF to OSISA and the Southern Africa Trust – should be encouraged to take part in countries where they are particularly active. Bilateral agencies should also to a much greater extent keep themselves informed about activities from their head offices through other channels and bring experiences and lessons from this to joint donor meetings.

Secondly, more advanced co-operation is difficult to achieve and will tend to include a much smaller grouping of more "likeminded" agencies. Such co-operation should include efforts to rely more on joint technical work and common reporting. Where possible this should be linked to co-funding or even a basket where one donor agency takes the lead on behalf of the others.

Thirdly, increased donor co-operation is more easily achieved where other frameworks for harmonisation are in place such as, and in particular, sector wide programmes and budget support. Here it is especially important that donors are encouraged and challenged to increase harmonisation of support to service providers. It is far more difficult to increase such co-operation related to policy engagement, advocacy and rights-based organisations. Where it does take place it is mostly in relation to umbrella bodies or networks and related to poverty monitoring, or to professional NGOs with an interest and the capability to encourage or put pressure upon donors to co-ordinate its support.

Fourthly, initiatives to establish local funding facilities providing small grants to civil society at the local and district levels are important and should be encouraged.

Fifthly, new and value based funding facilities or intermediaries such as OSISA or the Southern Africa Trust, should keep themselves informed of civil society support from other agencies. Where they do provide support to the same institutions or to similar programmes and activities it is important that the support as far as possible is mutually reinforced and that the transactions costs for the grant recipients are minimized. It is important that such intermediaries as far as possible co-ordinate their support with the traditional donor agencies and that divisions of labour are developed where this is judged to be beneficial.

Finally, it is important that there is capacity within civil society both to monitor and engage with donor agencies. This is crucial both to ensure that donor agencies become more accountable and that they deliver on promises made.

The initial transaction costs for all donor agencies will be high in any efforts to increase co-operation. Benefits will only materialise in the medium- to long-term. A failure to increase co-operation, on the other hand, will reduce effectiveness and increase transaction costs for civil society organisations.

2. Regional development and policy engagement

Regional support is a small component in the portfolio of most donor agencies, but support to civil society currently occupies a large share of this support for many agencies. It encompasses, as pointed out in previous chapters, a variety of dimensions. However, recent developments related to the restructuring of SADC, its new strategies and emerging programmes of action, and the new evolving relations between SADC and the donor agencies following the adoption of the Windhoek Declaration, poses new challenges and new opportunities for civil society organisations. These include the following issues:

First, the restructuring process of SADC, has also involved steps to ensure a greater involvement of civil society and to make SADC more accountable. This has included establishing national committees at the country level and to facilitate communication channels between the SADC Secretariat and regional umbrella bodies including the SADC Council of NGOs, *inter alia* through the signing of Memoranda of Understandings. However, these mechanisms are, so far, hardly functional. There has been limited engagement by civil society with the exception of important events such as the civil society forum alongside the SADC Maseru Summit in 2006, interventions by a few professional NGOs, and also in selected areas such as gender where there is a stronger tradition of working with civil society. This may partly be explained by the demanding restructuring of SADC. This process has consumed far more resources and energy than expected and has left little space for other activities. Nor has SADC's traditional style of operation been conducive to interactions with civil society. Perhaps more importantly, is also the fact that civil society in general is weak with limited capacity to engage in regional policy issues. There is a particular need to build capacities enabling civil society to engage with SADC structures – at national as well as at regional levels.

Second, the emerging thematic groups being established in SADC's core intervention area may emerge as major arenas for mobilisation of development finance for regional development. It is important that these emerging Secretariat/donor groups are monitored also by civil society actors through their relevant regional networks and institutions. The current guidelines for the thematic groups and the draft Windhoek Declaration Implementation Plan do not address these issues. Civil society capacities to engage with these thematic groups need to be strengthened. There are no blueprints for how this could be done. The modalities for engagement may also vary depending on the thematic group in question. A failure to engage may lead to a situation where SADC finds itself becoming more accountable to donor agencies than to the citizens in the region.

It will be particular important to engage in efforts to ensure alignment between regional development strategies and national development strategies.

Thirdly, there are, of course, a long list of priority areas for engagement between SADC and civil society sectors.¹ It will be particular important to engage in efforts to ensure alignment between regional development strategies (SADC's road map through its strategic programmes RISDP and SIPO) and national development strategies. Furthermore, civil society may also play an important role in helping to put new issues on the agenda (such as the role of emerging new powers like China and their impact on the regional development agenda and the role of traditional donor agencies).

