

**EVALUATION
OF EC AID DELIVERY
THROUGH CIVIL SOCIETY ORGANISATIONS**

Final Report

Volume 1

Contract Number: EVA/116-833

Service Contract for the Evaluation (sectoral and thematic) of European Commission Programmes and Policies in Third Countries, relating to Social and Human Development issues.

December 2008

Evaluation for the European Commission



A consortium composed of PARTICIP, Cideal, Channel Research and South Research
c/o lead company PARTICIP:



Consultants for Development
& Environment

HQ:

Merzhauser Str. 183,
D 79102 Freiburg, Germany

Brussels Branch:

Avenue des Arts 50 (5th floor), B
1000 Brussels, Belgium



Centro de Investigación y Coopera-
ción al desarrollo

Madrid, Spain



Channel Research
Brussels, Belgium



South Research
Leuven, Belgium

Service Contract for the Evalua-
tion (sectoral and thematic) of
European Commission Pro-
grammes and Policies in Third
Countries, relating to Social and
Human Development issues.

Evaluation of EC aid delivery through Civil society organi- sations

With the collaboration of ECDPM

Project Supervisor is Susanne Wille of EuropeAid Co-operation Office, Evaluation Unit

Contract manager is Dr. René Madrid from PARTICIP GmbH

International Experts

Jean Bossuyt (Team leader)
René Madrid (Key expert)

Frédéric Ceuppens
Gwenaëlle Corre
Malika Hamri
Alisa Herrero Cangas
Claudius Leinberger
James Mackie
Katharina Madrid
Warren Olding
Zakaria Ould Amar
Anchoret Stevens
Jan Vanheukelom
Christopher Veit
Birgit Vleugels

National Experts

Aurélien Atidegla (Benin)
Kim Sreang Bouy (Cambodia)
Nino Khurtsidze (Georgia)
Pauline Nyamweya (Kenya/Somalia)
Eduardo Ballon Echeagaray (Peru)

The opinions expressed in this document represent the authors' points of view, which are not necessarily shared by the European Commission or by the authorities of the countries concerned

List of abbreviations

ACP	Africa, Caribbean and Pacific
ALA	Asia and Latin America
CBOs	Community Based Organisations
CfP	Calls for Proposals
CONCORD	European NGO Confederation for Relief and Development.
CRIS	Common Reporting Information System
CSE	Country Strategy Evaluation
CSOs	Civil Society Organisations
CSP	Country Strategy Paper
DAC	OECD Development Assistance Committee
DCI	Financing Instrument for Development Cooperation
DECIM	Donor Exchange Coordination and Information Mechanism
DFID	Department for International Development (UK)
DGs	Directorate Generals
DRC	Democratic Republic of Congo
DPRK	Democratic People's Republic of Korea
EC	European Commission
ECOWAS	Economic Community of West African States
EDF	European Development Fund
ECDPM	European Centre for Development Policy Management
ENPI	European Neighbourhood and Partnership Instrument
EIDHR	European Initiative for Democracy and Human Rights
EPA	Economic Partnership Agreement
EQ	Evaluation Question
EU	European Union
FBOs	Faith Based Organisations
GBS	General Budget Support
GJLOS	Governance, Justice, Law and Order Sector Reform Program.
INGOs	International Non Governmental Organisations
LA	Local Authorities
LRRD	Linking Relief, Rehabilitation and Development
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MEDA	Financial instrument for Euro-Mediterranean partnership
NGOs	Non Governmental Organisations
NAO	National Authorising Officer
NIP	National Indicative Programme
NSAs	Non State Actors
PADOR	Potential Application Data On-Line Registration Service
PATS	Programme d'Appui Transitionnel au Secteur de la Santé

PFM	Public Finance Management
PIU	Project Implementation Unit
PMU	Programme Management Unit
PRSP	Poverty Reduction Strategy Paper
QSG	Quality Support Group
RIP	Regional Indicative Programme
ROM	Results Oriented Monitoring
RSP	Regional Strategy Paper
SADC	Southern African Development Community
SPSP	Sector Policy Support Programme
SSR	Security Sector Reform
SURFs	Sub-Regional Resource Facilities
SWAP	Sector-Wide Approach Programme
TA	Technical Assistance
TACIS	EC Technical assistance to Eastern Europe and Central Asia
TORs	Terms of Reference
UEMOA	Union Economique et Monétaire Ouest Africaine
UNDP	United Nations Development Programme

TABLE OF CONTENTS

VOLUME 1: MAIN REPORT

EXECUTIVE SUMMARY	I
1. INTRODUCTION.....	1
1.1. Purpose of the Evaluation	1
1.2. Scope of the Evaluation and period covered	1
2. METHODOLOGICAL APPROACH	2
2.1. General approach.....	2
2.2. Limitations	2
3. SETTING THE SCENE: EC OBJECTIVES AND THE CSO CHANNEL.....	4
3.1. Brief historic overview.....	4
3.2. Fundamental shift in EC policies towards CSOs	5
3.3. The growing debate on channels of aid delivery	7
3.4. Looking at the civil society channel as a ‘living system’	8
4. ANSWERS TO THE EVALUATION QUESTIONS.....	9
4.1. EVALUATION QUESTION 1: To what extent and how has the EC defined the rationale for delivering aid through CSOs in different political, geographical and thematic contexts?.....	9
4.2. EVALUATION QUESTION 2: To what extent has the EC made clear choices at the programming level with regard to delivering aid through CSOs in country/regional strategy papers; in (post-) conflict situations/failed states/or difficult partnerships; as well as in sectoral and thematic priority areas of intervention?.....	13
4.3. EVALUATION QUESTION 3: To what extent and how has European Commission aid channeled through CSOs been <i>consistent with</i> stated policy objectives or programming choices <i>regarding CSO roles</i> (including <i>service delivery</i> in the context of poverty reduction strategies and <i>advocacy work</i>)?.....	19
4.4. EVALUATION QUESTION 4: To what extent and how has EC aid channeled through CSOs been consistent with stated policy objectives regarding <i>actors</i> to be supported as well as <i>approaches</i> and <i>instruments</i> to be used?.....	23
4.5. EVALUATION QUESTION 5: To what extent and how has European Commission aid delivered through CSOs been consistent with relevant new commitments related to the Paris Declaration on Aid Effectiveness, particularly with regard to capacity development of CSOs in the context of sector and budget support?.....	29
4.6. EVALUATION QUESTION 6: To what extent and how have European Commission strategies, programmes and projects, delivered through CSOs, contributed to achieving key EC/EU development objectives?	31

4.7. EVALUATION QUESTION 7: To what extent and how did European Commission strategies, programmes and projects, delivered through CSOs, provide an appropriate development response in (post-) conflict situations/fragile states/'difficult partnerships?	36
4.8. EVALUATION QUESTION 8: To what extent are the European Commission management systems (in terms of programming modalities; funding modalities and procedures; monitoring mechanisms) adapted to the needs of using CSOs as an aid delivery channel?	39
5. OVERALL ASSESSMENT, CONCLUSIONS AND LESSONS LEARNT	47
5.1. Overall assessment (all EQs combined)	47
5.2. Main conclusions	48
5.3. Key lessons learnt	54
6. RECOMMENDATIONS.....	55
6.1. OVERALL RECOMMENDATION	55
6.2. POLITICAL RECOMMENDATIONS	56
6.3. STRATEGIC AND OPERATIONAL RECOMMENDATIONS.....	60
6.4. PROCESS RECOMMENDATIONS.....	66

List of tables, figures and boxes

Tables

Table 1: Evolution of EC policies towards CSOs	5
--	---

Figures

Figure 1: The paradigm shift in EC approaches towards civil society	6
Figure 2: Legal bases and relevant EC policy documents/processes on CSOs	7

Boxes

Box 1: Four categories of CSPs.....	14
Box 2: Empowering CSOs to participate in sector and general budget support- Some emerging good practices.....	27
Box 3: Articulating state and non-state actors for sustainable service delivery: the experience of the EC in Bangladesh.....	33
Box 4: Limits of EC procedures in EIDHR – A reality check from Cambodia.....	34

VOLUME 2: ANNEXES

ANNEX I:	ToRs	6
ANNEX II:	Description of regional agreements	26
ANNEX III:	Various regional impact diagrams	30
ANNEX IV:	Description of budget lines	36
ANNEX V:	CSP analysis	77
ANNEX VI:	ROM analysis	126
ANNEX VII:	Questionnaire analysis	137
ANNEX VIII:	Mapping of financial flows	156
ANNEX IX:	Minutes of Focus Groups	241
ANNEX X:	Evaluation questions, judgement criteria and indicators	250
ANNEX XI:	Background Information on EC objectives and the CSO channel	269
ANNEX XII:	Detailed Recommendations	273
ANNEX XIII:	Selected bibliography	281
ANNEX XIV:	Consistency table: Findings → conclusions → recommendations	283

VOLUME 3: COUNTRY NOTES

Benin:		5
Cambodia:		98
Georgia:		161
Lebanon:		212
Peru:		276
Somalia:		349

EXECUTIVE SUMMARY

Purpose and methodology of the evaluation

The **purpose** of this evaluation, covering the period 2000-2006, is to provide the relevant external co-operation services of the European Commission (EC) and wider public with an independent evaluation of the EC aid channelled through civil society. The **specific objectives** of this forward looking evaluation are:

- to assess to what extent aid delivered through civil society organisations (CSOs) is in line with stated EC policy objectives;
- to assess where lies the added value of aid delivered through CSOs (in different geographical and political contexts);
- to assess the impact and sustainability of external co-operation through civil society;
- to provide lessons learnt and recommendations for the continued support of CSOs within the present context and relevant commitments (such as the European Consensus and the Paris Declaration).

From the outset, it was clear that the evaluation of aid delivery methods is a **new area of evaluation** which requires careful **adaptation of evaluation methods** as well as an exploration of other donors' experiences. The evaluative approach was further specified through **eight evaluation questions** and different methods of data collection, including a detailed statistical analysis of aid flows channelled through CSOs¹; a comprehensive desk study; the analysis of 33 questionnaires from EC delegations; a review of 22 CSP and 3 RSP; 6 field missions (which also included 6 case studies on specific issues related to the CSO channel); 2 focus groups as well as an analysis of the various instruments used to work with civil society. Several limitations were encountered in the process of executing this evaluation, reducing somewhat the scope of the enquiry². For the purpose of this evaluation, a broad and inclusive working definition of civil society was used.

Background to the evaluation

EC policies towards CSOs (and the related use of the CSO channel) are not made in a vacuum. They are shaped over time and influenced by various factors including (i) political motivations to work with civil society; (ii) successive development models (with their specific views on state-civil society relations); and (iii) shifting development cooperation approaches and modalities.

A **turning point** in EC approaches related to civil society was the adoption of **participatory development as a general cooperation principle** by the end of the 1990s (a trend also visible among other donor agencies). The Cotonou Agreement, signed in 2000, was the first major EC/EU policy document which legally enshrined **participation as a fundamental principle** of development cooperation for ACP countries.³ This meant that CSOs were no longer regarded as mere beneficiaries or

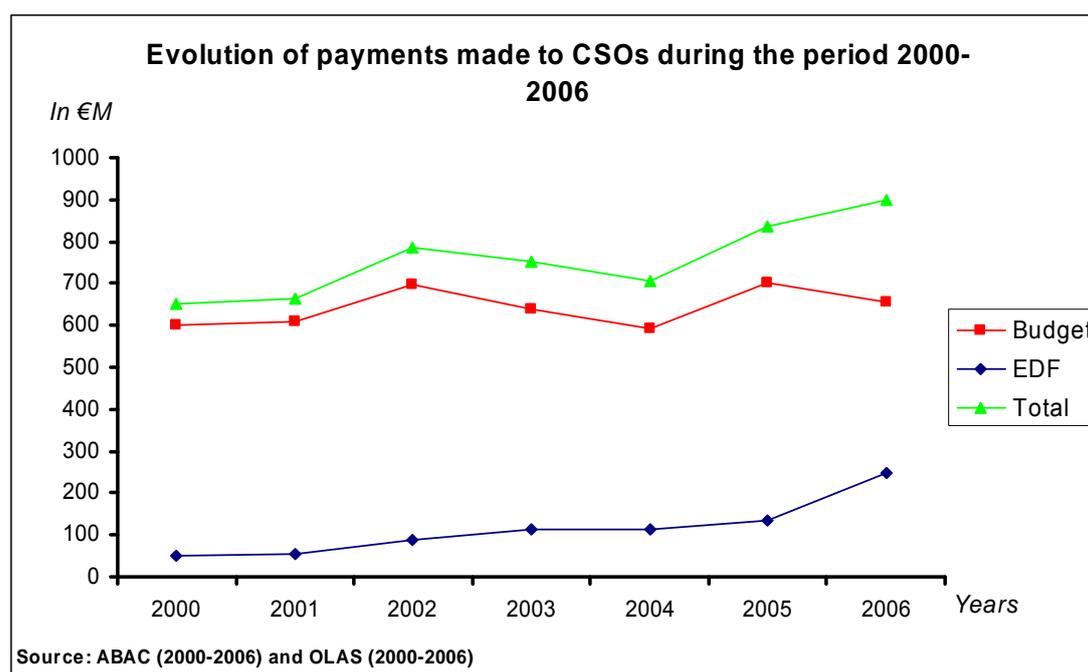
¹ The methodological underpinnings, results and limitations of the mapping of financial flows can be found in annex VIII, particularly section 1.2.

² Including: (i) major deficiencies in EC databases with regard to CSOs aid flows; (ii) limited institutional memory; (iii) the huge diversity of country contexts, reducing the scope for drawing general conclusions on the use of the CSO channel; (iv) the difficulty of assessing some of the DAC criteria (e.g. the efficiency criterion) and (v) limited focus on the capacity of CSOs as recipients of EC aid.

³ The participatory development policy approach was re-affirmed in the white book on European governance (2001); in the various regulations (ALA, MEDA, TACIS), in sectoral policy documents and more recently in the European Consensus on Development (2006).

implementing agencies of EC-funded projects (reflecting a primarily *instrumental approach* to civil society), but as key **actors** in the overall development process, with specific roles and added value (reflecting a *political approach* to civil society). This revised mandate towards CSOs amounted to a **paradigm shift in EC approaches towards civil society** with **major implications on ways and means to use the CSO channel**. The evaluation period (2000-2006) largely coincides with the formal adoption of the participatory development agenda by the EC. The **timing** seems therefore **appropriate** to focus on the way in which the EC uses the CSO channel in an increasingly politicised and multi-actor cooperation system, subjected to major changes such as new aid modalities (e.g. budget support) and the search for greater aid effectiveness (i.e. the Paris Declaration).

The overall statistical analysis carried out by the evaluation team shows **how important, also in quantitative terms, the cooperation through CSOs is**. The figures obtained need to be treated with caution because of major limitations with the EC databases. However, some broad trends can be observed. Over the period 2000-2006, the total amount channelled through Civil Society Organisations (CSOs) amounts to 5.3 billion €, and a clear increase of CSO channelling can be observed. In terms of geographic distribution of funds, the ACP region ranks first, followed by ALA-ASIA, MEDA, TACIS and ALA-LA. There is a trend towards increasing the use of geographic instruments for channelling aid through CSOs. All in all, 76% of total specified payments have been channelled through Northern CSOs and 24% through Southern CSOs. The Figure below shows the evolution of payments made to CSOs during the period 2000-2006.



