



ACUMENTA

Position paper

Guidelines for Support to Civil Society

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1. Introduction

1.1 Background and purpose

This position paper provides the background to and context in which the Guidelines for Civil Society Support (August 2007), have been developed. It explains the analysis used and motives behind the positions taken.

Civil society in Tanzania is maturing. New roles are emerging which require development partners to review their strategies to meet new needs. One such role is supporting civil society to prepare and encourage citizens to become more actively involved in making their voices heard and holding their government to account. In turn, civil society is challenging the development partners to coordinate their support better, share information more effectively and improve their methods of working.

In 2006, a group of civil society organisations (CSOs), working to increase domestic accountability observed that development partners had put great effort into the elaboration of the Joint Assistance Strategy for Tanzania, demonstrating their support to the Tanzanian government. However, as there were no common principles for engaging with civil society, CSOs requested a common framework, based on the principles of the Paris Agenda.

The issue was raised in the Development Partners Group at which the Embassy of the Kingdom of the Netherlands (EKN) volunteered to take the lead to develop such a framework. A steering committee composed of representatives from both development partners and civil society organisations, as well as a reference group of various Tanzanian CSOs, worked together to draw up this framework. Its aim is to guide development partners in their support for CSOs working in advocacy and engaging in policy. It is composed of four sections detailed below.

1. Main findings and points of departure.
2. Basic principles to guide development partners who support civil society organisations that are engaged in policy and advocacy work.
3. A set of common criteria for core funding that civil society organisations are prepared to respond to and uphold.
4. A framework for coordination among development partners.

An annex to the guidelines includes a proposed plan of action for immediate steps to be taken by the development partners.

The purpose of the guidelines is twofold. Firstly, they need to establish good practice between development partners and those CSOs involved in advocacy and engaging with policy. Secondly, they should help to increase the coordination between development partners in Tanzania. They are a declaration of intentions by the development partners, not a prescriptive programme design, and propose a detailed plan of action for the future.

Initially, it may not be possible for all development partners to apply the common framework in full or participate in more advanced coordination. Some will be bound by their respective domestic legislation and be obliged to extend their funding accordingly.

However, as a first step, most development partners have agreed to share more information about what and whom they are supporting.

Advocacy work vs. service delivery

Many of the principles in this framework are equally applicable to development partners and CSOs involved in service delivery. However, this framework was specifically developed for support to CSOs mainly involved in advocacy work.

Many of the organisations working with advocacy also have components of service delivery in their operational plans¹. As ever, reality is frequently independent of either theory or models. However, **the guidelines have been developed for organisations which work *mainly* in advocacy and engage in policy development.**

2. Points of departure

2.1 The roles of civil society²

Civil society necessarily plays different roles in different contexts depending on the condition and quality of a political system. In a weak democracy, there may be limited space for CSOs to manoeuvre. Where the state is near to collapse, civil society may assume the role of upholding a minimum of public services for the citizens. To engage successfully with civil society, an understanding of the local context and a clear objective regarding such different roles is therefore crucial.

Major roles for civil society

1. Promoting a more effective and accountable state for pro-poor development

The development of a more effective and accountable state is fundamental for poverty reduction and respect for human rights. “*Effective and accountable states need effective and accountable civil society.*”³ Civil society can engage in constructive dialogue with the government and local authorities and demand accountability, participation and delivery of agreed policies. It can identify and bring forward issues on the political agenda that would otherwise not be included, and push for social, economic and political change. It can act as a watch-dog

¹ In a study carried out by REPOA it was found that 47% of the surveyed organisations had a mixture of service delivery and advocacy. (*REPOA Special paper no. 07.21*)

² This section has made use of the following references: *Sida’s Policy for Civil Society*, 2004, and *How to work with civil society*, DFID

³ *How to work with civil society*, DFID

towards the state's fulfilment of its commitments and obligations and be involved in advocacy to ensure that the rights of poor and marginalised groups are respected. It can promote and protect human rights, analyse public information and make it accessible for the citizens who, since they often lack public information, are often unaware of their rights and obligations.

2. A school for democracy

Successful development depends on citizens having the right to organise themselves and influence the conditions under which they live. An actively engaged civil society provides a space for mutual association. This in turn creates an opportunity to express ideas, solve problems jointly, negotiate and reflect on various issues critically. Civil society can empower people to participate actively in democratic processes through civic education (reaching beyond the focus of voters' education). It can channel political interests, offer participation beyond political parties in social movements, networks and organisations and provide a training ground for democratic leadership and the promotion of democratic values.

