

Mechanism to Enhance Donor Effectiveness in the Area of Civil Society Development in the New Member States of the European Union, Western Balkans, the Commonwealth of Independent States and Turkey

CONCEPT NOTE

Background

The current decade marks a new paradigm in the development process in which citizens are not only beneficiaries of socio-economic development but also active actors in moving Development forward. The growing citizen participation in development is driven by internal pressures for good governance, the recognition of civil society organisations (CSOs) as viable agents in delivering social services and strengthening public sector institutions, and by technological advances that facilitate knowledge sharing and networking.

For the countries of Eastern, Central and Southeast Europe, Turkey and the countries of the Former Soviet Union, the new development paradigm poses both opportunities and challenges. The recent political changes in Georgia and Ukraine, as well as pro-democracy movements in the Kyrgyz Republic and Azerbaijan, are testimony to the ongoing process of democratisation and citizens' empowerment taking hold in the region. Along with impressive economic growth, the region is witnessing a polarisation in living standards. Many parts of the region suffer from high poverty rates, social exclusion and uneven access to the social safety net. Intolerance and xenophobia, ethnic tensions, sub-regional territorial disputes, human rights violations and the suppression of independent media, while increasingly exposed, remain fundamental challenges facing the region. There is also a wide variation in the effectiveness of national and local democratic institutions and in the enabling environment for civic society expansion. Public apathy and lack of trust in civic initiatives, weak civic participation, lack of corporate governance, and an inefficient and corrupt public sector remain issues of significant concern in many countries.

In May 2004, together with Cyprus and Malta, eight countries of Central and Eastern Europe joined the European Union. Their governments are committed to economic and political collaboration with their Eastern and Southern neighbours. It is critical that these governments - in tandem with the international donor community - support the creation of adequate civic space for collaboration and partnership among CSOs in the EU and their Eastern and Southern Neighbours in the ECA region.

Donor response

Recognising the growing role of civil society in the development agenda, the donor community has increasingly shifted its aid modalities towards more active support for CSOs and the development of civil society in general. Both the bilateral and multilateral intergovernmental donor agencies have engaged in programs that directly support CSOs or help create the enabling environment needed for the development of the CSO sector in the region.

Over the recent years, private international foundations have been channelling significant resources into the region, effectively supporting the development of democratic institutions and local community activism. Moreover, the region increasingly benefits from the emergence of successful partnerships between CSOs and local governments. In fact, in many countries of Central Europe, local governments have become the largest source of CSO financing.

In April 2004, a number of donor organisations attended a roundtable discussion on coordination of work and current trends in civil society development. The meeting, jointly convened by the UNDP and the World Bank and hosted by the European Commission and the King Baudouin Foundation in Brussels, was an important step in bringing together donor agencies and recognising their respective comparative advantages in supporting civic initiatives and strengthening social capital across the region.

In the summer 2005, a group of region-based CSOs, together with a number of foundations and international donor organisations supporting the region's civil society development, convened an international Forum on the theme of "Sustainability of the CSO Sector in Post-accession Central and Eastern Europe, and its Southern and Eastern Neighbours". The meeting took place in Bratislava, and brought together 250 CSOs from all countries of the region as well as donor agencies, both official and private, supporting civil society development across the region.

During the 3-day event in Bratislava, co-financed by 13 private foundations and public sector donors, the discussion centered on five key areas in which the donors' support for CSOs sustainability (see Appendix 1 for detailed description) is relevant:

- CSO legal framework,
- Public advocacy, policy dialogue and governance,
- Delivery of social services and creation of social capital,
- CSO financial sustainability, and
- CSO capacity building, knowledge sharing and networking.

Donor exchange, "light" coordination & information mechanism

The donor agencies present at the Bratislava Forum expressed an interest in strengthening their information sharing and country-level collaboration in the area of civil society development in the region. In mid-2005, the European Commission pledged initial resources, as core funding, for a 3-year multi-donor information exchange mechanism

and light coordination process to strengthen CSO sustainability across the region. In October 2005, a second roundtable meeting was held during which the representatives of private foundations, multilateral and bilateral donors as well as region-based think-tanks, apart from the substantive discussions on the role of CSOs in public advocacy and policy dialogue, continued earlier discussions on the mechanism and its implementation. At the meeting, consensus emerged on the need to launch a “*donor exchange, coordination & information mechanism*” (DECIM), to enhance the effectiveness of the concerned agencies in attaining their goals in the area of civil society development. This initiative is to be seen against the background of the Paris Declaration on Aid effectiveness adopted on 2nd of March 2005.