Analysis of main findings and overall assessment

In order to assess how the EC delivers aid through the channel of the civil society, the Evaluation Team examined **four main aspects**:

- (i) the **potential added value and comparative advantage of CSOs** so as to understand the upstream choices made by the EC on the use of the CSO channel in policy documents and programming;

- (ii) the **coherence with EC policy objectives** with a view to assess the extent to which EC policy choices have been consistently translated into practice with regard to using the CSO channel;
- (iii) the **effects of aid delivery through CSOs**;
- (iv) the **management of the CSO channel** with a focus on the *internal capacity of the EC* to manage the CSO channel.

(i) Potential added value and comparative advantage:

The Evaluation Team found that the various EC regional, sectoral and thematic **policy documents** re-affirm the principle of participatory development and related operational requirement to involve CSOs as actors in cooperation processes. However, beyond general principles, the EC has **not yet proposed a clear vision on how it sees the added value of the civil society channel** in its policy documents (i.e. “when, why and how” to work with the various categories of CSOs⁴ in different contexts). The **programming process** of geographic and thematic instruments offers a major opportunity to specify the appropriate use of the CSO channel in any given context. Evidence collected for the period 2000-2006 suggests that during programming there was **limited strategic reflection and dialogue** with the various stakeholders on how best to use the CSO channel in a specific country or sector context. This has impacted negatively on the overall quality of programming and led to missed opportunities to support relevant civil society development dynamics and actors. However, the Evaluation Team could identify a number of (recent) good practices reflecting a shift towards a more strategic and participatory programming.

(ii) Consistency between EC policy objectives and actual use of CSO channel

A consistency check was carried out with regard to five critical dimensions of the CSO channel: (i) the dual role ascribed to CSOs in EC policy documents (service delivery and advocacy); (ii) the type of CSO actors to be supported (in the light of the EC commitment to reach out to a wide range of actors); (iii) the approaches used (projects, sectoral and macro approaches); (iv) the available instruments (geographic and thematic instruments) and (v) the adjustments made (or not) by the EC in response to recent policy changes (particularly the Paris Declaration on Aid Effectiveness and related shift towards budget support). In each of these five areas, the Evaluation Team found evidence of **positive developments**, reflecting EC efforts to use the CSO channel in line with stated policy objectives. Experimentation, learning and innovation are taking place in several EC Delegations, including with the use of CSO capacity development programmes (primarily in the ACP). However, the Evaluation Team also observed **major inconsistencies** in the use of the CSO channel such as: (i) the tendency to mainly use CSOs as contractors and sub-contractors; (ii) the EC’s limited ability to mobilise the potential of CSOs in governance-related processes and to assume the risks and responsibilities for it; (iii) the continuing predominance of European NGO and related under-utilisation of a wide range of local CSOs; (iv) the lack of complementarity between geographic and thematic instruments in support of CSOs; (v) the suboptimal use of the CSO potential in the new aid modalities and limited opportunities for CSOs to strategically participate in sector and macro-approaches; and (vi) the limited reflection given so far to the implications of the Paris Declaration on Aid Effectiveness for the CSO channel⁵.

⁴ Northern vs. Southern CSOs, NGOs, community based organisations, religious organisations, etc.

⁵ Though the Accra Conference (September 2008) has given a new impetus to address the issue at EC level.

(iii) Impact and sustainability of aid delivered through CSOs

The Evaluation Team considered the question of effects/outcomes/impact in **three areas**: (i) the delivery of social services to the poor; (ii) empowerment and participation in governance processes; (iii) local (economic and social) development. In each of these areas, evidence was found of **positive contributions** made by EC funded interventions through the CSO channel. Yet **major doubts exist on the systemic impact and sustainability** of supported CSO interventions in these various fields⁶. The Evaluation Team also examined the use of the CSO channel in (post-) conflict situations, fragile states and difficult partnerships. Ample evidence was found of successful CSO interventions in (post-) conflict situations, including positive influence on broader processes such as state reconstruction. Experience in difficult partnerships, however, suggests that using the CSO channel is challenging and risky. Questions arise about the capacity of the EC to protect space for CSOs (including advocacy organisations and human rights defenders) in hostile environments.

(iv) Management of the CSO channel

The EC still has to make important adjustments to its overall management systems and capacities in order to strategically use the CSO channel in line with stated policy objectives. The Evaluation Team noted several positive developments in terms of internal capacity development as well as in management systems used. Important efforts are made by Headquarters (HQ) to provide guidance to EC Delegations through various tools⁷. Yet there are also major institutional, human and financial constraints hampering a strategic management of the CSO channel, including inadequate procedures. The most pervasive bottleneck lies in the **prevailing administrative and management culture**, which focuses primarily on disbursing aid and ensuring financial accountability. This leaves limited time for EC Delegation staff to take on board functions that are critical for a strategic management of the CSO channel (i.e. building knowledge on civil society; engaging in dialogue; ensuring participatory programming; learning, etc.).

Overall assessment, conclusions and key lessons learnt

Based on eight evaluative questions, an **overall assessment** can be provided on EC aid delivery through CSOs. The formal adoption of the participatory development agenda by the EC, from 2000 onwards, fundamentally altered the policy framework underlying the use of the CSO channel. During the evaluation period (2000-2006), the EC has made substantial efforts, both at headquarters and in certain EC Delegations, to incorporate this agenda. On many fronts, **progress** was achieved, reflected in innovative strategies and practices towards CSOs (seen as development actors in their own right) across regions, sectors of intervention and instruments. However, the Evaluation Team also found evidence of **major gaps between EC policy commitments towards civil society and actual implementation practices**. Ground-breaking, innovative approaches co-exist with traditional top-down, supply-driven, instrumental and rigid habits to working with CSOs. The participatory development agenda is clearly not yet consistently applied and institutionalised. These gaps imply that in many cases (i) EC aid delivered through CSOs is *not* in line with stated policy objectives; (ii) the potential added value of a wide range of (local) CSOs is *not* optimally used; (iii) windows of opportunities for achieving sustainable impact are *not*

⁶ Several factors account for this, including (i) the predominance of short-term project approaches; (ii) the discontinuity in support; (iii) limited linkages with other programmes and processes; (iv) inadequate EC procedures; and (v) limited attention to the sustainability of CSOs themselves.

⁷ For instance : PADOR, DECIM, Civil Society Helpdesk

adequately seized. This, in turn, negatively affects the overall relevance, effectiveness, efficiency and sustainability of EC aid delivered through CSOs.

Five main conclusions are derived from this overall assessment on EC aid delivered through CSOs:

- 1) The participatory development agenda, as adopted by the EC, is gradually changing the use of the CSO channel.
- 2) The EC has not yet developed a clear and consistent strategy to using the CSO channel in line with stated policy objectives.
- 3) The added value of the CSO channel is not optimally used by the EC all along the cooperation cycle (i.e. from the identification phase (“what added value can CSOs, in all their diversity, offer in a given context?”) to the design phase and related choice of implementation modalities (“how best to support CSOs to fully realise their added value?”). Existing good practices in using the added value of the CSO channel are not underpinned by a coherent and consistently applied strategy (at political and implementation levels) throughout the EC external services as a whole.
- 4) A mixed record is noted with regard to impact and sustainability. The CSO channel is effectively used to bring about positive effects at *project level*. However, questions can be raised on the likelihood of *sustainable impact* for which support to processes in multi-actor settings is a prerequisite.
- 5) The prevailing institutional culture within the EC is not conducive to a strategic management of the CSO channel. A broad range of disincentives exist within the EC external relations system including: (i) a rather diffuse, inconsistent and often limited political backing from the top (from the Collège down to middle management) for a coherent application of the EC agenda towards civil society; (ii) the priority given in the prevailing administrative and management culture as well as in the prevailing incentives system, to disbursements, financial control of aid and short-term (visible) results; (iii) the non-existent space to establish strategic partnerships with CSOs; and (iv) the institutional fragmentation and related dispersion of responsibilities for dealing with civil society issues at both HQ and Delegation levels which limits the scope for a truly strategic and consistent management of the CSO channel.

Key lessons learnt in using the CSO channel refer to the critical importance of (i) starting from the specific context; (ii) understanding “who is who” in civil society; (iii) managing the politics’ of using the CSO channel (particularly in hostile environments); (iv) adopting a participatory approach to programming CSO support; and (v) combining a diversity of engagement strategies in close cooperation with other donors.

Recommendations

The **overall recommendation** calls upon the EC to drastically improve the overall use of civil society as a channel for aid delivery. This implies:

- (i) ensuring greater consistency between official EC policy objectives towards civil society (which stress the need to work with CSOs as full-fledged ‘actors’ in the development process) and current practices in using the CSO channel (which still often reduce CSOs to mere implementing agencies or beneficiaries of short-term project funding) ;
- (ii) better identifying and tapping the full added value of CSOs in helping to achieve key EC development objectives in various geographic and political

contexts;

- (iii) improving the conditions for achieving sustainable impact with aid delivered through CSOs (by adapting the approaches, processes and procedures used to channel aid through civil society);
- (iv) removing the political and institutional barriers at the level of EC (HQ and Delegations) for an effective and efficient use of the CSO channel.

This is, admittedly, a **tall order**. Yet these reforms are critically needed in order to reduce the implementation gap between EC policy commitments and actual practices towards civil society. It would allow the EC to move away from the current vague and largely inefficient approach to managing the CSO channel and to replace it by a **flexible and performing 'system'** to engage with civil society and deliver high quality aid in a constantly evolving international cooperation setting.

To move forward this agenda, **three inter-related conditions** need to be fulfilled.

First, the EC needs unambiguous and consistent **political support from the top** leadership within the organisation as well as from higher and middle management, to move beyond instrumental approaches to working with CSOs channel. To this end, three **political recommendations** are proposed:

- Provide a clearer political and stronger managerial leadership in pushing for an effective implementation of policy commitments towards CSOs.
- Champion space for civil society in the political and policy dialogues with partner governments.
- Enhance the quality of the partnership with CSOs (notably by improving the dialogue and pushing through new modalities for supporting CSOs)⁸.

Second, the EC will need to change the way of thinking about, engaging with and supporting CSOs, using existing good practices as a key source of inspiration. To this end, three **strategic and operational recommendations** are proposed, linked to the main phases of the cooperation cycle:

- Enhance, through genuine participatory processes, the overall quality of programming aid through CSOs.
- Search for more realistic and effective implementation strategies.
- Manage and evaluate the CSO channel in a result-oriented way.

Third, there is also a need to set in motion a number of institutional change processes within the EC to accelerate the effective implementation of the participatory development agenda and ensure a more consistent use of the CSO channel. To this end, two **process recommendations** are formulated:

- Provide ongoing support to EC Delegations committed to engage in an institutional change process.
- Establish the 'Civil Society Help Desk' as knowledge hub and catalyst for change.

The Evaluation has indicated that the EC has already shown a capacity to innovate and develop new relationships with CSOs. The time is now ripe for a qualitative jump forward, based on an unequivocal political commitment to equip the EC with the necessary strategies and systems to deliver high quality aid through CSOs.

⁸ Such as support to processes; core funding to specialised CSOs working on advocacy issues, etc.

1. INTRODUCTION

1.1. Purpose of the Evaluation

The evaluation of the *EC aid delivery through Civil Society Organisations* was included in the 2006 work programme of the Joint Evaluation Unit, as approved by the Commissioner for External Relations and European Neighbourhood Policy in agreement with the Commissioner for Development and Humanitarian Aid.

This external independent Evaluation has the following **objectives**:

- To assess to what extent aid delivery through civil society organizations (CSOs) is in line with EC policy objectives;
- To define where the added value of aid delivery through CSOs lies (with relation to different geographical and political environments);
- To assess the impact and sustainability of external co-operation through civil society;
- To provide lessons learned and recommendations for the continued support of CSOs within the present context and relevant commitments (such as the European Consensus and the Paris Declaration).

The Evaluation focuses on the Commission's external co-operation *through* the channel of civil society organisations. The emphasis is put on how the EC uses civil society as a channel for aid delivery. The main **expected outcome** is to better understand in which sectors of intervention and in which contexts lays the added value of CSOs, taking into account ongoing changes in the international aid architecture and in EU development policy. The Evaluation is **forward looking** and should help to shed light on how to improve the partnership between the EC and CSOs, particularly in terms of enabling civil society to participate effectively in the development process and EC support programmes.

1.2. Scope of the Evaluation and period covered

A broad and **inclusive working definition** of civil society organisations⁹ was used. In order to obtain a comprehensive picture of EC aid delivery through this particular channel, the Evaluation Team considered (i) the aid flows channelled through CSOs via a detailed statistical analysis); (ii) the dual roles possibly played by the CSOs (i.e. dialogue partners; implementing agencies); (iii) the various financial instruments used; (iv) the different types of actors and activities supported; as well as (v) the diversity of geographic and country contexts. A comparison of the relative efficiency and effectiveness of various channels of aid delivery falls outside the scope of this Evaluation¹⁰. Due to constraints in gathering, relevant data, the Evaluation is covering aid implementation over the **period 2000-2006**.

⁹ Including civil society in all its forms according to national characteristics, local and traditional communities, institutes, cooperatives, community based organisations and their representative platforms in different sectors, social partners (trade unions, employers associations), private sector and business associations or churches and confessional movements, universities, cultural associations, media.

¹⁰ Two other channel evaluations are focused respectively on aid through the UN system and through multilateral development banks.

2. METHODOLOGICAL APPROACH

2.1. General approach

The Evaluation addresses accountability as well as learning objectives, with regard to the use of CSOs as a channel of EC aid delivery. Therefore the Evaluation Team has applied an approach that seeks to analyse the extent to which objectives have been reached as well as the reasons and determining factors behind the observed successes and failures (impact/sustainability). It is understood that this Evaluation is to be considered as a process, assessing achievements by focusing on changes/developments and trends, rather than on assessing achievements against fixed and standardised targets. From the outset, it was also clear that the Evaluation of aid delivery methods is a **new subject**, which may require careful adaptation of evaluation methods and tools and exploring other donors' experience.

The Evaluation Team¹¹ proposed eight Evaluation Questions (see Annex X) to guide the process. It also developed a **series of tools** for collecting, structuring, processing, cross-checking and analysing data along the various evaluation phases (desk phase; structuring stage and desk stage; field phase; and synthesis phase). These included a detailed statistical analysis; a comprehensive desk study; the analysis of 33 questionnaires from EC delegations; a review of 22 CSP and 3 RSP; 6 field studies¹² including 6 case studies¹³; 2 focus groups as well as an instruments analysis. For more information on the methodology and the tools applied, see the annexes in Volume 2 of this report. Detailed information on raw data gathered through the various tools as well as on the selection process for CSP and questionnaires is given in the corresponding annexes.