3. Delivering social and economic services to deprived people

When a government fails in its obligation to deliver needed services, civil society can fulfil the role in its place. This may also happen during emergencies when civil society is crucial for delivering humanitarian assistance. CSOs have the ability to reach marginalised groups either independently or by delegating appropriately. In this way, they can provide basic needs such as health, education, water, micro finance etc., on behalf of the state. During the 1980s and 1990s many governments were considered increasingly ineffective in delivering services to the population. As a general trend, development partners gradually bypassed the state, supporting development NGOs that had identified the most critical needs of a poor population. An example in Tanzania is the health system which is still, to a large extent, managed by faith-based organisations.

4. Promoting co-existence and peaceful conflict resolutions

In societies affected by war and unrest, civil society can play an important role in building confidence between conflicting groups, providing meeting places and promoting peaceful dialogue. It can also reduce tension in a polarised society and create a broader, more representative participation in peace processes, enhancing the chances of reaching a sustainable peace.

Each role requires different strategies, and development partners offering support to civil society need to be clear about their intentions.

2.2 *The Tanzanian civil society*⁴

The capacity of civil society in Tanzania is considered to be rather weak in comparison with other African countries, despite a rapid growth during the last decade. However, neighbourhood and community-based groups have a long history existing informally at local village or ward level throughout the country. They are temporary in nature and usually organised by a small group of individuals coming together in a self-help activity, such as funeral societies or groups for economic or social motives. When they are set up for economic purposes they often overlap with the informal sector as income generating groups. Intermediate organisations, like local NGOs can be useful in helping to strengthen these local groups.

The number of registered CSOs in Tanzania has grown rapidly since the early 1990s when some 200 were registered⁵. By 2005, the number had risen to about 4000⁶. For practical reasons different forms of association are used, for instance, non-profit company, society or trust. The majority of the registered CSOs are urban, most of them based in Dar es Salaam. Civil society activism tends to be confined to a few independent-minded, urban-based human rights and advocacy organisations, while rural based CSOs often have a more service delivery focus. A civil society database is available on the web-portal “Tanzania Development Gateway”⁷, in which CSOs are classified according to 28 sectors and areas.

The formal organisations can be divided into two main categories. The first provides social service delivery, such as district development trusts and faith based organisations (the most common types of CSO in Tanzania). The second is interest based, such as community development, rights-based or advocacy organisations. This second category is often linked to informal networks at lower levels which can be mobilised as required to act as a group.

The creation of NGO networks and coalitions is a fairly new development in Tanzanian civil society and has arisen in response to the need to strengthen legitimacy and efficiency. Most networks and coalitions are still at an infant stage. There are 16 national networks in the fields of environment, gender, HIV/Aids, human rights, disabled people’s rights, youth and children. There is only one network each for agriculture, pastoralism and education. None yet exists for health⁸.

⁴ This section is based on the following reports; *Civil Society in Tanzania*, Christian Michelsen Institute, *The local Government Reform Process in Tanzania*, Baker et al, *Where to now?* Care and Action Aid International and *CSOs Annual Forum and Exhibition 2006*, Kiambo

⁵ *Civil Society in Tanzania*, Christian Michelsen Institute, S. Lange et al, R 2000:6

⁶ *The Deepening Democracy programme in Tanzania*, UNDP

⁷ <http://www.tanzaniagateway.org/civilsociety/>

⁸ *Where to now? Implications of changing relations between DFID, recipient governments and NGOs in Malawi, Tanzania and Uganda*, Care and Action aid International, 2006

2.3 *The Paris Agenda and the consequences for civil society*

The new aid architecture

At the beginning of the new millennium, international development cooperation entered a new phase in which political will, national ownership, partnership, result based management and mutual accountability were placed at the centre. The new trend is to provide budget support specifically for national poverty reduction strategies, developed through broad consultative processes led by national governments. In the Paris Declaration for Aid Effectiveness (2005), the international community agreed that development partners needed to align themselves with national government priorities, systems and processes. They should also coordinate missions, analytical work and dialogue in order to have better control over their development processes and to reduce overheads.

A strengthened accountability role for civil society⁹

The new aid perspective suggests that poverty reduction strategies should be owned by the nation not by government alone. Involving civil society in setting priorities in the poverty strategies has opened up space for policy dialogue with various stakeholders. The current belief is that there is probably more chance of reaching poverty reduction goals if CSOs are engaged in the agenda-setting process.

Both development partners and governments need to prioritise the issues of governance and accountability using a fresh approach. Governments need to be accountable to their own citizens, rather than to the development partners. Ideally, civil society becomes a watch-dog over budgetary and policy decisions while demanding democratic, participatory and transparent processes.