It will also be important to keep track of the evolving donor efforts to provide capacity building to SADC and its structures, including the national committees and facilities for engagement with civil society. The main actors on the donor side are the EU, GTZ and the World Bank.²

3. Civil society coalitions and networks

One notable feature in the emerging new foreign donor support to civil society in Southern Africa is the greater emphasis placed on civil society networks and umbrella bodies. Such networks are seen to be a prime organisational form for articulating the voice of citizens. They are expected to help encourage pro-poor development through inputs in policy formulation and to hold government to account. Furthermore, such networks are also expected to help build capacities for advocacy and policy engagement at the local and district levels and in the communities. Such networks are also considered to be a practical mechanism that can help distribute funding to member organisations.

What are the emerging lessons from this type of support? The study provides a list of some tentative observations.³ The *first* observation is that such networks have emerged as an alternative voice and opinion to government. They appear in most countries to make a difference in terms of representing civil society and in developing relationships with policy-making structures at the national level. Government responses to such networks are more mixed. They may respect the role of civil society networks, but government officials also argue that they are better equipped in criticising government than in engaging in policy dialogue and in providing practical solutions. Also, such networks are often criticised for poor internal governance, and for a failure to engage properly with members.

A *second* noticeable observation, evident in several countries, is that such networks struggle to remain an authentic network of civil society organisations. As the networks establish secretariats, register and secure project funding it seems as if they increasingly begin to operate independently from their members. The secretariats increasingly take responsibilities for implementing advocacy activities while network activities are pushed to the background. The member organisations are constrained by their short-term survival oriented goals which often focus more on service delivery than on advocacy. Tensions easily develop between advocacy and organisational development functions.

A *third* observation is that such networks may end up being driven by donor interests. Funding sources and sizes influence how the networks behave. In most countries, such networks are almost exclusively funded by international

Funding has also increased in recent years, but this has pushed the networks in the direction of advocacy NGOs with nominal membership and secretariat-managed funding and resources.

sources. Funding has also increased in recent years, but this has pushed the networks in the direction of advocacy NGOs with nominal membership and secretariat-managed funding and resources. The tendency to shift donor funding away from directly funding member organisations to funding networks may have reinforced this tendency.

Fourthly, if the networks are to be sustained, the issue of membership participation and creation of strong linkages between and

among networks need to be addressed. This may require organisational changes, for instance in developing leadership and governance of the network secretariat to ensure that they are able to deliver on their core networking functions. Decisions about organisational changes and strategic directions need to be taken deliberately by the leadership and governing structures of the networks and not unintentionally as a result of the donors funding priorities.

Footnotes

¹ See also the Southern Africa Trust **report from the panel discussion on SADC RISDP – Towards a Regional Vision to End Poverty?**, Lehakoe Recreation Club, Maseru, Lesotho, 17 August 2006.

² Two important studies addressing SADC's capacity needs are about to be completed and are likely to have an impact on future donor interventions. One is commissioned by the SADC Secretariat and includes assessments of the national committees. The other is an institutional assessment commissioned by the EC Delegation in Gaborone.

³ This section also draws upon an important recent case study from Malawi, Rick James and Chiku Malunga, "Organisational challenges facing civil society networks in Malawi", KM4D Journal, vol. 2, 2006, No 2: 48-63 (www.km4dev.org/journal.)

Annex 1:

List of people Interviewed

South Africa

Barbara Kalima-Phiri, Policy Analyst, Poverty Reduction Strategies, Southern Africa Trust

Elizabeth Byaruhanga, Fundraising and Reporting Co-ordinator, Southern Africa Trust

Thembinkosi Mhlongo, Regional Integration Advisor, Southern Africa Trust

Inger Stoll, Councillor, Norwegian Embassy

Victor Ramaema, Democratic Governance Programme Officer, Swedish Embassy

Abie Ditlhake, Executive Secretary, SADC Council of NGOs

Gert Danielsen, Programme Specialist, Aid Effectiveness, UNDP Regional Service Centre for East and Southern Africa

Kemi Willams, Lesotho Programme Manager & Senior Social Development Advisor, DFID – Southern Africa