2.2. Limitations

Several limitations were encountered in the process of executing the Evaluation, including:

- Difficulties in obtaining comprehensive and **reliable figures** from EC databases. For instance, the Evaluation Team could only consider primary CSO channeling (i.e. where the first direct recipient of EC funds is a CSO), thus excluding a huge amount of secondary funding channeled through CSOs (for more details see the statistical analysis in Annex VIII, particularly section 1.2);
- Detailed information on the actual delivery of aid through CSOs is generally only available at country level; this limits the overall amount of qualitative and processed information on EC experiences with using the CSO channel;
- The thin line between EC support *to* and *through* CSOs;
- The large variety of (diverging) perspectives on civil society issues and engagement strategies within the EC (both at HQ and in EC Delegations)¹⁴;
- The difficulty of assessing some of the DAC criteria in this channel evaluation. This was particularly the case with the **efficiency question**. While the Evaluation Team could collect evidence with regard to the efficiency of prevailing EC management

¹¹ A total of 18 Northern and Southern experts have contributed to the Evaluation: 5 national experts, core team (4 experts), expanded team (3 international experts), support team Particip (2 experts), support team ECDPM (4 experts).

¹² Including Benin, Cambodia, Georgia, Lebanon, Peru and Somalia.

¹³ Dealing respectively with the CSO channel and decentralisation (Benin); the CSO channel and human rights, democracy and governance (Cambodia); the CSO channel and social services/marginalized communities (Georgia); the CSO channel and (post)-conflict countries (Lebanon); the CSO channel and local development (Peru); the CSO channel and education (Somalia).

¹⁴ For instance, there seems to be a split between staff working with civil society (i.e. the traditional CSO desks) and those working through civil society (e.g. sector staff who tend to see CSOs as mere service providers without thinking through the whole channel);

systems and procedures to operate the CSO channel (EQ 8), it proved much more problematic to assess the overall efficiency of the CSO channel itself, taking into account the huge diversity of country contexts, sectors of intervention, roles played by CSOs and categories of actors involved (with varying levels of capacity). Tested tools are not available to properly define let alone measure the efficiency criterion in all its dimensions with regard to the CSO channel¹⁵. The scope and duration of the evaluation did also not provide scope for in-depth work on this matter;

- The huge diversity of country contexts (e.g. in terms of overall political conditions; state-civil society relations or the strength of CSOs) as this reduces the scope for drawing general conclusions on the use of the CSO channel;
- Limited coverage of CSO channel issues in available EC Evaluations;
- The high turnover of staff at EC level (Delegations and HQ) as well as in the civil society community, limits the institutional memory available on both sides;
- The Evaluation focused primarily on how the EC uses the CSO channel. There was limited space, time and opportunity to also analyse the **organisational capacity of CSO** themselves, as recipients of EC aid –though this affects the overall effectiveness and efficiency of the CSO channel (this question was only briefly covered in EQ 8.5);
- Due to post-electoral violence in Kenya, the Evaluation Team had to cancel the planned country case study in the last moment. An alternative country case study to Somalia was carried out, providing the Evaluation Team with important insights into the use of the CSO channel in fragile states.

¹⁵ For instance, how can one compare the efficiency of service delivery through CSOs with the use of other possible channels (e.g. private sector) in a variety of market conditions? Or how to compare the efficiency of EC aid channeled through European and local CSOs?

3. SETTING THE SCENE: EC OBJECTIVES AND THE CSO CHANNEL

3.1. Brief historic overview

EC policies towards CSOs (and the related use of the CSO channel) are not made in a vacuum. They are shaped over time by the influence of various factors including:

- Political motivations to work with civil society;
- Successive development models (with their specific views on state-civil society relations);
- Shifting development cooperation approaches and modalities.

The influence of these factors was visible when the EC established the first formal partnership with European development NGOs in the mid-1970s. The process was fuelled by a set of strong political motivations on both sides¹⁶. The then prevailing development model gave a lead role to the central state as the motor of development, leaving a marginal place and role for civil society, particularly its local expression. This, in turn, affected the choice of cooperation approaches including the almost exclusive focus on European development NGOs and the creation of the NGO co-financing budget line (1976) as a project-related financial instrument to support the own initiatives of European NGOs.

Table 1 below builds on this analysis and provides a global overview of the **evolution of EC relations with CSOs**¹⁷. The vertical axis of the table distinguishes three major phases, reflecting the various development models that prevailed from the 1960s onwards. EC cooperation agreements with third countries were largely based on these development models¹⁸. The horizontal axis of the table shows how this affected the use of the civil society channel (in terms of roles, added value, actors involved and financial instruments).

Furthermore, the **management systems used** by the EC to deliver aid through CSOs are also likely to influence the overall efficiency of the channel. Issues such as the involvement of CSOs in programming or the adequacy of funding modalities and procedures have been a recurrent focus of dialogue between the EC and CSOs. A recent and innovative attempt was the EC-initiated '**Palermo-process**', which was conceived as an ongoing quadrilogue dialogue involving the EC, EU Member States, the European Parliament as well as the CSOs¹⁹. The purpose was to openly discuss, with all relevant stakeholders, how the overall EC approach to working with and through CSOs could be improved and adjusted to changing cooperation insights and practices. Debates were organised on the future of NGO co-financing (Palermo, 2003) and on innovative ways to assess the impact of aid delivered through CSOs (Paris, 2005).

¹⁶ For the EC, three push factors existed: (i) to recognise the political importance of organised civil society in European development policy (as intermediaries between EU institutions and European public opinion); (ii) to promote solidarity ties between Northern and Southern civil societies; (iii) to improve the overall quality of EC development cooperation by facilitating the participation of European civil society. For the NGOs involved, this partnership provided an opportunity to lobby for a more progressive policy towards the South) as well as a source of complementary funding for their own initiatives.

¹⁷ There are limitations to such an overview table. Inevitably, the table provides only a broad-based picture of evolving EC policies towards CSOs.

¹⁸ The successive Lomé Conventions with the ACP countries provide a case in point. Particularly Lomé I, II and III (1975-1990) promoted a highly centralised model of development cooperation, whereby the government was the exclusive interlocutor and aid recipient.

¹⁹ Initially only Northern CSOs, later on expanded to Southern actors.

Table 1: Evolution of EC policies towards CSOs

PHASES	Main features	Roles CSOs	Added value	Actors involved	Funding instruments
1960-mid 80s Highly centralized development state	Central government motor of development Marginal space for civil society	Implementing agencies of government programmes primarily at micro-level	Service delivery to poor communities Capacity development of local communities Promoting innovation	Primarily European NGOs Community-based organizations	Co-financing budget line for NGOs Thematic budget lines Micro-projects
1990s Erosion central state model Emergence democracy Participatory development approaches	Structural adjustment, decentralisation and privatisation New democratic spaces for CSOs	Implementing agencies (contracting) Democracy agents Local development	Service delivery Empowerment Human rights/ democracy Supporting integrated local development	European NGOs Southern NGOs (direct support)	Co-financing budget line for NGOs EIDHR Decentralised cooperation Openings for CSOs in geographical instruments
2000 onwards Multi-actor partnerships Complementarity of roles between state and non-state actors	Poverty reduction and MDGs Ownership and partnership Participatory approaches Political dialogue Paris agenda Growing emphasis on downward accountability	Implementing agencies Dialogue partner Advocacy Public-private partnerships Active citizenship	Service delivery (public/private partnerships) Focus on most vulnerable groups Promotion governance Watchdog agencies Social and political accountability	Wide range of non-state actors	Geographical instruments (programmatic approaches) Thematic budget lines From 2007 onwards : rationalized financial instruments

3.2. Fundamental shift in EC policies towards CSOs

The table clearly shows how the EC progressively adopted a more sophisticated policy towards CSOs. A **turning point** was the adoption of **participatory development** as a general cooperation principle by the end of the 1990s (a trend also visible among other donor agencies). The Cotonou Agreement, signed in 2000, was the first major EC policy document which legally enshrined **participation as a fundamental principle** of ACP cooperation (article 2) and spelled out basic rules and modalities for this to happen in all spheres of cooperation (article 4-8). The principle of participatory development was reaffirmed in the White book on European governance²⁰ as well as in other policy documents (desk study in Annex 11 and EQ 1). Also in the first part of the European Consensus on Development (2005), which applies to all regions, the EC reiterated its **political**

²⁰ COM (2001)428.

commitment to ensuring CSO participation of “all stakeholders in countries’ development and in the political, social and economic dialogue processes”; to “building capacity for these actors”; to “strengthen their voice” and to provide aid “through different modalities that can be complementary, including support *to* and *via* the civil society”²¹.

These policy declarations make it clear that CSOs are no longer regarded by the EC as mere beneficiaries or executing agencies of EC-funded projects, but as key **actors** as well as **possible partners** in the overall development process. The full-fledged adoption of the participatory development agenda in the late 1990s/early 2000 reflects a **paradigm shift in EC approaches towards civil society**. This, in turn, has major implications for ways and means to use the CSO channel, as visualized in Figure 1.

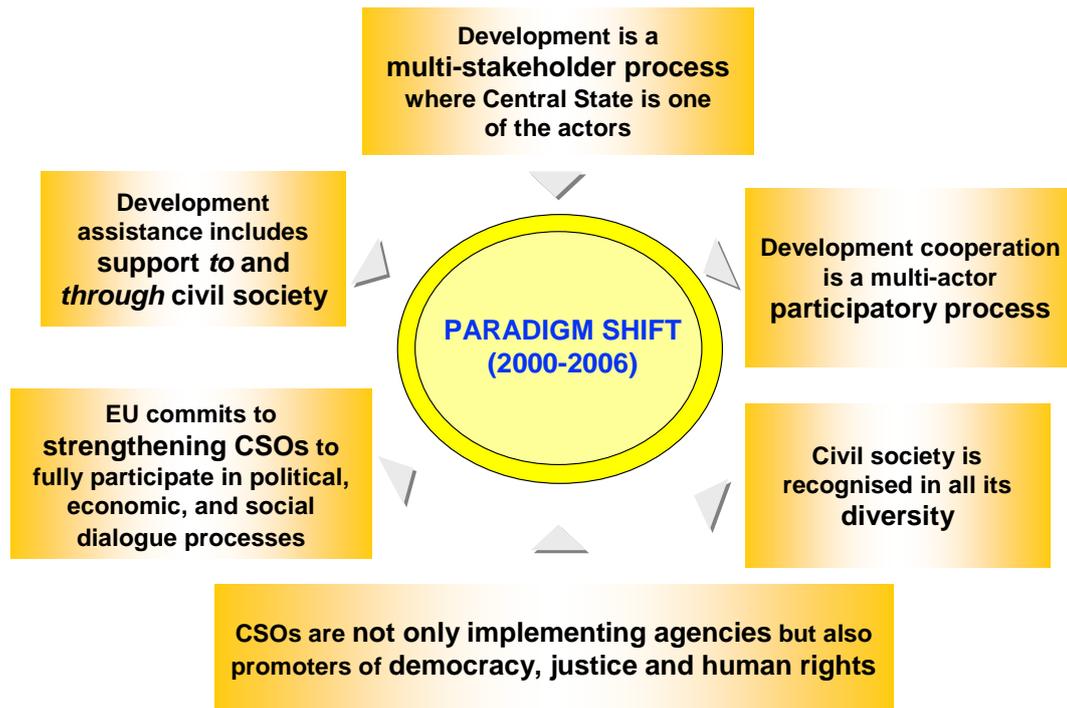


Figure 1: The paradigm shift in EC approaches towards civil society

The Evaluation Team used this framework and related EC commitments to assess to what extent aid delivery through CSOs is in line with stated EC policy objectives (as requested by the ToRs).

Furthermore, the dynamics of EC relations with civil society are captured in a wide range of legal bases and policy documents. Figure 2 below presents the various categories of documents -of a different nature and legal status- that need to be taken into account. These also include key policy dialogue processes -such as the San Jose Dialogue- which may help to define principles for engagement with civil society (for details see Annex XI).

The **regulations** display important variations in terms of detailing the terms of engagement with civil society. As mentioned above, the ACP policy framework is clearly the most comprehensive and explicit with regard to EC commitments towards CSOs. The two

²¹ Though the second part of the European Consensus document is less clear on CSO roles.

MEDA regulations list the various beneficiaries of support measures, but there is no information on the various types of channels that could be used or on the role CSOs could play in development. The TACIS Regulations focus on the dialogue with the partner state. No specific information is provided on the role of CSOs. The ALA regulations present a typology of recipients and partners in cooperation, focusing on various types of NSAs (with particular emphasis on reaching the poorest sections of the population). There is no information on the various roles that could be played by CSOs. The regulation mentions the need to select the most appropriate instrument but without linking it to the various actors. Yet despite these variations, they **all reflect the principle of participatory development** and recognise the key role to be played by a diversity of CSO actors in development processes, including as dialogue partner.

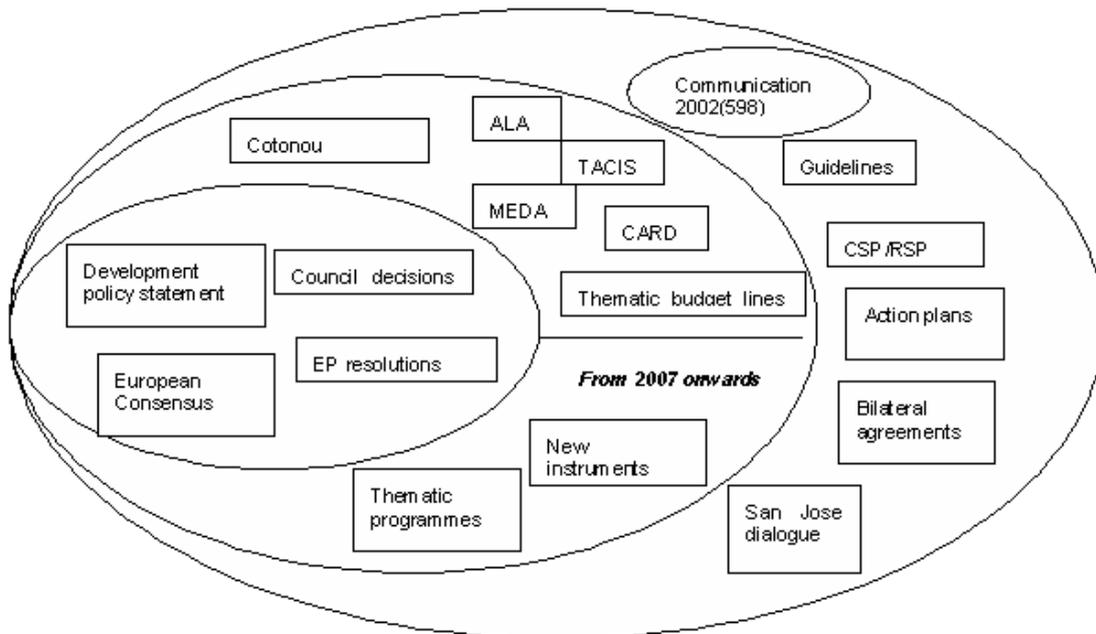


Figure 2: Legal bases and relevant EC policy documents/processes on CSOs

3.3. The growing debate on channels of aid delivery

This Evaluation focuses on EC external co-operation *through* the channel of civil society. Essentially it seeks to understand when best to use this channel, for what purpose, how and for what results. The **timing** for such an overall assessment of EC aid through CSOs seems **appropriate** for the following reasons:

- EC officials in HQ and in the field are trying to gradually incorporate the participatory development agenda and to adapt the use of the CSO channel accordingly. This process is not finished, as can be witnessed from the questionnaire. Only 10 Delegations found the question relating to EC strategies on the use of the CSO channel of “crucial” importance, while 19 Delegations saw it as a “secondary” matter and 4 as a “marginal” issue;
- Also within the civil society family, things have moved on. The rapid expansion and diversification of CSOs in third countries confronts donor agencies with new strategic and operational challenges, including the need to understand the local arena of civil society actors and to redefine the role of northern CSOs (who have traditionally been the main beneficiary of EC aid channelled through civil society);

- Aid delivery is shifting from project approaches to sector-wide approaches and budget support modalities. This is likely to profoundly affect donor policies and practices for using the civil society channel – a trend already observed on the ground;
- The donor community has recently embraced a new agenda aimed at enhancing overall aid effectiveness, captured in the Paris Declaration (2005). In this context, the question of which channel to use is likely to occupy an increasingly central position;
- There is a demand from within civil society to discuss and rethink EC aid delivery strategies, the particular role of CSOs therein as well as the dialogue and partnership modalities (as could be clearly observed during the focus group discussion with Brussels-based CSOs);
- The Court of Auditors is also examining the efficiency and effectiveness of EC aid delivery through CSOs.