Many governments are not used to being challenged by their citizens, and their relationship with CSOs is often characterised by mistrust. This puts pressure on the CSOs to improve their own legitimacy, transparency and accountability towards the people they represent, but it also contributes to intrinsic democratisation.

Once budget support has increased, there is likely to be a gradual rise in government spending for the delivery of various public services. In theory, instead of development partners funding CSOs to implement social services, funds are directed to government, which in turn will enter into agreements with civil society, making use of local capacity. In this way, there will be increased opportunities for CSOs to enter into subcontracting agreements with the government. However, district CSOs that have traditionally provided services to poor and excluded communities might not access the same level of support.

The new aid architecture therefore presents the following possibilities for CSOs.

1. To engage in policy dialogue, agenda setting and monitoring.

⁹ This section is based on the following reports: *After the Paris Declaration*, Sjöblom, *Where to Now? Care and Action Aid*, *Strengthening Demand Side Accountability*, DFID, *Aid Harmonisation; Challenges for Civil Society*, INTRAC, *The Implications for Northern NGOs of Adopting Rights-based Approaches*, INTRAC

2. To mobilise and empower citizens regarding their rights and demands on the government and local authorities.
3. To enter into contracts with government in various government-funded programmes as service providers.
4. To engage in high-level discussions about how civil society can coordinate, network and be involved in strengthening its positions and legitimacy.
5. To choose alternative development strategies, not linked to the new aid architecture.

A possible dilemma

The idea of placing CSOs in a new strategic role, suggested principally by the development partners, may provoke potential conflict. Governments are more inclined to want CSOs to take more minor roles, subcontracting delivery of services. Governments in many countries are beginning to acknowledge that accountability is an advantage and are extending grants to various associations and civil society organisations as they become aware that it is in their interests to do so. They are realising that an effective and accountable civil society can be an asset rather than a threat. At the same time, CSOs will need to come to terms with this possible contradictory position: criticising government combined with an increasing financial dependency on that same government.

3. Challenges and needs of policy engagement¹⁰

Changed funding patterns

Research in Tanzania shows that, while the level of financial support for CSOs has not decreased overall, the way in which funds are given has changed. In the past, CSOs could only access funds via international non-government organisations (INGOs). Now there are more direct funding opportunities available, but there is a shift towards promoting domestic accountability as many development partners are less willing to fund pure service delivery CSOs.

This has implications for local CSOs whose existence was to maintain essential services for poor and excluded communities. Civil society is concerned that development partners will not continue to fund social service delivery. It is therefore important to ensure that financial opportunities for these CSOs, such as development partner and government contracts (monitored by development partners), remain available.

Participation of CSOs in policy dialogue

Tanzania is one of the forerunners in implementing the new aid architecture, and its Mkukuta national poverty reduction strategy is regarded as comparatively strong by

¹⁰ This section is based on the following reports: *Where to Now?* Care and Action Aid, 2006. *Building the capacity of civil society organisations for evidenced-based advocacy and policy influencing in Tanzania*, J. Makongo, 2006, *Making advocacy Work: Funding for effective social change*, G. Mugizi and *The Deepening Democracy programme in Tanzania*, UNDP

international standards¹¹. Even if the ability of Tanzanian citizens to hold elected officials to account is still limited, the process of formulating policy has been broadened with the establishment of the Mkukuta. All major development partners are in a process of coordinating both their support to and their relationships with the Tanzanian Government according to the Joint Assistance Strategy (JAST). Many development partners are gradually transforming project to budget support, now considered the preferred aid modality.

The Tanzanian Government has created entry points for CSOs to engage in policy across the board, from wards to the national level. There are two main opportunities for the Tanzanian civil society to participate in the processes related to the Mkukuta. The first is as members of the technical groups for monitoring implementation, while the second involves the budget monitoring process through the public expenditure reviews and the sector working groups. According to a study conducted by Action Aid, people feel that they have managed to influence the government's positions through these processes at the national level with varying degrees of success, but not at the local level. Nor have they been invited to have a say in the allocation of resources or spending limits.

There are several reasons for this: it appears that government continues to mistrust CSOs, not always understanding their roles. Government often seem to have limited appreciation of democratic values, especially at lower administrative levels. On the other hand the reality is that CSOs have only a limited capacity to be effectively involved. Many CSOs express concern that although government has changed its attitude towards the private sector as a partner in development, it has not changed its attitude towards civil society. Generally, CSOs are still, to a large extent, excluded from policy dialogue and debate with government or development partners.