DECIM is a process (*not a structure*) aiming at including the CSO sustainability dimension in the donors’ programmes. It informally associates, on a voluntary basis, private and public actors who hold financial resources, and/or expertise and analytical capacity, and actively support the development of civil society in the region, by working with civil society organisations and/or public sector entities that have an impact on civic space. The participants explain and seek support for DECIM in their own organisations in order to shore up the necessary understanding for this initiative and establish it as best practice in the light of the Paris Declaration.

Objectives

The purpose of the above outlined process is fourfold:

- To share information on operational programs of the respective DECIM participants;
- To identify synergies and joint initiatives at country and sub regional level involving other actors of development including such partners as described above;
- To engage other agencies and development partners in policy discussion on civil society development across the region; and
- To embark on and support joint initiatives to accelerate civil society development where opportunities arise.

DECIM specifically does not envisage the creation of any institutional structures, nor incurring any structural overhead costs. The participation in its work is voluntary and driven by the operational needs of the respective partners. However, the agencies that wish to be associated with this initiative will be expected to systematically:

- share information on their work in the areas related to civil society development in the region,
- actively seek potential synergies by joining other donors in implementing joint initiatives,
- take into account the complementarities of the respective actors’ comparative advantages, while planning their own work programmes,
- explain and seek support for DECIM within their own agencies and organisations in order to shore up the necessary understanding for this initiative and improve donor coordination – ultimately to be accepted as best practice in the light of the Paris Declaration.

Modus operandi

The activities supported by the platform will proceed along the five overarching themes mentioned above. In the initial phase, they will include (2007):

- Community of practice, exchange of information and ongoing (electronic) discussion in dedicated working groups;
- Preparation of background notes for a 3-year period (2007-2009) outlining desired steps or actions for each of the five themes that will serve as an operational matrix for donors' consideration and the development of joint initiatives;
- Enhanced collaboration among the respective agencies' civil society officers at the country level;
- Occasional sub-regional thematic seminars;
- Annual donor roundtables on support for civil society development in the region, held in conjunction with already planned events (e.g. annual Grantmakers East conference, WB/IMF Annual Meetings);
- At a later stage (2008-2009), depending on the level of interest, launching a donor fund to support CSO (active in public advocacy, policy dialogue and governance, or any theme of interest) capacity building in the region;
- Finally, in late 2009, under the auspices of the participating organisations, an international Government - CSO - Donor Forum will be convened to take stock and analyse the future of the region's civil society.

Benchmarking

While the functioning of the DECIM is envisaged as an informal process, it does have clear objectives and a distinct set of activities. In order to monitor the usefulness and effectiveness of this mechanism, two qualitative external evaluations are foreseen for the spring 2007 and fall 2009.

More information on:

- DECIM: Jeremy Nagoda (European Commission) and Jan Pakulski (World Bank)

Appendix 1:

Five dimensions of CSO sustainability:

- **Public advocacy, policy dialogue and governance:** the “empowerment agenda”: giving voice, making sure the voice is heard and followed, support for think-tanks and local level community-based organizations, empowerment, score cards for participatory budgeting, public participation in resource allocation decision, access to information, information disclosure, public consultation and participation, accountability of public sector institutions, donor agencies and CSOs, governance, corporate social responsibility
- **Delivery of social services and creation of social capital:** local governments-CSO contractual interface, regulatory framework, standards for social services, participatory monitoring and evaluation, social investment funds, micro-credit institutions, small grants programs, social economy and social enterprises
- **CSO legal framework:** revision of the existing legal macro framework, sector-related laws (e.g. water user associations, tenant associations) and their enforcement record, development of new laws, consultations, government commitment and capacity to implement, enforcement monitoring
- **CSO financial sustainability:** support for innovative models to monitor the financial sustainability of CSOs and their replication in other countries/sub sectors; tax designation laws, endowments, sinking funds, community foundations, social enterprises, public-private partnerships, corporate social responsibility
- **Capacity building, knowledge sharing and networking:** support for CSO networks and communities of practice, core funding for capacity building initiatives, global distance learning network.