3.4. Looking at the civil society channel as a ‘living system’

Earlier in the evaluation process, the Evaluation Team presented an analytical model to better understand the different dimensions of delivering aid through CSOs (see Annex XI-c). The model is based on a combination of two approaches: an input-output model and the application of systems thinking. The framework makes it possible to see the different components of a channel and their interactions:

- the critical **inputs** that shape the way in which the EC envisages using this particular channel of aid delivery (i.e. EC policy choices with regard to the added value of CSOs, the resources involved; the various instruments used; the CSOs targeted, etc.);
- the main **outputs** that are expected to be associated with aid delivery through civil society (i.e. the development outcomes and effects, including on the visibility of EC aid);
- the **aid delivery process**: whether these inputs translate into effects and impact depends to a large extent on the way in which the overall aid delivery process is efficiently managed by the Commission and by the other stakeholders involved/concerned (i.e. EC programming systems; funding modalities and procedures; M&E systems for aid delivery through CSOs, etc.).

This input-output model needs to be complemented with a **systems-perspective** which makes it possible to see a particular channel of aid delivery as a living system that is influenced by changes in the external environment (at national, regional and global level).

The validity of this model was largely confirmed during the Evaluation process, though some qualifications were made:

- The various information sources all point to the **critical importance of contextual factors** in shaping the effective use of the CSO channel. This has major implications for the overall EC response strategy towards the CSO channel. It means there is no room for one size-fits-it-all approaches to determine when best to use the CSO, for what purpose and how. It also implies the need to systematically adapt EC strategies to changing conditions and priorities at field level.
- The prevailing political climate and **attitude of the government** towards CSOs is generally seen as a key determining factor for an effective use of the CSO channel.
- More attention should be given to the CSOs themselves, as recipients of EC funding.
- Stakeholders interviewed insisted on the need to include a strong **learning component** into the channel system, so that the EC can capitalise its overall experiences with delivering aid through CSOs and ensure feedback to future programming processes and CSO support strategies.

4. ANSWERS TO THE EVALUATION QUESTIONS

CLUSTER A: POTENTIAL ADDED VALUE AND COMPARATIVE ADVANTAGE OF CSOs (criterion of relevance)

This first cluster is concerned with upstream choices made by the EC with regard to the contribution expected from CSOs in achieving key EC/EU development objectives. It invites the Evaluation Team to examine how the EC has conceptualized and applied the notions of added value and comparative advantage of CSOs (EQ 1). It equally looks at the choices made (or not) with regard to using the CSO channel in country and regional programming documents (EQ 2).

4.1. EVALUATION QUESTION 1: To what extent and how has the EC defined the rationale for delivering aid through CSOs in different political, geographical and thematic contexts?

Answer to EQ 1

EC regional, sectoral and thematic policy documents reaffirm the principle of participatory development in relevant policy areas. However, beyond general principles, the EC has not yet defined a clear vision on the added value of different categories of CSOs in various contexts nor systematically addressed other key operational aspects of the CSO channel (e.g. choice of CSO actors to be targeted; type of capacity support needed; the complementarity with other channels, etc.). Major efforts are made by key HQ units to provide guidance to EC Delegations through various tools. But this critical task is hampered by human and financial constraints, limiting the overall capacity of HQ to respond to growing demands from the field. Despite recognition of the potential added value of CSOs within new aid modalities, official parties have not stepped up efforts to fully integrating them.

Judgement criterion 1: The EC clearly specified the potential added value of CSOs

This first judgement criterion intends to assess whether the EC has specified the **potential roles and added value** of the CSO channel -beyond the general principles contained in global policy documents (such as the European Consensus on Development). This implies a **careful analysis of EC regional, sectoral and thematic policy documents**. Such a review was carried out during the desk phase. It revealed that the various policy documents:

- Reiterate the EC's political commitment to ensuring CSO participation all along the cooperation process;
- Define in broad terms the different **roles** CSOs could be called to play in EC cooperation alongside other actors (such as central governments), thus providing some basic guidance on the rationale for using the CSO channel in different political contexts²², regional settings²³ or focal sectors of intervention²⁴;

²² A case in point is the recent EC Communication on Fragile States (2007).

²³ An interesting example within this category is the 2003 Communication on "Reinvigorating EU actions on Human Rights and Democratisation with Mediterranean partners".

- Do not articulate a clear vision on the added value of CSOs as aid delivery channel –thus confirming the relative novelty of the concept of aid channels.

At the level of EC Delegations a range of *perceptions* exist with regard to the added value of CSOs as aid delivery channel. Based on the questionnaire and the field missions, the Evaluation Team compiled a list of perceived comparative advantages. In the view of EC staff, CSOs are widely believed to:

- have a good knowledge of the local context that may help them to develop pertinent actions responding to local needs;
- foster community ownership (at the grassroots level), as they are better culturally embedded, and can more easily generate trust among target groups;
- contribute to community empowerment and local social change through the use of participatory development techniques;
- have a specific expertise (and technical capacity) in sectors (such as health, water, education, rural development, and food security) which can usefully complement action by the state;
- be efficient in reaching out to remote areas and vulnerable populations;
- be in a position to deliver social services in cases where the state is either absent or dysfunctional (i.e. to ensure *gap filling*);
- allow the EC to address issues that are sensitive in mainstream cooperation (e.g. human rights, HIV/AIDS, gender);
- provide an alternative channel in countries where official cooperation is difficult or suspended (e.g. in difficult partnerships, fragile states, conflict-torn countries) or to address issues;
- be cost-efficient and flexible agents (compared to public administrations) which constitutes a major asset for ensuring a quick response in emergency situations;

Judgement criterion 2: The EC has developed a clear and consistent overall policy framework for using CSOs as an aid delivery channel

The potential added value of CSOs is only one of the dimensions to be taken into account when determining whether or not to use CSOs as an aid delivery channel. There are many other important aspects that need to be considered. Hence, this second judgement criterion seeks to assess to what extent the EC has developed a clear and consistent *overall policy framework* for using the CSO channel in line with stated policy objectives.

On the whole, the Evaluation Team found no evidence that regional, sectoral and thematic policy documents provide a consistent overall policy framework on how to use the CSO channel. This is reflected in the absence of clarity in these documents on questions such as: What is covered under the notion of civil society? What are the various levels of civil society that need to be distinguished and what are their respective added values? How can a clear division of roles and responsibilities between state and civil society be ensured? What are the actors to be used and/or supported, when and how? In brief, the EC policy documents examined remain rather vague if not silent on many *who, when and how* questions with regard to the use of the CSO channel.

²⁴ Sectoral policy documents are generally more specific with regard to the role division between public and private actors. For an example see the 2005 Communication on a “European Programme of Action to Confront HIV/Aids, Malaria and Tuberculosis through External Action”.

The different country reports confirm that there are several *missing elements* in the policy frameworks of the various regions:

- Cooperation between the EC and Benin is framed by the **Cotonou Agreement**. This overall policy document provides some guidance on the use of the CSO channel (e.g. in terms of roles, geographic and thematic areas, eligibility criteria). However, the EC has not specified how *different types of CSO organisations* (e.g. NGOs, trade unions, private sector associations, universities) could possibly be used. Nor has it elaborated on the *different levels of CSOs* to be involved in the cooperation process (individual organisations, umbrella organisations and networks, platforms). The only exception relates to Northern development NGOs, whose role and added value are more clearly specified;
- The EC has integrated the question of CSOs in the regional policy framework for **MEDA**. Yet limited attention is paid to what it actually means to *work with civil society in difficult contexts*. The country report on Lebanon also mentions the lack of guidance with regard to the different areas in which CSOs could intervene or to the type of actors which could be targeted in a highly polarised environment, with a high concentration of non-traditional (faith-based) CSOs;
- According to the Georgia report, the European Neighbourhood Policy (**ENP**) provides an overall cooperation framework based on shared values, which incorporates the strengthening of civil society as an objective. However, the mission found no evidence of the existence of a *clear and consistent EC strategy* to ensure that CSOs do become an important and complementary aid delivery channel when building democracy through the government channel;
- The Cambodia country report indicates that regional policy documents for **Asia and South East Asia** gradually provided more clarity on the potential contribution of CSOs. However, they remain vague on *how best to engage with CSOs*, on the specific roles they play or on their relative added value as a channel for EC aid alongside other available channels;
- In Peru, the Evaluation Team found a strong internal demand at EC Delegation level, to elaborate a more coherent policy framework for dealing with CSOs across sectors of interventions and instruments, which would replace the current and rather piecemeal approach towards CSOs. The *lack of an overall policy framework* is also visible at the Latin American regional level. In line with stated policy objectives, the EC is increasingly seeking to associate CSOs to the various regional integration processes it supports, including through capacity building initiatives. A case in point is the EC programme aimed at enhancing the participation of CSOs in the Andean Community. Stakeholders interviewed during the Peru mission agreed that this initiative represented a “jump into unknown territory”. There is no script available to address issues such as: Who are the relevant CSO actors to be associated? How to integrate hugely different CSOs with a limited degree of organisation at regional level? What roles and added value can they bring? How can effective capacity support be provided to enable these CSOs to be relevant actors and an efficient channel of aid?

It can be argued that EC Communications and other policy documents do not necessarily form the most adequate instrument to specify the added value or address essential questions on the use of the CSO channel. This type of advice is rather to be provided through other tools such as *operational guidelines, seminars, thematic networks, targeted research*, etc. The Evaluation Team could observe that *important efforts* had been made by relevant Commission services to provide guidance to EC Delegations in various ways:

- A set of “Guidelines for EC Delegations on the implementation of Cotonou Agreement provisions regarding NSA” (September 2003) and “Guidelines on Principles and Good Practices for the Participation of Non-State Actors in the development dialogues and consultations” (November 2004). While the words *channelling* or *channel* do not appear in these documents, there are several sections dealing directly or indirectly with modalities to deliver aid through CSOs; The questionnaire suggests that these guidelines are widely appreciated yet not always well known by EC Delegations (especially beyond the ACP). EC also provided support to the ACP Secretariat to produce a Manual for NSAs on the Cotonou Agreement;
- Training and exchange sessions organised for EC Delegations in the framework of seminars on governance (Tanzania, 2006; Ethiopia, 2008) or focused specifically on CSO issues (Benin, 2007; Georgia, 2008);
- An orientation note on micro-projects funded under the EDF (2007);
- Facilitation of thematic networks on civil society (e.g. in West Africa and MEDA);
- The database *Intranet Civil Society* providing good practices;
- Advice provided or missions carried out in order to respond to specific demands from the field.

Further operational guidance is expected to come out of new research initiatives that have recently been launched, including a study on ‘Civil Society and New Aid Modalities’ and a major capitalisation exercise on (positive) lessons learnt in providing capacity support to NSAs.

These are commendable efforts which have yielded substantial benefits for EC Delegations involved. However, the Evaluation Team also noted that there are important **human and financial limitations** hampering the capacity of HQ units to (i) respond to (a growing number of) demands for guidance from the field: (ii) to provide follow-up support to implementing often complex CSO programmes; (iii) to promote a further internalisation of the EC policy agenda towards CSOs; (iv) to adequately address all kind of new strategic and operational challenges related to the CSO channel or (v) to support further policy development based on a stocktaking of good practices.

With the gradual move to new aid modalities, the operational **guidelines on sector and general budget support** form potentially another source of guidance on the use of the CSO channel. An analysis of these documents indicates that both emphasise the potential added value that CSOs can bring throughout the programming cycle of sector and general budget support programmes. They also touch upon good practices in stakeholder involvement, the different categories of CSOs to be involved and possibilities for parallel support mechanisms aimed at strengthening CSOs capacity. Accounts from a recent regional workshop on the EC’s work with CSOs in ex-TACIS countries (Georgia, June 2008) revealed a positive attitude towards involving CSOs in new aid modalities²⁵. At the same time, fears were expressed by staff on the ground that the whole idea of supporting CSOs to become active players in new aid modalities is not a priority for the official partners.

It is also interesting to examine to which degree EC policies on civil society addresses the issues of EC **visibility** when working through CSOs. The growing EC

²⁵ During this workshop, Commission services presented and discussed a methodology aimed at enhancing the participation of CSOs in macroeconomic and sector approaches which should be soon translated into guidelines.

interest for visibility has been reflected in a series of recent policy documents²⁶. However, these do not specifically address the possible implications of this drive towards greater EC visibility when using the civil society channel beyond mere technical guidelines (such as use of logos). Similarly, CSO policy documents do not touch upon visibility issues, although it can be noted that in practice projects and programmes managed by Delegations often include budget lines for communication and visibility actions (e.g. in the MEDA and progressively also in the ACP and ALA).

4.2. EVALUATION QUESTION 2: To what extent has the EC made clear choices at the programming level with regard to delivering aid through CSOs in country/regional strategy papers; in (post-) conflict situations/failed states/or difficult partnerships; as well as in sectoral and thematic priority areas of intervention?

Answer to EQ 2

The programming process of geographic instruments and thematic budget lines offers a major opportunity to specify the overall intervention strategy of the EC towards CSOs and, on this basis, the most appropriate use of the CSO channel. Evidence collected for the period 2000-2006 suggests that there was generally limited strategic reflection and dialogue with the various actors during programming on how best to use the CSO channel in a specific country or sector context. This has impacted negatively on the overall quality of programming (e.g. missed opportunities to support relevant CSO dynamics and actors). However, the Evaluation could identify a number of (recent) good practices reflecting a shift towards a more strategic and participatory programming, including in conflict situations (cf. Somalia).