Government on the other hand, accuses CSOs of failing to present concrete evidence when they voice concerns. It also claims that they are not accountable and transparent towards their constituencies. A Code of Conduct¹² is emerging within the civil society in response to these criticisms.

Weak capacity

Is it right then, to put the blame solely on government? When space to consider policy has been created and the doors are opened, are CSOs ready to come in? Both advocacy and watch-dog roles are new for civil society and CSOs are gradually becoming involved. The CSOs voice several concerns regarding their own capacities.¹³

- Most lack adequate expertise and skill in matters of substance: how to do research and analytical work for developing a policy/advocacy agenda, how to do advocacy work, i.e. poverty impact monitoring and budget tracking.

¹¹ *Swedish strategy for development cooperation with Tanzania 2006 – 2010*, Sida

¹² Codes of Conduct for ethical behaviour have recently been developed by both the Policy Forum and the Foundation of Civil Society.

¹³ *Building the capacity of civil society organisations for evidence-based advocacy and policy influencing in Tanzania*, J. Makongo, 2006 and *Making advocacy Work: Funding for effective social change*, G. Mugizi

Likewise, many CSOs have limited capacity for strategic planning, general management skills and systems.

- CSOs need to build coalitions and networks so that they can speak with one voice and with more legitimacy. There are still few CSOs that can be constructively involved in policy at the national level. Smaller, often rural organisations are not clear about their roles in the coalitions while the lead organisations lack capacity to communicate back to their constituencies.
- CSOs lack adequate resources (financial, physical and human), for effective day to day functioning and are, and will continue to be, dependent on external financial support. CSOs need to change their strategies and programmes to accommodate the funding opportunities available, applying for different project funding to sustain their organisations. Their main resource is competent staff. However, their unstable financial situation means that these people are often absorbed by INGOs and development partners, leaving CSOs constantly understaffed.
- Many CSOs lack the ICT capacity to access information on government policies and have insufficient hardware, software or networks for dissemination. Opportunities will often be missed if access to information is delayed and deadlines for comment or reaction not reached.

Inadequate support for capacity development

CSOs find that development partners' efforts to support their capacity development are fragmented and supply-driven. Many workshops are offered by development partners in various subjects considered useful for CSOs. Follow-up activities to support them to learn new skills are not normally provided and the focus is often on capacity development of individuals rather than their organisations. The particular needs of a CSO are not often the starting point for the support provided. There is also a tendency for the development partners to pay more attention to structures and systems than to the actual results of their work.

Few capacity development organisations extend beyond Dar es Salaam, leaving outreach mainly to international NGOs further afield. National intermediary organisations like the Foundation for Civil Society and other coalitions and networks have developed into important capacity development organisations, but they are still few and limited in scope. More are needed specifically at regional level.

Insufficient transparency

There is a perception that development partners' intentions, objectives and conditions towards civil society are not always transparent, and there is a lack of coordination and sharing of information among development partners and with CSOs. An increase in transparency in these areas is likely to promote beneficial development. Establishing a Code of Conduct has already shown civil society's willingness to take responsibility for its own positive development, creating peer pressure for more transparency, accountability and good management throughout the CSO community.

Inadequate funding conditions

Few development partners provide funding for developing institutional capacity or covering overheads, giving mainly for project implementation. Financial support is often short-term, unpredictable, and given with rigid conditions attached, making it difficult for organisations to be sustainable. In order to maintain staff, CSOs are obliged to start projects in areas where funding opportunities exist, reducing their sense of ownership and making it difficult to adhere to their strategies.

Project funding has been the preferred method of support given by development partners because of its simplicity. Funding tends to be provided only for specific activities within a particular project and does not contribute to the organisation's work as a whole. Reporting requirements are restricted to project activities.

Both governments and CSOs are required to report to development partners in order to receive project funding. Normal channels of communication are not used (reporting to development partners instead of the constituency), CSOs' own control mechanisms are bypassed, and internal accountability is complicated. In addition, if project support is applied only to a small part of a project and governance issues are overlooked, the donor has an excuse not to understand the organisation as a whole.

CSOs working in advocacy and engaging with policy operate in a constantly changing environment, and their ability to analyse and constantly see implications is crucial. They have emphasised the need to allow more flexibility to adjust activities provided they are keeping within their long-term strategy and learning from their experiences.