Botswana

Baboloki Zappa Tlale, Executive Secretary, Botswana Council of NGOs

Tummi Tsele-Teseletho, Information and Communication officer, Bocongo

Katrina Morris, Head of regional and trade section, EC Delegation

Helmut Mueller-Glodde, GTZ advisor, SADC

Katarina Fried, First Secretary, Swedish Embassy

Helmut Orbon, GTZ advisor, SADC

Roslyn Waters-Jensen, Supervisory Program officer, USAID Regional Centre for Southern Africa

Thato Jensen, Program Development Specialist – Democracy and Governance, USAID Regional Centre for Southern Africa

Michael Kerst, Regional Programs, USAID Regional Centre for Southern Africa

Monica J. Moore, Project Development Officer, USAID Regional Centre for Southern Africa

Mayuyuka Kaunda, Senior researcher, Botswana Institute for Development Policy Analysis

Mozambique

Dipac Jaiantilal, Research Coordinator, Cruzeiro do Sul

Paulo Cuinica, Executive Secretary, G20

Leen Verstraelen, Attaché for Development Cooperation, Embassy of Belgium

Els Berghmans, Programme Officer, Poverty and HIV/AIDs Unit, UNDP

Karen Johnsen, independent consultant

Sissel Idland, First Secretary, Norwegian Embassy
Claudia Fumo, Social Development Adviser, DFID
Andrew Preston, Governance Advisor, DFID
Marc de Tollenaere, Head of Governance, Swiss Agency for Development and Cooperation
Fotini Antonopoulou, Governance Officer, EC Delegation
Karin Metell Cueva, deputy head of SIDA mission, Swedish Embassy

Zimbabwe

Kari Trædal-Thorsen, Second Secretary, Norwegian Embassy
Per Stavnum, Ambassador, Norwegian Embassy
Leoni M. Cuelenaere, Deputy Head of Mission, Netherlands Embassy,
Kristina Gough, First Secretary, Swedish Embassy
Helen Richards, Governance Advisor, DFID Zimbabwe
Philippa Thomas, Social Development Advisor, DFID Zimbabwe
Charles Mutasa, Executive Director, Africa Forum & Network on Debt and Cancellation
Frederique Hanotier, HR & Governance Programme Manager, Community Development & Governance sector, EC Delegation
Ezra Mbogori, Executive Director, Mwengo
Rukiya Wadoud, Program Officer, Southern Africa Region, African Capacity Building Foundation
Phineas G. Kadenge, Program Officer, Southern Africa Region, African Capacity Building Foundation
John Barrett, Head of Mission, DFID Zimbabwe
Marcus Stadthaus, Deputy Head of Mission, German Embassy
Kevin Sturr, Team Leader, USAID Zimbabwe
Noel Kututwa, Executive Director, Human Rights Trust of Southern Africa (SAHRIT)

Lesotho

Lineo Nketu, Programme Manager, Strengthening Civil Society in Lesotho (a joint programme between CARE Lesotho-South Africa, ActionAid and the Catholic Commission for Justice and Peace)
Mr. Motsamai, Executive Director, Lesotho Council of NGOs
Dagmar Hanisch, Technical Advisor, Apparel Lesotho Alliance to fight AIDS
Osten Chulu, Economist, UNDP

Malawi

Martin Ott, Programme Manager, Forum for Dialogue and Peace/GTZ
Gunnar Føreland, Ambassador, Norwegian Embassy
Leif Sauvik, Councillor, Norwegian Embassy
Stephen R. Mwale, Field Manager, Project on Economic Governance, CIDA
Jerome Pons, Head of Section, Economics and Public Affairs, EC Delegation to Malawi
Isabelle Cardinal, Social Development Advisor, DFID Malawi
Mavuto Nelson Bamusi, Director of Programmes, Malawi Economic Justice Network

Zambia

Arthur Kalila, Programme Officer, DFID Zambia

Markus Nuding, Senior Advisor, GTZ

Henny Gerner, First Secretary, Private Sector Development, Netherlands Embassy

Charlotta Norrby, Head of Development Co-operation, Swedish Embassy

Gerd Botterweck, Resident Director, Friedrich Ebert Stiftung

Tommy Mateo, Programme Officer, Research and Policy Analysis, Civil Society for Poverty Reduction

Juliet Kaira Chibuta, Coordinator, Southern African Legal Assistance Network (SALAN)

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