Judgement criterion 1: Country and Regional Strategy Papers make clear choices with regard to the overall use of CSOs as an aid delivery channel

The programming process offers the next defining moment for the EC to decide why, when, with whom and how to work with CSOs. In order to get a grasp of how the EC programmed its aid through civil society during the period under review, the Evaluation Team examined a carefully selected sample of Country Strategy Papers (CSPs) as well as Regional Strategy Papers (RSPs), for the programming period (2002-2006 (see Annex V).

The CSP/RSP analysis²⁷ confirms that the line between support *to* and *through* civil society is often blurred. But above all it brings to the surface a huge **diversity of possible EC response strategies** with regard to CSOs as an aid delivery channel, ranging from fairly sophisticated approaches (with a strategic vision on the specific added value of CSOs) to a purely instrumental or ephemeral consideration of CSOs.

There are no clear-cut explanations for these differentiated approaches towards CSOs. For instance, the CSP analysis reveals that well-thought EC response strategies exist across regions. High quality CSPs – in terms of a clearly spelled out vision

²⁶ Such as the EC Communication “The EU in the World – Towards a Communication Strategy for the EU’s External Policy 2006-2009”.

²⁷ 22 CSPs from ACP (9 countries), ALA (8 countries), MEDA (3 countries) and TACIS (2 countries) regions were analysed, as well as 3 RSPs. For more information, see annex V.

on CSOs as aid delivery channel²⁸ - were found to exist in (post-) conflict countries (e.g. Somalia) as well as in difficult partnerships (e.g. Ethiopia). However, the impressive amount of NSA support programmes that have been funded in the ACP region seems to confirm the influence of a progressive legal framework²⁹. Broadly **four major categories of CSPs** can be distinguished (see **Box 1** below)

Box 1: Four categories of CSPs

Typology of CSPs	Key features	Examples
1) CSPs with a clearly articulated vision on how to engage with CSOs and use the CSO channel	<ul style="list-style-type: none"> * Recognition of the dual role of CSOs (implementing agencies and advocacy) * Mainstreaming of civil society participation and support across sectors and themes * Promotion of partnerships between state and civil society * Combined use of various channels * Strategic mix of geographic and thematic budget lines * Channelling aid to CSOs at both national and local levels 	Mozambique South Africa Ethiopia RDC Afghanistan Ukraine
2) CSPs 'in transition' towards a more sophisticated 'political' approach to working with CSOs	<ul style="list-style-type: none"> * Primary focus still on using CSO channel for social service delivery yet growing concern to strengthen role and capacity of government in the context of sector policies * Support to CSOs for local level activities * Growing recognition of need to exploit potential CSOs as governance actor (watchdog agency) * Timid attempts to create more space for dialogue role CSOs or rights-based approaches * Growing interest in providing institutional support to CSOs (as a sector) 	Bangladesh Burkina Faso China Russian Federation Thailand Syria
3) CSPs with a primarily instrumental approach to engaging with CSOs and using the CSO channel	<ul style="list-style-type: none"> * Role of CSOs as channel is not elaborated * No differentiation between various types of CSOs * Focus on service delivery role of CSOs * Limited mention advocacy role * Strong link with focal sectors of the CSP * Use CSO channel focused on local level * No clear programming choices with regard to capacity building of CSOs 	Dominican Republic Madagascar Sudan
4) CSPs with limited strategic thinking on how to engage with CSOs	<ul style="list-style-type: none"> * Limited political space to engage with CSOs (strict regulatory framework) * Limited analysis of CSO added value * Limited use of political dialogue or other instruments to create space for CSOs * Focus on micro projects in social areas 	Egypt Tunisia

²⁸ A recurrent feature of CSPs with a clear strategy towards CSOs is that they elaborate on the complementary role of CSOs with regard to other actors (channels), particularly the government.

²⁹ In other regions, support to NSAs is seen as thematic objective among many others. In the ACP region, the legal framework is much more explicit in recognising NSAs as full-fledged development actors, thus clearing the ground for a more ambitious use of the CSO channel.

The three **Regional Strategy Papers** (RSPs) considered in this analysis³⁰, follow largely the same pattern. While they stress the importance of mainstreaming civil society participation in regional integration processes and include CSOs as possible implementing agencies and beneficiaries of EC aid, none of the papers specify their role and functioning as an aid delivery channel. No clear commitments are made with regard to strengthening CSOs as either actors or as channel. A detailed comparative analysis of the six ACP RSPs³¹ furthermore indicates that only the West Africa RSP moves beyond general statements on the need to involve CSOs as an essential pre-condition for the successful implementation of the RSP, and clearly mentions the role CSOs can play at the regional level.

The **questionnaire** (answered by 33 Delegations)³² largely confirms the diversity of EC response strategies with regard to programming the CSO channel (see annex VII). Relatively sophisticated responses co-exist with rather minimalist approaches across geographic and political contexts. The survey also highlights that EC programming practices towards CSOs evolve over time. Several Delegations reported the adoption of a more strategic and participatory approach to programming CSO aid in the CSP 2007-2013 (e.g. Bolivia, Mozambique, and Bangladesh). Other interesting findings are the following:

- **Assessments of the role of CSOs** were carried out in 13 Delegations in the context of the programming process. The rationale, scope and depth of the assessments tends to vary from broad-based socio-political analyses on the role of civil society (e.g. India) to diagnostic studies indicating the substantial role played by CSOs in poverty eradication (e.g. Ethiopia) to more focused mappings for the needs of the implementation of the NIP (e.g. Mozambique). Most often, external consultants were recruited through framework contracts³³, while in some countries Delegations took the lead (e.g. Rwanda, Bolivia). In 15 countries no such assessment was made and this for a variety of reasons, including lack of time (cf. Indonesia) or because the available information base on CSOs was considered to be sufficient (e.g. China).
- 17 countries reported **dialogue with Ministries** related to the CSO role in development while 12 Delegations did not engage in such a consultation process. Also here a wide range of practices prevail, ranging from a dialogue limited to the NAO on specific aspects to a more broad-based involvement of sectoral Ministries on a wide range of topics. The survey clearly underlines the difficulties of pursuing consistent and constructive dialogue on CSO issues in authoritarian states (e.g. Ethiopia, Laos, Myanmar and Vietnam).
- In 19 countries, EC Delegations secured **CSO participation in the elaboration of the CSP**, though the quality of the dialogue process seems to vary in terms of preparation, outreach and effectiveness. In some cases, consultations appeared to be rather ad hoc, while in other countries there was a systematic attempt to involve (a wide range of) CSOs in the elaboration of the CSP, the annual, mid-term and final review or to link CSO consultations to formal government-donor dialogue processes such as the Partnership Group on Aid Effectiveness and the bi-annual Consultative Group (CG) meetings. 13 countries reported not to have any

³⁰ Including Eastern/Southern Africa and the Indian Ocean; West Africa and South East Asia.

³¹ The EC has signed RSPs with 4 African regions, namely: SADC, Eastern and Southern Africa, Western Africa and Central Africa. It has signed separate RSPs with the Caribbean and the Pacific.

³² For more detailed information on the questionnaire analysis, see annex 7.

³³ Several Delegations criticised the lack of clear criteria to select adequate consultants through the framework contract system. The selection process is perceived to be based too much on CVs of experts and on the budget proposal. However, evidence suggests that the EC increasingly requests a clear proof as well of the methodology consultants will use.

structured dialogue mechanism, though several Delegations observed that things had improved during the new programming cycle 2007-2013.

- There is a marked trend towards **increased coordination** with other bilateral and multilateral actors on CSO participation. This takes place through coordination committees dealing specifically with CSOs (e.g. Democratic Republic of Congo, Bolivia) in the framework of sector consultations (e.g. Mozambique) or on specific issues of interest to donors (cf. gender in Burkina Faso; governance and human rights in Ethiopia). It can be limited to an exchange of information (e.g. Egypt) or seek to promote coordinated support strategies (e.g. Tanzania). A comment from Burkina Faso questionnaire brings a note of realism when it indicates that “much remains to be done in terms of harmonisation and coordination among donor agencies”. There is still a proliferation of CSO support schemes that differ widely (in terms of objectives, approaches, focus areas, procedures).

The **country missions** provide additional insights on programming practices during the Evaluation period (2000-2006):

- In all countries visited (except Somalia) the programming process did **not directly address the question of CSOs as an aid delivery channel**;
- The level of **CSO participation in the elaboration of the CSP** was rather limited in the various countries visited (except Somalia³⁴). However, the mid-term review process as well as the drafting of the 10th EDF seem to have registered higher CSO participation (e.g. Benin);
- In various countries (e.g. Georgia, Lebanon, Peru) the programming process did not lead to the **specification of the roles and added value of CSOs**, even if the focal areas of the CSP-NIP relate to sectors or themes where one would expect CSOs to have an important role to play. This reduced substantially the capacity of the EC to identify relevant CSO dynamics, windows of opportunities or promising interventions;
- Another typical feature common to most programming processes is the lack of a **differentiation of the various CSO actors** (e.g. individual CSO vs. umbrella organisations) and their respective comparative advantages. A different situation prevails in Somalia, where the EC has integrated the diversity of local civil society actors in its programming documents;
- The **capitalisation of lessons learned** with working through CSOs (in between programming cycles) appears to have been limited in most countries visited, despite the existence of a wide range of (positive) experiences;
- Attention paid to **capacity development for CSOs** (as either an actor or an aid delivery channel) is unequal during programming processes. While specific support programmes were included in the CSP-NIP for Benin, Lebanon and Somalia, no such programmes were foreseen for Cambodia, Georgia and Peru;
- A major issue, emerging from several country missions, relates to **consistency/coherence** in the use of the CSO channel from one programming cycle to another. The Georgia report gathered evidence on the rather haphazard process followed by the EC in programming CSO support. The lack of justification for the changes in approaches seems to reflect the absence of a clear strategy towards the CSO channel;
- The Cambodia report provides an interesting case of **shifting EC policies** in the use of the CSO channel in transition periods. For quite a long period after the fall

³⁴ Since 2004, the EC has contributed to the creation of NSA forums in each of the three Somali regions to enable interaction at programming level. During the drafting of the EC Somalia Strategy Paper and of the multi-donor Reconstruction and Development Programme, regional workshops were organised to enable multi-stakeholder participation.

of the Khmer regime, the EC relied primarily on international NGOs. As state capacity was reconstructed and local CSOs re-emerged, the EC gradually adapted its overall strategy, amongst other by redirecting funds towards government, with increasing levels of programme and then general budget support. Therefore, working with CSOs now plays a rather minor role in the EC's country strategy and is largely supported by thematic budget lines³⁵. There is no specific role or funding foreseen for CSOs in the sector and budget support provided to the government (e.g. for watchdog activities, see further EQ 5);

- Another important finding from the missions refers to the lack of a clearly articulated overall vision on the role of CSOs in the development process in a given country/region and related use of the CSO channel.

Judgement criterion 2: The EC addresses aid delivery through CSOs in (post-) conflict/fragile states/or difficult partnerships (where CSO activities are carried out in the absence of a streamlined policy)

The degree of EC creativity and success to engage with civil society in (post-) conflict countries, fragile states or difficult partnerships varies greatly from country to country. The Evaluation Team found evidence of strategic, proactive and often innovative EC approaches towards programming aid and using the CSO channel:

- The Somalia country report clearly shows how the EC has taken the Somali context as its starting point, carefully assessing the diversity and potential added value of internal and external CSO partners. The EC has developed a wide range of engagement strategies with CSOs for addressing state and peace building challenges, contributing to poverty reduction programmes as well as facilitating and empowering CSOs to participate meaningfully in multiple cooperation/coordination mechanisms and forums;
- In Zimbabwe the EC has strategically and creatively used the CSO channel to continue cooperation despite its suspension. This support *to* and *through* CSOs encompassed a wide range of sectors and also included governance activities;
- In post-conflict Democratic Republic of Congo (DRC), the EC recognised the potential roles and added value of the hugely diversified CSO sector in reaching out to populations or promoting democratisation. Over the past years, substantial funds have thus been channelled through CSOs in several sectors. The EC is also conscious of the need to adjust and reorient the use of the CSO channel in the light of the reconstruction of the state after the democratic elections. In the health sector, it is carefully considering (in the context of the 10th EDF) how to transfer more responsibilities and funding towards the state (in order to restore national capacities) while redefining the roles of CSOs (away from merely substituting failing state authorities) through dialogue with the various actors involved;
- The situation in the Democratic People's Republic of Korea (DPRK) is particularly complex for engaging with CSOs. Further to the government decision to stop humanitarian aid in 2005, the EC and the EU NGOs involved sought for creative ways to circumvent State regulations in all legality and to protect a minimum space for civil society operations;
- In politically closed environments, the EC has sought for indirect ways to channel aid to CSOs (e.g. through specific windows such as women, children, etc.). In several difficult partnerships in the MEDA region³⁶, the EC uses social develop-

³⁵ Notably Food Security, NGO Co-financing and the EIDHR or regional instruments such as the programme on HIV/AIDS administered through UNFPA.

³⁶ MEDA countries include: Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, occupied Palestinian territories, Tunisia and Turkey.

ment projects with accepted CSO or horizontal programmes to create more space for democratic practices to emerge over time (e.g. Syria);

- There is also substantial evidence on the use of the CSO channel for promoting human rights through thematic instruments, with EIDHR clearly featuring as the most appreciated budget line.

Alongside these positive experiences, the Evaluation Team found examples where the EC appears to lack a clearly formulated strategy towards CSOs. This is, for instance, the case in a country like Tunisia, where the state adopts a rather repressive approach towards CSOs (which is in contradiction with the MEDA agreement). There are no indications that the EC optimally uses its influence and various instruments to broadening the space for an autonomous CSO sector. The Lebanon report points to the lack of flexibility in terms of re-programming aid during a period of conflict, or at least a capacity to quickly channel relevant CSO aid in a less procedural form.

Judgement criterion 3: The EC addresses aid delivery through CSOs in sectoral and thematic areas of intervention

The programming process is expected to make strategic choices with regard to focal and non-focal sectors of intervention. To what extent do these programming choices also reflect a clear strategy towards using the CSO as a channel when supporting a particular sector (e.g. health, justice) or theme (e.g. local development)? Also here, a ***diversity of EC programming practices*** was noted:

- In some countries (e.g. Somalia) the programming process involves a strategic consideration and specification of the roles to be played by CSOs in different sectors of intervention as well as the capacity development measures required. In other countries (e.g. Benin, Cambodia, Lebanon, Peru), the programming documents provide only a very superficial treatment of the roles to be played by CSOs in priority sectors and themes -even if it concerns areas where CSOs could be expected to have a real added value (e.g. Peru);
- There is a growing trend to involve CSOs in dialogue processes organised in specific sectors (health, education, water and sanitation), though the intensity and quality of participation tends to vary substantially. Experience suggests that quality CSO participation is also critical to improve sector governance³⁷. However, the focus group with EC officials involved in sector work referred to frequent problems with the government, who often do not see the need to involve CSOs.

³⁷ This is a central element in the ongoing EC work on addressing governance in sectors, and for which an EC reference document is currently being elaborated.