4. Challenges and needs of development partners

New reasons for support to advocacy work

Development partners have, until recently, focused only on *supply* side reforms, such as the Public Finance Management Reform, Public Service Reform, Local Government Reform, Legal Sector Reform and other sector reforms. These are all based on building a more effective state and have taken place with little attention to government accountability.¹⁴

Many development partners in Tanzania believe that the government is not reforming fast enough. However, if civil society continues to demand reforms, the situation should improve. If poverty reduction and democratisation in Tanzania are to be successful, the role of civil society needs to be strengthened. As this happens, civil society will begin to influence government policy, budget decisions and legislation.

CSOs which continue to embrace the rights-based approach to development will increase public engagement in policy formulation and improving good governance. This is a logical consequence for many development NGOs. Their emphasis is changing from simply delivering social services to working for social and political transformation through an increasingly empowered civil society.¹⁵ Development

¹⁴ DFID's Accountability Strategy

¹⁵ *The implications for northern NGOs of Adopting Rights-based approaches*, INTRAC, Occasional working papers Series no: 41, 2005

partners have also realised that to reduce poverty successfully requires the active engagement of the citizenship. Results in the public sector will improve as civic engagement grows in confidence. Both the government and the development partners therefore *need* the CSOs to mature and become more actively engaged.

In the past, the relationship between development partners and government has been regarded as more important than that with the more marginalised civil society. The latter has therefore not been given priority in terms of human resources or capacity. In future, the relationships need to be given equal importance in the fight for poverty reduction. The following roles of civil society are considered particularly important and should be both encouraged and strengthened.

1. Critical monitoring of the state's obligations and commitments.
2. Influencing the national development agenda and budget decisions.
3. Empowering citizens and organisations to use their democratic rights and responsibilities.
4. Providing a source of independent information for the public.

These roles need evidence-based research and validated information about the situation of ordinary citizens all over Tanzania. Development partners therefore also see their relationship with civil society as a conduit to maintain contact with citizens with whom they might otherwise risk losing touch.

Civil society - not a sector of its own

Civil society should not be seen and treated as a sector on its own but as a parallel system of organisations involved in various sectors. Supporting civil society should therefore be integrated into all sectors and thematic areas in which they receive support from or are monitored by development partners.

With such an approach, development partners would have a coherent strategy for their support to government *and* to civil society based on comparative advantage. If all development partners assume a similar strategy, they would create a web of support from which all can benefit. Their support should preferably be managed by programme officers with thematic competence rather than by one officer appointed to cover all civil society related issues. In order to manage this exercise, adequate resources (human, time and financial), will be needed at the Development partners' offices.

Unclear objectives

Development partners need to be clearer about their various expectations of civil society and about the objectives of the support they give. For example, is the intention to support service delivery, to strengthen the structure of civil society organisations, to develop advocacy skills and capacity? Is it perhaps to help CSOs play the expected role of strengthening domestic accountability in a longer perspective? Each development partner needs to identify its comparative advantage in supporting civil society, and be clear about the support it gives to the government.

Little exchange of and access to information

Development partners currently in Tanzania do not always share information or coordinate effectively with other development partners about the support they give to civil society. They have several different methods of funding operated either from the head office or country office in Tanzania. This can result in a lack of information about which national CSOs are supported and how the process is managed, as well as wasteful overlapping. It is possible that one development partner does not know what the other is doing, while CSOs do not know or fail to understand why some organisations are supported while others are rejected.

In the spirit of the Paris Agenda, increased coordination among development partners is essential in order to increase efficiency. Since the new focus is on accountability and transparency, support given to civil society by development partners must be equally transparent. Sharing information about funding will be a positive contribution to this end, and will encourage CSOs to develop their own organisational capacity. Overall, this strategy should boost healthy democratic development.

Civil society support is not commonly discussed amongst development partners, so there is a need to identify a suitable, regular forum in which they can share ideas and concerns about efforts to strengthen demand side accountability.

Potentially important CSOs lack institutional capacity

Traditionally, CSOs have been particularly successful at reaching out from the centres to regional and district levels to deliver social services. Can they use the same strategy to mobilise the people and to help increase domestic accountability? In general, the institutional capacity of CSOs is weak. How can weaker and rural based CSOs be supported to become active in advocacy work and engage in policy processes? The development partners are under pressure to reduce costs and are not therefore in a position to provide such support directly, while head offices are demanding increased disbursement with less administration.

Some development partners have suggested silent partnerships and a single mechanism to provide support. CSOs are not keen, fearing a curb on diversity, dialogue and innovation. Nevertheless silent partnerships could be a way of lessening the burden in basket funding arrangements. Alternatively, intermediary organisations could be considered. Increasingly, national NGOs foundations and coalitions are being expected to assume such roles, while INGOs are also being challenged to demonstrate their added value.