CLUSTER B: CONSISTENCY WITH POLICY OBJECTIVES (criterion of consistency)

The EQs from Cluster B seek to assess the extent to which EC policy choices with regard to using CSOs as an aid delivery channel have been coherently translated into practice. EQ3 considers consistency with regard to the dual role ascribed to CSOs in EC policy documents. EQ4 examines consistency with regard to (i) the type of CSO actors to be supported; (ii) the approaches used; and (iii) instruments for channeling aid through CSOs. In this cluster, an analysis is also made of how the EC adjusts the use of the CSO channel to new developments – the Paris Declaration on Aid Effectiveness and related shift towards budget support (EQ5).

4.3. EVALUATION QUESTION 3: To what extent and how has European Commission aid channeled through CSOs been *consistent with stated policy objectives or programming choices regarding CSO roles (including service delivery in the context of poverty reduction strategies and advocacy work)*?

Answer to EQ 3

At a general level, there is a broad consistency between EC stated policy objectives regarding CSO roles and actual practices. Aid is channeled through CSOs as service providers in social sectors, though their participation is often limited to the downstream level of implementing projects (as contractors and sub-contractors). The trend towards sector wide approaches and budget support is affecting the use of the CSO channel for service delivery, as evidenced in diminishing EC aid flows for this type of role. Sector approaches also offer opportunities for enhancing the role of CSOs as dialogue partner/advocacy agents. However, the CSO potential in upstream processes of formulating and monitoring sector-wide programmes is not yet optimally used by the EC. In governance-related processes, there is an increase of EC aid in support of CSO advocacy activities (including through geographic instruments) as well as growing support for a new generation of CSO capacity building programmes (primarily in the ACP). There is consensus on the critical role of political dialogue by EC Delegations on CSO-related issues but less agreement on the effectiveness of current EC practices.

Judgement criterion 1: The EC ensured overall consistency in the support provided to CSOs involved in service delivery in the various sectors of intervention

Both the statistical analysis and the survey indicate that EC aid channeled through CSOs goes primarily to service delivery sectors where CSOs are perceived to have an added value (e.g. rural development, water and sanitation, health, education, etc.). The following features or trends were furthermore observed with regard to working through CSOs in the realm of (social) service delivery:

- The EC does not always have a well defined strategy to consistently use the CSO channel to improve service delivery in social sectors. The questionnaire reveals that sixty per cent of the EC Delegations surveyed (19/33) effectively use the CSO channel to pursue social development policy objectives (such as Millennium Development Goals) yet they do not have an overarching strategy on how

to channel aid through CSOs. Whenever there is a strategy, this rather concerns a particular instrument (e.g. thematic budget line), a specific sector (e.g. food security), a specific procedure (e.g. CfP) or a specific project (specifically managed by a CSO). This finding is corroborated by the field missions. However, there are growing indications that the EC is progressively shifting from merely channeling aid through CSOs for service delivery (i.e. instrumental approach) to a more comprehensive strategy involving multiple stakeholders and based on the idea of a *co-production* of services by state structures and CSOs³⁸. In some countries, the EC pro-actively sought to review the added value of the CSO channel and related instruments in line with its new focus on sectoral policies owned by the country³⁹;

- The predominant mode of cooperation is by **sub-contracting** CSOs for projects/programmes' execution (cf. Peru, Lebanon, Benin). The choice of using CSOs as sub-contractors lies in the specific technical expertise and cost-effectiveness they can offer as service delivery agents. But in practice this means that CSOs generally enter the scene at the very end of the project cycle, once the intervention has already been designed by others. Furthermore, sub-contracting civil society for project implementation (particularly via calls for tender) tends to favor CSOs that have structured themselves as commercial entities, offer sufficient financial guarantees and are hence able to attract public and international funding. In a way, this contributes to a natural selection of actors able to deal with tendering procedures⁴⁰;
- Evidence from various sources suggests that the EC also supports **CSOs' own initiatives**, mainly by using the CfP instrument, whereby CSOs exert their right of initiative by designing interventions, which however, in order to be funded, need to match EC priorities;
- The survey confirms the widespread assumption that **CSOs are in principle well placed to reach out to vulnerable groups**. A screening of a sample of guidelines for different CfP (across sectors and political/geographical contexts) indicates that the EC does give priority to targeting vulnerable groups. However, the extent to which EC funds channeled through CSOs actually reduces vulnerability levels largely depends on EC's ability to define a coherent strategy between different programmes or agencies intervening in favor of the same target group⁴¹;
- While examples exist of **upstream participation of CSOs in EC supported sector programmes** (see EQ4), this does not appear to be a generalized practice across countries and sectors. The field missions suggest that CSO participation in programming/identification and formulation/monitoring of development interventions remains quite limited (e.g. Lebanon, Benin, Cambodia);
- The drive towards programme-based aid modalities is already having visible implications on the way the EC provides support to CSOs involved in service delivery. The statistical analysis indicates a trend of diminishing aid flows through CSOs. Various evaluations (e.g. the India country level evaluation; the water and sanitation thematic evaluation) point out that the involvement of CSOs could be improved in the context of budget support (see also EQ4).

³⁸ The mission to Peru observed that several programmes (cf. PROALPACA and AMARES) have contributed to creating new spaces for civil society to play an increasing role in dialoguing on regional and local development policies and organizing local health committees (for more information see EQ6). The case of Bangladesh, DRC and Somalia (see EQ6 and EQ7) are also interesting examples illustrating this trend.

³⁹ See example of EC Delegation in South Africa explained in EQ6.

⁴⁰ For more information on how procedures filter certain types of CSOs, refer to EQ8.

⁴¹ The field mission to Lebanon provided an interesting example whereby EC's support to Palestinian refugees (through CSOs and UNWRA) had a negative impact on the target group due to lack of synergies and coherence among different EC-funded activities (see also EQ6).

Judgement criterion 2: The EC ensured overall coherence in the support provided to CSOs involved in advocacy work (in relation to the principles of ownership, partnership and in-depth political dialogue)

The EC has relied on CSOs to foster democracy, social justice and human rights long before political cooperation became a central pillar of development partnerships. Key EC policy documents, issued during the period 2000-2006, have further specified the roles that CSOs could usefully play as dialogue partners and watchdog agencies in governance-related processes (see Chapter 3 and EQ 1). To what extent have EC practices been consistent with this objective? The following findings emerge from the various evaluation sources:

- The statistical analysis and the field missions indicate that there is a **tendency towards increasing funding through CSOs in governance-related processes** (including in focal sectors)⁴²;
- In several countries the EC is trying to overcome the limitations of funding only individual CSOs. It therefore seeks to establish strategic links with relevant CSOs involved in governance; to foster networking; or to strengthen the capacity of CSOs as a *sector* to exert citizen control over state performance.
- In other countries, the choice of partners does not always appear to be guided by strategic considerations. This may be linked to the absence of a proper *mapping* of CSOs or to procedural constraints. The Call for Proposal system (CfP), for instance, is widely perceived to limit the involvement of relevant CSOs for a variety of reasons⁴³. This can lead to missed opportunities, as the one identified in Benin, where the EC surprisingly does not partner with Social Watch, a CSO active in monitoring budget support (see EQ6);
- Financial support to CSOs as governance actors has been largely provided through **thematic lines**, especially EIDHR and NSAs. However, the field missions to Cambodia and Peru confirm the limitations of the short-term project approach, associated with thematic lines. This is difficult to conciliate with the longer-term policy objectives of supporting political change processes (see EQ6). The Benin Country Note observes that the majority of EC funded programmes or projects (across sectors) do not include a component aimed at strengthening the advocacy capacity of CSOs. The field mission to Lebanon warns against the EC defining advocacy priorities without involving civil society;
- **Geographic instruments** are also used by the EC to support CSOs participation in governance-related areas. An interesting case in point is the Peace Laboratories programme in Colombia, which represents the main EC intervention of the 2001-2006 country programme. It heavily relies on local CSOs to mobilize citizens for building regions of peace and development while encouraging a continuous state-civil society dialogue. This model of peace-building has been successfully mainstreamed in national development plans;
- **Capacity programmes for NSAs**. In the ACP context, the non-focal sectors are often used to programme aid to CSOs. In this category, the EC has created space in many countries (i.e. 42 programmes were approved under the 9th EDF

⁴² There is growing attention in the donor community to also support CSOs in key sectors of intervention so as to strengthen the demand side for better sector governance,

⁴³ Relevant CSOs may decide not to introduce a proposal, either because they find the Call too restrictive or the transactions costs involved too high. The selection process is another possible barrier as there can be many interesting demands for limited funds. More fundamentally, the CfP is not a suitable tool for those CSOs that have their own strategy and an action plan conceived for the medium/long term (as serious CSOs involved in governance generally have). These CSOs tend to equate the CfP system with "a lottery" providing limited opportunities to properly plan activities and secure predictable funding. In addition to this, the scope for follow-up funding (often essential in governance-related activities) is generally also uncertain.

for an amount of €202 millions in 38 ACP countries) for supporting CSOs in their new role as actors in policy processes, sometimes even despite government resistance (cf. Mauritania). In Kenya, EDF resources are used to put in place a support programme for Non-State Actors to engage more effectively in policy dialogue and formulation processes. EC Delegations in non-ACP countries (e.g. Peru) regret that the geographic funds are not (yet) used for this type of CSO capacity support programmes.

The Communication on the Participation of Non-State Actors (2002) recognizes that the effective use of the CSO channel in governance-related processes is often complicated by factors such as the lack of political will of national governments, poor structuring and capacity. The EC has not yet developed clear operational guidelines (based on good practices and lessons learned) to cope with these limitations or with the risks involved in channeling aid through CSOs⁴⁴. However, following deconcentration, HQ services have undertaken important efforts to enhance their strategic support to Delegations, by providing a case-by-case advice whenever possible. Internal seminars have been organized on thematic programmes allowing Delegation staff to cross-exchange experiences and promote good practices, although for some the focus of currently available trainings is on mastering procedures.

Political dialogue is generally seen as an important tool to protect and expand the scope for CSO participation. The questionnaire reveals that a huge majority (67,5 per cent) of surveyed Delegations consider that the EC has efficiently and effectively used the political and policy dialogue with a variety of stakeholders in order to integrate the CSO channel in its overall cooperation. Only 3 Delegations indicated that they did not consider it at all. However, the questionnaire analysis does not provide much information on the qualitative aspects of dialogue: Evidence from the CSO focus group meeting and from the field (e.g. Peru, Cambodia, Eritrea and Egypt) suggests that the effectiveness of political dialogue might not be as rosy as suggested by survey respondents⁴⁵. While the EU is perceived as an important political actor in the governance field, CSOs feel it could do more and better to stand by their cause (especially when there are open conflicts with the government). CSOs also increasingly expect the EC to manifest an explicit political engagement when it comes to defending and protecting the CSOs they support -in particular those working in the human rights field or in sensitive advocacy work.

⁴⁴ The launching of EIDHR micro-projects is always accompanied by the publication of a 'Handbook' or instruction notes, with guidelines for Delegations. These notes are mainly focused on administrative and financial matters.

⁴⁵ The EC Thematic Evaluation on Governance (2006) concluded that in many countries the EC is still struggling with the question of how to conduct an effective political dialogue.

4.4. EVALUATION QUESTION 4: To what extent and how has EC aid channeled through CSOs been consistent with stated policy objectives regarding actors to be supported as well as approaches and instruments to be used?

Answer to EQ 4

On each of these three dimensions (i.e. actors, approaches and instruments) the Evaluation Team found a deficit in consistency with regard to stated policy objectives (with notable exceptions in some countries). Thus, despite a broad formal recognition of the importance of engaging with a diversity of civil society actors, the EC continues to channel its aid mainly through European NGOs. The potential of channelling aid through a wide range of (local) CSOs is often less than optimally used, partly because the EC lacks knowledge on the (local) civil society arena, partly because many hurdles prevent (small) local organisations to participate. Despite a steady move towards programme-based aid modalities, the project approach remains the preferred way to channel aid to CSOs in geographic and thematic instruments, despite its limitations. Nevertheless, the use of programme approaches towards providing capacity support to CSOs is creatively and effectively used in most ACP countries as the privileged means to operationalise the principle of participatory development but is found wanting elsewhere. Opportunities for CSOs to participate strategically in sector and macro-economic approaches are still limited, though positive evolutions can recently be noted in sector budget processes. With regard to instruments, a growing use of the CSO channel in geographic programmes is noted. Yet there is still limited reflection on how to use the different instruments in a complementary manner.

Judgement criterion 1: The EC has ensured overall coherence in its support to different categories of actors from civil society it seeks to reach

The EC policy framework regarding civil society participation recognises the importance of engaging with civil society in all its diversity. The statistical analysis and field visits however clearly indicate that the EC has channeled its aid primarily through European CSOs. During the period under evaluation, two thirds of all specified EC payments have been channelled through Northern CSOs, leaving the rest to Southern NGOs⁴⁶. In most cases, Northern CSOs are contractors whereas Southern CSOs are sub-contractors responsible for implementation. The data collected suggest a relative decrease in the proportion of aid channelled through Northern CSOs, which may underline that there has been limited progress in achieving the stated policy objective of enhancing the participation of local CSOs. However, these figures should be handled with caution. EC Delegations, for instance, stress the fact that it is difficult to assess the percentage share among Northern & Southern CSOs since many thematic instruments require partnerships between Northern and Southern CSOs.

According to the questionnaire, EC Delegations work *with* and *through* a broad panel of CSOs such as international NGOs (33 replies out of 33), NGOs (32), human rights

⁴⁶ This statistical analysis has however its methodological limits (see also Annex VIII): Local organisations financed by a regional programme, which may represent an important volume of total funding, are not identified as contractor in EC database and do therefore not appear in the statistics.

organisations (24), universities (24), associations (23), research institutes (15), foundations (14), trade unions (12) and others⁴⁷ (4). However, an analysis of existing country level and thematic evaluations, indicate that ***the channel of civil society is in practice often narrowed down to NGOs***. The concepts of CSOs, NSAs and NGOs tend to be used as synonymous terms. Similarly, an analysis of a sample of guidelines elaborated for the purpose of CfP in various countries and budget lines, suggests that a majority of Delegations equate non-for profit legal entities to NGOs. All field missions with the exception of Somalia⁴⁸ provide additional evidence that NGOs are by far the most privileged partner as compared to other types of CSOs⁴⁹. Several factors help to explain this situation, including (i) the bias in some important budget lines in favour of European NGOs⁵⁰; (ii) the structural weaknesses of the local civil society (e.g. Georgia, Lebanon); (iii) the rather limited knowledge of the EC on the diversity and potential of local CSOs; (iv) the high demands imposed by standard EC procedures (in technical, administrative and financial terms) which tend to be unsuited for (small and informal) local CSOs (e.g. Peru, Lebanon, Benin, Cambodia)⁵¹; (v) the restrictive legal framework in the partner country⁵²; (vi) geographic and thematic instruments tend to privilege a logic of subcontracting and hence favour individual operators with administrative and technical capacity to delivery key services (e.g. Peru).

While it is true that European NGOs continue to be the privileged recipients of EC funds, most EC thematic lines, and their related procedures, are based on a partnership logic whereby EU NGOs are applicants and local CSOs are partners, also entitled to receiving EC funds. However, it is unclear whether the CfP system in place is in fact conducive to longstanding strategic partnerships⁵³. There is no evidence (after screening a sample of EC Guidelines) that the EC actually sets quality partnership standards. There is also a clear trend towards establishing a new division of labour, whereby international (EU) NGOs progressively withdraw from project implementation and focus on developing the capacity of local counterparts (e.g. Cambodia, Peru). In addition, it is to be noted that most EU NGOs respect ethical standards by focusing on developing the capacity of their Southern counterparts in the context of a partnership or even in the framework of contractual obligations as sub-contractors.

The 2002 NSA Communication identifies capacity development of Southern CSOs as a priority of EC support. Experiences in the field show that the EC has been an in-

⁴⁷ Indigenous organisations, confessional organisations, etc.

⁴⁸ In the absence of a legal framework for CSOs in Somalia, the EC has to work for contractual reasons through European CSOs. However, in its support to local CSOs (always through INGOs), the EC explicitly covers a broad range of Somali CSOs, ranging from the well-established Somali NGOs to usually weaker community based organisations, professional associations, traditional and religious leaders, and also including the private sector. Under impulse and with support from the EC, all these actors have also been federated into local NSA forums.

⁴⁹ The Georgia report, for instance, notes that the EC undertakes little activity in supporting CSO actors in the economic field, despite the important role they could play in the CSP key objective of developing a market economy. In Benin, national non state actors platforms are not integrated in the CSO support programmes, which concentrates on the support to individual organisations although the objective is to support civil society in Benin.

⁵⁰ This was the case of the NGO Co-financing budget line.

⁵¹ The limited structuring of local CSOs, particularly small organisations of the first level (sometimes with no legal status) and second level (with limited financial, administrative, language capacities) may hamper their ability to access EC funding opportunities directly, and push them towards seeking partnerships with EU NGOs (cf. Cambodia, Benin, Lebanon).

⁵² In Somalia, the absence of a legal framework for CSOs also pushes the ECD to exclude Somali based CSOs from direct assistance.

⁵³ The Evaluation grid suggests that a maximum score is given to proposals where a partnership exists between an EU and local CSO, so it is not improbable that partnerships are sometimes opportunistic or artificial (established in a rush to meet a deadline).

creasingly active player, both through thematic budget lines or regional programmes (particularly in the ACP countries). Their design varies from developing the capacity of individual CSOs to sector-specific programmes that include a CSO capacity-building component (e.g. in education and health related programmes).

Judgement criterion 2: The EC ensured overall consistency in the various approaches used to channel aid through CSOs

The EC distinguishes between *three types of cooperation approaches*, which can be used to channel funds through CSOs: the project/programme approach; the sectoral approach; and the global/macro approach.

Despite a steady move towards programme-based aid modalities, all sources of information confirm that the *project approach* is still predominant when channelling funds through CSOs. This is partly explained by the fact that during the period under evaluation the most important instruments (in financial terms) used to channel funds through CSOs were thematic budget lines, which clearly favour a project approach. The questionnaire reveals a positive attitude of EC staff towards using project approaches for channelling aid through civil society. This approach is perceived to have a *comparative advantage* in the sense that it: (i) provides an opportunity for CSOs to access funds directly and carry out their own initiatives; (ii) allows for quick disbursement at the beginning of the project and faster implementation; (iii) makes it possible to target interventions in those areas where the State is not able to deliver services; (iv) can contribute to mainstreaming innovative practices in areas such as micro-credit and community empowerment; and (v) ensures proximity to the field and good visibility. However, field based evidence points out that there are also important *limits to the project approach*: (i) burdensome management and follow-up; (ii) tension between ownership and administrative control; (iii) risks of stand-alone activities that do not allow for replication, sustainability and systemic impact; (iv) lack of synergies with State programmes; and (v) difficulty of embedding projects in a long-term support strategy. These limitations were already recognised by the Evaluation of the EC NGO Co-financing line (2000).

While the project approach is still the preferred modality for EC funds through CSOs, the questionnaire also underlines the advantages and increased use of innovative *programme approaches* when using the CSO channel (see also EQ 3). Their main advantages seem to be lying in: (i) greater flexibility to adapt to changing circumstances; (ii) enhanced strategic focus; (iii) fewer contract and legal/financial transactions; (iv) availability of continuous capacity building/TA support; (v) stronger focus on CSO structuring and strengthening (as exemplified by the NSA support programmes in the ACP region); and (vi) stronger involvement at policy level.

The *NSA support programmes* merit special attention. The EC has been particularly active in the ACP region to promote this type of programmes in a wide range of countries, including in difficult partnerships, mobilising substantial funding. The programmes are specifically geared at enabling (a diversity of) CSOs to assume their new roles in development and promoting dialogue with governments. They are generally designed in a highly participatory manner and managed by a project management/facilitation unit. This system makes it possible to channel considerable amounts of money through local CSOs⁵⁴. Taking into account the novelty of the first generation of NSA support programmes, *remarkable achievements* were obtained in most

⁵⁴ For example, the NSA support programme in Senegal has allocated 7 mio EURO to 51 organisations.

cases. In some countries, the start was problematic for a variety of reasons, including government opposition or lack of experience of the selected PMU. Field missions to non-ACP countries clearly revealed a major interest of EC Delegations for this type of programmes.

Another interesting trend with regards to programme approaches is the emergence of joint funding modalities for CSOs - fuelled by the harmonisation concerns of the Paris agenda and related search to reduce the high transaction costs of direct support to CSOs. The EC has some experience with channelling aid to CSOs via **multi-donor basket funding**. This is, for instance, the case with the UNDP-managed multi-donor funds for CSOs in voter and civic education as part of electoral support programmes (e.g. the recent elections in Indonesia, Pakistan, Nigeria and DRC). In Sierra Leone, EC funding for capacity building of CSOs involved in advocacy⁵⁵ is to be channeled through an existing structure, set up by DFID, instead of creating an EC stand-alone project. However, practice suggests that this approach also presents strategic and operational challenges. Streamlining of financing could limit the kind of activities and the range of CSOs that can access the funding (to the detriment of smaller CSOs engaged in ad hoc activities). Implementation is likely to involve intermediary agents (e.g. UNDP offices, international CSOs, national umbrella CSOs, private sector companies, etc.) in the management and transfer of funding to CSOs. In some cases, the use of such intermediaries can create imbalances, competition and distrust between CSOs. There is also no guarantee that these intermediaries will function in an efficient, effective and transparent way⁵⁶. Furthermore, basket funds tend to be perceived by CSOs as a donor-driven initiative, often lacking CSO consultation and ownership.

In its overall cooperation, the EC increasingly relies on **sector approaches**. This, in turn, is fuelling the search to find new ways and means to involve CSOs in these sector processes, including by channelling aid to them for performing a variety of roles (e.g. service providers; advocacy activities; watchdog agencies). In some countries, the EC pro-actively sought to review the added value of the CSO channel in the light of the current focus on sectoral policies owned by the country (e.g. South Africa, Mozambique). Aid in Somalia is predominantly channelled through CSOs via projects given the weakness of the federal state. While this is the most adapted way to channel aid in the Somali context, this approach also has limitations. Several CSOs pointed to the difficulties of designing coherent long-term strategies within a project mould. The EC Somali Unit recognises these weaknesses and has started an innovative approach to link INGO project interventions to a sector-wide approach in the health sector, using a creative combination of instruments and channels to intervene at different levels (service delivery at the micro level; capacity development of health system at regional and national levels). However, evaluation findings suggest that **the extent to which the EC has critically (re-) assessed the roles that various types of CSOs can play in sector approaches is generally still fairly limited**. For instance, the CSO channel in Benin has mainly been supported through project approaches, both through the EDF and in the framework of budget lines. CSOs have been also used in sector programmes (health, decentralisation) but mainly as service providers. In Georgia, the mission found that the EC Delegation has channeled no significant amount of aid through the CSO channel in the framework of its health sec-

⁵⁵ "Civil society Capacity Building and Local Accountability Mechanisms", FP 9ACP 26SL

⁵⁶ The Evaluation Team met representatives from local CSOs involved in voter and civic education during elections in Nigeria and RDC. They had received EC support through a UNDP multi-donor fund, yet were highly critical on how this scheme worked in practice, especially with regard to the channelling of funds through the intermediary body.

for reform, despite the potential added value that these organisations could bring into the process.

Global/macro programmes, linked to the financing modality of budget support, are progressing as a preferred EC aid modality. Also at this level, the EC is confronted with the challenge of rethinking the use of the CSO channel. These policy changes are fairly recent so the EC reflection process on the implications for the CSO channel is still at an initial stage. Yet there is growing pressure to address the issue. Both the questionnaire and the field missions indicate that there are growing concerns about the dwindling involvement of civil society in social sectors receiving budget support and the **limited critical reflection on the role and use of the CSO channel in programme-based aid modalities**. It appears that while the EC is shifting towards budget support as a preferred aid modality, it is not really engaging with CSOs beyond specific projects (identified and funded through specific budget lines) and hence is not strategically supporting civil society's potential to play an advocacy role, empower users groups and citizens or disseminate information. In some cases, it can actually lead to CSOs being effectively excluded from receiving funds through this aid modality (e.g. Cambodia, Georgia). This has much to do with the ability of the EC to safeguard space for CSOs to participate and to stimulate consensus between government and civil society in the use of budget support. Emerging good practices (see Box 2) show the benefits of designing complementary programmes to support CSOs in charge of PRSP monitoring or involved in PFM issues (as indicated in the general budget support guidelines).

Box 2: Empowering CSOs to participate in sector and general budget support- Some emerging good practices

- In Zambia, the EC started in 2006 to support civil society involvement in budgetary processes, with a focus on the impact of budget support on poverty reduction. The main watchdog of Zambian public expenditures is the Civil Society for Poverty Reduction (CSPR), a civil society network of over 140 organisations working for pro-poor development all over the country. The EC actively supports the CSPR and has also launched an additional project aimed at further involving civil society in the budget process in the coming years.
- The Protecting Basic Services (PBS) Programme in Ethiopia was set up to decentralise the provision of basic services to lower tiers of government after the suspension of direct budget support in 2005. CSOs were involved in this innovative scheme through monitoring and accountability checks of the PBS grants on the field. For this purpose, a civil society fund was set up by the EC to channel aid to CSOs. The PBS is particularly active in sectors like health and education, where CSOs are invited to directly participate in the budgetary process and to the monitoring of service delivery.
- In Uganda the first coherent approach to democracy and civil society support was provided under the 'Democratic Governance and Accountability Programme' which was launched in 2008. Funding is partially earmarked to enhance the role of CSOs in social accountability activities. The programme is closely coordinated with the Partners for Democracy and Governance Group's basket fund, a multi-donor basked fund for CSO grants and service contracts for capacity development.

Judgement criterion 3: The EC ensured overall consistency in the various instruments used to channel aid to CSOs

Two main instruments were used to channel EC aid to CSOs during the period under evaluation: a wide range of thematic instruments (budget lines) and the geographic instruments (as foreseen under the various cooperation agreements).

In 2002 no less than 15 **budget lines** (in different intervention areas) were accessible to CSOs. Based on the various sources of information, it clearly appears that this proliferation of budget lines contributed to hampering the emergence of a strategic vision on how to use the CSO channel when delivering aid, both geographically and sector-wise. Before deconcentration (effective in 2004), the management of budget lines was of the resort of HQ, which was in charge of defining eligibility criteria, budget ceilings and priority guidelines. Echoes from the field suggest that the guidelines were sufficiently general to respond to country specificities and that the advice of EC Delegations was mostly taken into account (although the Somalia case nuances this finding), hence reducing the risks of funding less relevant actions. However, the system did not have specific mechanisms to ensure that projects were complementary to geographical instruments. Not surprisingly, the devolution of budget lines has been perceived in the field as a very positive development by EC Delegation staff. CfP guidelines are now generally designed within Delegations. This creates opportunities to enhance coherence with the overall country strategy and to take into account local civil society's needs and dynamics. There tends to be a positive appreciation of the contribution provided by EC thematic budget lines (especially EIDHR and NGO Co-financing) among the Delegations and CSOs consulted in the framework of this Evaluation's survey.

Various evaluation sources (e.g. statistical analysis, country missions, survey) show that the CSO channel is also increasingly used in the geographic instruments for a variety of purposes.

Yet the Evaluation Team collected limited evidence of a complementary use of the various instruments for reaching out to CSOs. This may change with the **process of rationalisation** process which culminated in December 2006 with the establishment of a new financing instrument for development cooperation with five thematic programmes aimed to complement the geographic instruments. EC Delegations were generally positive about this evolution, as it may facilitate a more strategic management of the CSO channel, based on a complementary use of both geographic and thematic instruments. There is also a growing recognition of the need to drastically increase EC capacity to combine various instruments when using the CSO channel.

4.5. EVALUATION QUESTION 5: To what extent and how has European Commission aid delivered through CSOs been consistent with relevant new commitments related to the Paris Declaration on Aid Effectiveness, particularly with regard to capacity development of CSOs in the context of sector and budget support?

Answer to EQ 5

It is still too early to assess the impact of the Paris Declaration on the CSO channel. Yet EC commitments with regard to the participatory development agenda are not necessarily compatible with the proposed aid effectiveness agenda, which seeks to reinforce the role of the state and shift towards budget support modalities. Evidence indicates that there are risks to pursuing the implementation of the Paris Declaration without due consideration for the role of CSO therein and for the changes required in the management of the CSO channel. At country level, CSOs seem to occupy so far a secondary position in EC strategies towards implementing the Paris Declaration, and much remains to be done in terms of harmonizing donor support to CSO. There are also indications that windows of opportunities to integrate CSOs in the new aid modalities promoted by the Paris Agenda are not yet fully explored, though innovative practices are slowly emerging.

Judgement criterion 1: EC aid through CSOs is consistent with relevant commitments made in the framework of the Paris Declaration on Aid effectiveness (particularly the participation of CSOs in the formulation and implementation of nationally owned policies and budget support facilities)

The CSO channel is not static but a living system, which functions in evolving national and international policy contexts. The adoption of the Paris Declaration on Aid Effectiveness (2005) offers a case in point. The new commitments in terms of alignment and harmonisation are likely to exercise a major influence on the CSO channel.

It is too early to assess the overall impact of the Paris Declaration on civil society. While some countries are frontrunners (e.g. Cambodia, Ghana, Tanzania, Uganda, Zambia), in most places the process has just started. In-country knowledge of the Paris Agenda tends to be low, both among government actors and CSOs. EC Delegations are discovering the political, institutional and technical complexities involved in this reform. Much learning and experimentation is taking place, including in defining Joint Assistance Strategy documents (JAS) for a given country.