Short sighted and uncoordinated support

Advocacy is a complicated, long-term activity, as is addressing governance issues and influencing policy.¹⁶ Traditional preference for short-term, activity-based funding is therefore an increasingly inappropriate response. Placing CSOs at the centre and assessing how they, the development partners can adjust to their needs is likely to be more beneficial. Many CSOs are using a considerable part of their time today

¹⁶ E.g. DFID's governance and transparency fund recommends funding periods extending up to five years and not less than three.

discussing and reporting their work with their different development partners according to different formats and conditions. This both drains capacity from the actual work in hand and opens up the possibility of creative accounting and double funding. It is therefore recommended that development partners agree joint systems and procedures for the many tasks involved, and co-ordinate with each other to reduce overheads.

Increasing demands for efficiency

While the gradual transfer to budget support is taking place, can a new approach be devised to manage a portfolio of CSOs, while limiting the cost to each development partner? One possibility might be to increase long-term strategic funding using intermediate organisations.

Lack of know-how to measure impact

Development partners appreciate the importance of civil society's ability to demand accountability from their government, but how can its impact be measured? What are appropriate indicators for domestic accountability? What changes can be expected in government behaviour, what evidence should be sought, and how long should they allow for change to take place? Objectives and indicators need to be identified and used. There has been very limited research in this area, but¹⁷ unless a definite strategy is employed, development partners will find it difficult to have a valuable dialogue on the subject of domestic accountability.

State of government

Development partners are ready to use coherent strategies to promote demand and supply side accountability. However, is government ready to respond? Are officials at different levels finding it difficult to understand and appreciate activism in civil society and its watch-dog role? Involved stakeholders need to address these questions in their discussions, and try to help civil servants appreciate the contribution and voice of civil society, of an independent media and a stronger parliament.

5. Development partners' strategies

5.1 Aid methods

Development partners in Tanzania use different methods to support civil society.

- Embassy funds that local CSOs can apply for which provide direct short-term support.
- Strategic partnerships with a few selected CSOs. Direct financial and technical support can be provided mainly by bilateral development partners in long-term funding arrangements.

¹⁷ *The implications for northern NGOs of Adopting Rights-based approaches*, INTRAC, Occasional working papers Series no: 41, 2005

- Support for capacity building from international NGOs (INGOs), UN agencies, specialist NGOs, national networks and coalitions and the Foundation for Civil Society¹⁸. Specific projects to be handled by management or government agents.
- Financial support mainly provided through international NGOs (INGOs), working in partnership with local CSOs. This can be given as project support *or* core funding, according to the preference of and conditions in head offices. A few national intermediaries are already used, such as the Foundation for Civil Society and one or two national networks and coalitions that have taken a forward funding role towards their members. Multi-donor trust funds managed by private companies may be another short-term solution.

INGOs

International NGOs have been an important channel of support to CSOs for many years, acting as intermediaries for development partners. Different types of northern NGOs such as faith based and human rights organisations or solidarity movements, support sister organisations. They use their own experiences from their development processes as a source for capacity exchange and added value. Development INGOs that come from a tradition of charity organisations often have a sizeable capacity for mobilising poor communities and vulnerable groups as well as supporting smaller, weaker and more rural based CSOs.

The INGOs play the role of both partner and donor - a potentially difficult position due to the powers invested in the latter. They can have great freedom from development partners, with substantial budgets in long-term funding arrangements to suit the diverse character of civil society. There is however, a growing concern among national NGOs that the INGOs are competing unfairly for resources, and may undermine the growth of an independent civil society.¹⁹

The work of INGOs is little known to development partners in Tanzania, especially in terms of their overall contribution, approaches, and outreach, as there are few mechanisms for sharing this information. Development partners have shown an interest in understanding better if and how the INGOs complement their strategies, and what value they are adding, apart from funding local organisations. INGOs are therefore encouraged to be more transparent in line with the general strategy of civil society support in Tanzania.

The work and contribution of INGOs needs to be an integral part of the overall picture of support to civil society, and therefore seen in the same light as support given by development partners. This is particularly important in the current culture which demands transparency and coordination. The principles of the Paris Agenda should also be followed.

¹⁸ The Foundation for Civil Society was created by development partners as a national mechanism for managing local funds to CSOs and capacity development.

¹⁹ *Working Paper 259*, ODI

The need for more national intermediary organisations

There are a handful of capacity building institutions and projects in Tanzania. Most provide training, and organise various courses and workshops, the scope of which, together with other services offered, is fairly limited. In order to meet the specific needs of CSOs these courses and services need to be broadened by, for example, facilitating strategic planning, using local consultants.

Few national organisations, apart from the Foundation for Civil Society, provide financial support to smaller organisations. One strategy currently being tested is to support networks and coalitions which bring together organisations in a particular sector, or over a particular issue or region, and which provide both capacity building and re-granting.

Embassy funds

A common method for providing direct support to CSOs is the so called embassy fund. This usually consists of an annual sum for which CSOs can apply for short-term project funding. They are seldom integrated into the embassies' country strategy, and criteria for funding are not always transparent - indeed they can be used for promoting the embassies' own profile in the country. Such lack of transparency does not meet the needs of CSOs for long-term, predictable funding. There has rarely been a regular dialogue, time or resources built into the relationship between the development partner and the CSOs, a position which is no longer tenable.

Multi-donor trust funds

There are some examples of multi-donor trust funds in Tanzania in which development partners pool resources into a joint fund and contract a private company as a managing agent. The main concern with this method of support is that, although it might roll out funds efficiently, its lifespan is too limited to strengthen civil society longer term. National ownership of such funds is very weak.

5.2 Strategies

Two main strategies are used by development partners to support civil society.

1. Support *through* civil society

In this approach the development partners are focused on the actual work of CSOs, for instance, monitoring and advocacy work ensuring that the state delivers services promised to its citizens, and the effects of that work. Development partners usually support CSOs involved in areas/sectors of operations that correspond with their support to government and their monitoring.

2. Support *to* civil society

The objective of this strategy is to promote the development of a strong, diversified and dynamic civil society, considered intrinsically good for the country. CSO capacity development is the main focus of this approach, e.g. organisational development of internal systems, structures and routines, improved financial management, leadership, methods and skills development. Some development partners have also supported initiatives that strengthen coordination and/or apex

structures of civil society, including networks and the setting up of the Foundation for Civil Society²⁰.

Coordination yes, harmonisation no

The idea of setting up a single mechanism through which to channel all support to civil society, managed by one coordinating NGO body, has been discussed in Tanzania. However, it was finally decided that this is neither desirable nor practical. Capacity development, financial support and dialogue are all needed to varied degrees by CSOs working for real outcomes through policy work. Different CSOs must therefore have different funding opportunities, in order to search for suitable partners.

6. Good capacity development

There has been a widespread, vivid discussion on capacity development for a number of years. Different development agencies define capacity in different ways.

However there are some basic principles that are accepted by the majority.

- Capacity development is about *enhancing learning* rather than transferring knowledge, and puts a great emphasis on ownership.
- The starting point for capacity development is building on what already exists.
- Good capacity development aims at sustainable learning and accepts that there are no blueprint solutions. Each capacity development initiative must be seen in its own context and specifically designed for individual needs.

Requirements for support - CSO capacity development.

- Any initiative must be based on an analysis of the present situation. People working in the organisation need to be involved. They are responsible for their own change and must therefore express their own needs. The capacity development must be demand driven.
- The objectives and methods will and should vary depending on which level, individual, organisational or enabling environment is addressed.

Quality capacity development is not about sending in technical assistance, it is about *unleashing* the potential capacity that already exists.

7. The strategic partnership

The development partners are encouraged to enter into long-term relationships with capable national CSOs (including coalitions), that will help the implementation of the poverty reduction strategy in particular and the development of Tanzania in general. In a strategic partnership, development partners and CSOs aim to improve their communications with Government about policy issues, and to allocate public resources while increasing domestic accountability²¹. Potential CSOs have to have sufficient

²⁰ A national organisation providing grants to CSOs.

²¹ *DFIDs policy on Strategic Grant Agreements, 2005*

capacity to handle such a relationship *and* to deliver effective advocacy work. Before support is given, the organisational capacity of each CSO needs to be assessed. The relationship should not be seen as merely financial.

The strategic relationship between a CSO and its development partners should be characterised by its long-term nature (preferably five years), and by open and continuous dialogue and information sharing. There should also be trust and transparency, a shared common objective to keep the focus on the agreed strategy. Finally, there should be a shared willingness to learn from past successes and failures.

The new aid architecture aims to make development assistance more effective. It has been developed for governments and development partners, but similar principles can also be applied to CSOs. The two key concepts in such a partnership should be an agreement based on the CSO's own strategic plan, and budget support/core funding provided by development partners for its implementation. In a strategic partnership the CSO is responsible for making its own decisions, implementing its programmes and making investments as long as it follows the strategic plan. This arrangement meets the requests of the CSOs for holistic, flexible and predictable long-term financial support.

7.1 The strategic plan

CSOs should be given help to develop a long-term, high quality plan (unless they already have one), before entering into a core funding arrangement.

The development partners (or group of partners in a basket funding arrangement) should agree that the strategic plan and budget of the organisation in question are the basic steering documents for its work, as well as for their support. Then the narrative and financial reporting requirements should be contained in these two key documents. One common report should be drafted for all supporting partners as well as the public. A regular dialogue between development partners and CSOs is part of the strategic plan and is designed to prevent any major problems arising.

7.2 Core funding

Development partners should aim towards predictable, long-term core funding when CSOs are considered sufficiently mature to manage it. Providing support through core funding respects an organisation's independence and capacity to develop a holistic work program deciding its own priorities without being pushed into projects favoured by development partners. The core funding mechanism helps CSOs to stay focused and make their own long-term strategic plan.

Strengthening internal governance

Core funding respects the constituencies/beneficiaries' rights to set the priorities for the organisation and likewise their obligations to follow them up. Its board of directors assumes responsibility for putting the priorities into operation and for reporting back to their constituencies/beneficiaries. Entering a core funding agreement therefore strengthens the internal accountability or governance system of CSOs.

There is only one budget. All funds are accounted for and reported in the same transparent system. Development partners must have a close relationship with CSOs and need to be aware of the strengths and weaknesses in the organisation before entering a funding agreement.

There are many advantages of core over project funding including the ‘anti-corruption’ element. In project support the organisation is required to distribute its overheads around various projects. This is an artificial splitting of costs leaving the auditor unable to verify that a financial report is correct as items can be moved between different project budgets in financial reports. In the case of project support, neither the constituency, the Board, nor development partners have an overall picture of how funds and various reporting systems and time-frames are applied to the entire operations of a particular organisation.

Finally, core funding allows a CSO to be sustainable as all realistic overheads are included in the single strategic budget. This creates job security for the staff and stability for CSOs to develop capacity and focus on achieving objectives. It also allows them to undertake any investments considered necessary, for example in ICT.

Core funding can include social service delivery

Many CSOs with a background in social service delivery are starting to use the experience and knowledge they have gained to engage in advocacy work in the same field. It is therefore common that an organisation may be involved in both. Core funding for such a CSO will include supporting its service delivery work, since holistic funding is given according to the priorities of the organisation. In this case, development partners need to assess the extent and involvement of advocacy work and policy engagement.

7.3 Organisational assessment

A strategic partnership with core funding requires that the organisations have a minimum level of internal management, financial and governance systems in place to take on the responsibility, as well as sufficient capacity to deliver results. Any weak area will be identified and needs to be strengthened. One joint assessment should be made if development partners are negotiating a basket funding arrangement. It is important that the CSO is involved in the selection of a consultant and in designing the assessment, which should also serve as a basis to plan for further capacity development of the CSO. The assessment should be based on set criteria.

7.4 Alignment with the CSO's own systems

To recap: a CSO must be able to act independently of its development partner and create its own strategic plan. Disbursements should be made based on the CSOs’ annual budget, which is linked to the strategic plan. Each organisation should prepare annual narrative and financial reports detailing progress with reference to the strategic and operational plans. One annual review meeting should be convened for all development partners.

The CSO should have their annual statements audited by an authorised external auditor. In addition, the CSO needs to commission the auditor to undertake an audit of internal governance structures and systems.

8. The tripartite relation

Civil society is expected to play a strategic role in monitoring domestic accountability. Development partners need to be cautious not to undermine civil society's legitimacy in the eyes of the government. "*Who do you represent? For whom are you doing the work?*" CSOs' answers to these questions can and should only be "*for the citizens and the benefit of the democratic process in the country.*" CSOs should never be seen as contractors working on behalf of the development partners.

The development partners may find themselves in a delicate position between the government and CSOs. It is crucial to handle this tripartite relationship with caution. Ensuring that good debate and budget monitoring is promoted consistently in all relevant spheres is a primary objective of supporting both demand and supply side accountability. The development partners should *not* become a channel of communication between the government and civil society, but they should sustain a qualified dialogue with both sides. Interest in access to alternative analysis, which development partners might use in discussions with government, needs to be treated with care in order not to undermine the position and legitimacy of the CSOs.

There will inevitably be clashes between government and CSOs but it is neither the role nor the responsibility of development partners to champion an organisation or step in on its behalf. They may want to raise issues of, for instance, freedom of expression at a higher level if relevant at the time, but it is crucial that CSOs retain their independence in the eyes of both the government and their constituencies.

Ideally, the number of occasions on which government and civil society meet and engage directly with one another will gradually increase, and the relationship between the two will become mutually supportive.

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