It is useful to examine at this initial stage **key trends in EC response strategies**. The following findings were noted:

- The participatory development agenda of the EC towards civil society emerging from the late 1990s onwards (as summarised in chapter 3) is not necessarily compatible with the aid effectiveness agenda. The EC commitment to mainstream the principle of participatory development calls for more and better relations with civil society as well as a strategic use of the CSO channel. The Paris Agenda is primarily concerned with reducing the transaction costs of aid management, by channelling funds through the State, preferably through budget support modalities. The need for a broad ownership of national development policies and proper accountability to citizens and Parliament is recognised, but

the Paris Declaration itself does not elaborate on the role of civil society in the whole process;

- Various evaluation sources⁵⁷ reveal the existence of **major concerns** on the possible negative impact that the implementation of the Paris Declaration may have on the CSO channel. These concerns are also expressed by the large majority of CSOs consulted – through the focus group with Brussels-based CSOs and in the field. They relate to (i) the risk of re-centralising development and aid in the hands of governments without the necessary countervailing powers and (downward) accountability checks; (ii) the possible politicisation of the CSO channel by control-oriented governments hiding behind the seemingly technical agenda of harmonisation and alignment⁵⁸; (iii) the instrumentalisation of civil society as sub-contractors for service delivery, but also as watchdogs of efficient implementation of aid strategies; (iv) the absence of progress indicators in the Paris Declaration regarding democratisation as well as participation of civil society in the formulation and monitoring of budget support and (v) the trend of decreasing financial flows channelled through CSOs;
- In principle though, there is quite some support among CSOs for the Paris Agenda because of its focus on ownership and on a better governance of aid. The potential benefits of budget support are generally recognised as well, provided this shift is made in a transparent and accountable manner and with due guarantees for effective CSO participation;
- The **main challenge is at field level**. Mixed results were observed in terms of promoting harmonised donor support for an effective CSO participation in the implementation of the Paris Declaration. While innovative experiments were detected, in many other cases there seems to be limited strategic thinking on how (i) to ensure genuine CSO participation⁵⁹; (ii) to promote effective downward accountability when providing budget support or (iii) to apply the Paris principles when it comes to donor support provided to and through CSOs⁶⁰, with notable exceptions like Tanzania⁶¹;
- The questionnaires as well as the focus group with Brussels-based CSOs indicate that much work remains to be done to ensure a coherent integration of the CSO channel in the new aid paradigm. For the stakeholders consulted, the key challenge for the EC will be to keep the various channels of aid delivery open (e.g. Peru) and to manage them in a strategic manner according to the comparative advantage of each channel in a given context.

⁵⁷ There is also a growing literature reflecting CSO concerns and critiques. For a summary, see among others Sen, Kasturi, 2007. Civil Society Perspectives on the Paris Declaration and Aid Effectiveness, INTRAC Policy Briefing Paper 14, October 2007 and Reality Check, January 2007. The Paris Declaration, Towards Enhanced Aid Effectiveness?, a CICC/BOND contribution

⁵⁸ A typical strategy for government to control the CSO channel is to adapt the legal framework by making it more restrictive (e.g. in terms of getting formal recognition or accessing funds). Such an attempt was recently undertaken in Peru, partly under the official banner of aid harmonisation. A wide range of actors (including the EC) have mobilised against such a proposal, which is seen as a measure that would reduce the space for an autonomous and critical civil society.

⁵⁹ The Cambodia report, for instance, notes that debate between the government and the donor group on the Paris Declaration is apparently strong and has generated a good number of joint processes and technical groups. But this is at a high level and although CSOs are nominally invited, participation and capacity for engagement appears to be limited.

⁶⁰ The quality of coordination and complementarity with other donors with regard to CSOs is in most cases still low, leading to important transactions costs for all actors involved, and especially for CSOs (as they are confronted with multiple reporting and financial requirements);

⁶¹ A joint consultation process (donors and CSOs) resulted in a common strategic framework in support of those CSOs working mainly in advocacy and engaged in policy processes. In this context, an intermediary support mechanism - the Tanzania Foundation for Civil Society - provides grants and capacity development support to CSOs. Over the last two years, the organisation enabled CSOs to access relevant information, engage effectively in policy process, contribute to social development and hold governments to account.

On the whole, the EC still has to think through in a systematic way the possible implications, opportunities and risks of the Paris Declaration for the promotion of the participatory development agenda as well as for the related use of the CSO channel. Some positive first steps have been taken in this direction. Thus, there is a growing policy debate on the topic, both within the EC and in international fora (e.g. the DAC Advisory Group on CSO and aid effectiveness). The DECIM network, co-founded by the EC, is addressing the matter in dialogue with other donors and the CSOs (notably testing the model of voluntary donors' coordination in order to fill the gaps of donors' civil society development strategies in a given country) while EuropeAid has recently launched a study on how to involve CSOs in new aid modalities.

CLUSTER C: IMPACT AND SUSTAINABILITY

4.6. EVALUATION QUESTION 6: To what extent and how have European Commission strategies, programmes and projects, delivered through CSOs, contributed to achieving key EC/EU development objectives?

Answer to EQ 6

The Evaluation Team found ample evidence of the positive contributions made by the EC when using the CSO channel in different geographic/political contexts, themes and sectors and through its various instruments. CSO projects and programmes often also lead to broader (intangible) development outcomes (such as the development of social and institutional capital). However, major doubts subsist on the systemic impact and sustainability of supported CSO interventions for various reasons including the predominance of short-term project approaches; discontinuity in support; limited linkages with other programmes and processes; inadequate donor procedures; risk aversion; and limited attention to the sustainability of CSOs themselves.

Judgement criterion 1: EC aid delivery through CSOs contributed to delivering basic social services to poor and marginalised communities

The Evaluation Team collected evidence of the positive contributions made by CSOs in delivering social services to poor communities in the framework of EC funded actions in various geographic, political contexts and sectors (e.g. housing, education, health, food security, water, human rights, etc...) and through different instruments⁶². This includes 'gap-filling' operations -where CSOs stepped in to substitute for failing/unwilling governments.

However, the Evaluation Team found it difficult to assess the impact of actions, *beyond* the positive results of individual projects and/or programmes. There are several reasons which can explain why EC aid delivery through CSOs does not necessarily lead to sustainable impact:

⁶² See Country Notes Benin (e.g. the "Afrique Mutualité" project), Lebanon (e.g. the Lebanese Social Movement project) and, Peru (the health programme AMARES funded under the geographic budget).

- The ultimate impact of projects and programmes largely depends on the extent to which they are **embedded in coherent and sustainable poverty reduction strategies**. Although the EC generally embeds its country strategies' in national long-term poverty reduction strategies, all field missions (to the exception of Somalia) indicate that EC cooperation five-year country strategies often lack an explicit long(er)-term poverty reduction strategy⁶³;
- The sustainability of CSO-interventions in support of service delivery is also influenced by the existence (or not) of a **clear division of roles and responsibilities between state and non-state actors**. In practice, adequate exit strategies -whereby state actors progressively take up responsibilities as service providers- were often found missing in CSO-supported projects (e.g. Peru). The effective co-production of social services can also be hampered by a pervasive mistrust between CSOs and state agents (e.g. Lebanon) or by the influence of local politics on CSOs' operations as service deliverers (e.g. Bangladesh);
- Another factor that can affect the overall sustainability of projects is the **high dependency of CSOs on donor funding** (e.g. Lebanon). This may lead certain CSOs to adopt opportunistic behaviour according to funding opportunities, thereby endorsing donor's agendas rather than the priorities of local populations (e.g. Benin);
- There is ample evidence on how **EC procedures can jeopardise overall impact** and sustainability of EC-funded projects. This is, for instance, the case when no repeat funding is made available (for procedural reasons) for the second phase of a given project, regardless of its success (cf. Peru, Lebanon, Georgia, Cambodia). Another example relates to the very limited opportunities for CSOs to explore funding opportunities with the EC otherwise than through CfP. This puts CSOs in a very vulnerable position as priorities might change from one Call to the other and the outcome of the selection process will be always uncertain. Unsurprisingly, the EC is rather seen as a rather unreliable donor (cf. Cambodia) unsuited for long-term partnering (e.g. Georgia);
- **Existing M&E systems are output-based** and hence linked to the (relatively short) lifespan of a project. Data gathered does not allow establishing trends which could determine whether improvements are due to EC funding (cf. ROM analysis, Georgia, Cambodia) or whether these are sustainable after the project. The lack of useful (impact oriented) indicators makes it difficult to guide the development process in view of optimising impact and iron out a sustainability strategy (e.g. Georgia, Peru, Benin).

On a more positive note, the Evaluation Team observed a growing interest in redefining and redistributing roles and responsibilities among the various actors involved in social service delivery (i.e. central/local governments, civil society, private sector) , both in-country and at the level of the international donor community. This evolution is likely to fundamentally affect the use of the civil society channel for service delivery. As illustrated by the case of Bangladesh, the fine-tuning of EC intervention strategies in sectors requires time (Box 3).

⁶³ This is reflected for instance in the unsystematic choice of focal sectors, which do not always capitalise over previous ones.

Box 3: Articulating state and non-state actors for sustainable service delivery: the experience of the EC in Bangladesh

Prior to 2002, the EC mainly used the CSO channel (via large local NGOs) for ensuring pro-poor service delivery in several sectors (health, education, food security, rural development). The approach was reportedly beneficial in terms of improved cost-efficiency and effectiveness.

However, as highlighted by the Country level Evaluation (2003), the EC strategy seemed unsustainable. First of all, it substantially increased portfolio management risks, especially as the large NGOs became subject to Bangladeshi politics, threatening the sustainability, if not the execution itself, of the projects concerned. Second, the excessive reliance on one or two large NGOs to counter Government of Bangladesh (GoB) deficiencies was not embedded in a longer-term strategy of making the state responsible for the services. According to the Evaluation “the lack of any exit strategy enabling transition of policy ownership from the huge NGO sector to GoB casts grave doubt on the sustainability of much of the EC’s education interventions, as it does similarly for food safety and rural development”.

This led the EC to devise a new strategy with regards to the use of CSO as an aid delivery channel for the next CSP (2002-2006). On the one hand, the EC committed to continue using CSOs as an aid delivery implementing partner in those sectors where public service delivery is still deficient (primary health care, education, vocational and skill training, credit facilities...). On the other hand, it proposed to gradually reduce direct funding to NGO programmes where these competed with Government services. Whenever possible, social services delivered by CSOs would be embedded in a government regulated (sub) sector (particularly health and education). This reduction of direct CSO work is progressively being achieved with EC’s move into sector wide programmes in education and health.

Judgement criterion 2: EC aid delivery through CSOs contributed to improved participation in policy and governance processes

The CSO channel was found to be effective in contributing to improved governance. Some examples of the field missions (covering the various instruments) include:

- The PRODECOM project in Benin aimed at strengthening local government capacity to improve public service delivery through the consolidation of a participatory approach. In the process, space has been opened up for CSOs to **participate actively in the decentralisation process** by implementing activities such as: building capacity of both local authorities and local CBOs to assume their new roles in a decentralised context (for more details see case study Benin, included in the Country Note);
- Several EC-funded interventions under the geographic budget in Peru (e.g. JUSPER, AMARES, AGORAH, PASA) have contributed to **improved participation and active citizenship** by: (i) opening of policy dialogue processes, specially at regional level; (ii) generating trust between public and private actors; (iii) strengthening of civil society’s capacity of initiative; (iv) and in some cases the emergence of public policies designed jointly between government and civil social (as an effective form of scaling up from project to public policy);
- Several Country Notes (e.g. Cambodia, Georgia, Peru) report an effective use of the **EIDHR instrument** in terms of (i) encouraging participation in policy and governance processes of different vulnerable groups; (ii) claiming rights and access to services: and (iii) engaging CSOs in a dialogue with decentralised authorities.
- In Lebanon, the mission accounted several examples whereby EC funds channeled through CSOs helped to strengthen CSOs capacity to lobby on highly sen-

sitive issues (e.g. an ethical code for media; progress in the debate with regard to the death penalty);

- In Georgia, EC funding channeled through CSOs has had significant results in building CSO capacity in the conflict zones of Abkhazia and South Ossetia (for more details see case study included in the Country Note).

However, a ***different picture*** emerges when one seeks to assess influence and ***impact on broader processes of societal change***, institutional reform or improved governance beyond the immediate project outcomes. Similar limitations appear as those noted earlier with regard to CSO projects aimed at service delivery to poor communities (see 4.6.1). In many countries, the political environment is not conducive to effective CSO interventions in the governance area. The EC is also confronted with the classical dilemma (if not contradiction) of supporting short-term (project) interventions whereby governance changes can only be pursued through medium or long-term engagement and with significantly more funds (preferably based on core funding modalities to promote sustainability of the CSOs involved).

The various sources of information raise serious ***questions on the likelihood of sustainable impact*** of donor (EC) supported interventions considering: (i) the limited scope and duration of CSO projects, in relation to the often over-ambitious stated objectives; (ii) the lack of a clear-cut strategy to transform the positive dynamics generated by projects into wider *processes* owned by the various stakeholders; (iii) the often limited connection between these projects and broader national programmes or other donor interventions; and (iv) the limited attention generally given to the sustainability of the CSOs themselves.

Field accounts provide indications of the practical difficulties involved in setting up human rights, democracy and governance programmes in countries where governments are resisting any challenge to their authority. CSOs are often tied to a restrictive national legal framework. Failure to abide to the rules can trigger a range of reactions by the authorities entailing different levels of risks – for the institutions and their staff. The Survey and other informal channels point to the limits of EIDHR instrument and its aspiration to bypass governments (cf. Colombia, India, Egypt, Eritrea, Laos, and Myanmar). Prevailing procedures may further reduce EC capacity to channel funds through CSOs in the field of governance and human rights. The case study developed by the field mission to Cambodia is an illustrative example (see Box 4 below).

Box 4: Limits of EC procedures in EIDHR – A reality check from Cambodia

EIDHR was created in 1994 to foster cooperation with civil society on sensitive human rights and democracy issues. By the year 2000, 80 per cent of funds available were channelled through CSOs -an indicator that civil society was perceived as an essential partner of the EC in the field of human rights.

The field mission to Cambodia collected evidence that prevailing procedures used within EIDHR preclude the EC from taking a more strategic approach towards using the channel and developing long-term partnerships with key CSOs in the field. In particular the CfP posed major problems. It was not a user friendly tool for Cambodian NGOs (as reflected in low success rate of local NGOs) nor conducive for a rights based approach (projects lifespan is too short to allow careful monitoring/lesson learning). It did not allow the EC to take a strategic approach to the types of projects it seeks to fund (since the Delegation does not have a clear human rights strategy, the portfolio relies on a great extent on the projects submitted for funding). The CfP also discourages donors from taking a harmonised and jointly supportive approach to working with key NGOs.

All these limitations confront the EC with major challenges to improve the impact of governance-related interventions funded through the CSO channel. Various stakeholders insisted on the ***need for the EC to enhance its own political and institutional capacity to intervene in a coherent way*** in the sensitive area of governance. This implies strengthening the leverage of the EC to operate as a political actor willing and able (i) to go beyond instrumental approaches to working with CSOs; (ii) to help opening up and defending a democratic space for civil society participation; to target relevant *drivers of change*; (iii) to develop strategic alliances with CSOs/networks; (iv) to promote the building of social capital in all its programmes, etc. However, evidence collected from various sources suggests that the EC is still largely perceived as a prudent actor, not always ready to openly criticise the government in case agreed principles with regard to civil society participation –as enshrined in legal documents such as the Cotonou Agreement or MEDA- are not respected (e.g. Eritrea, Algeria, and Egypt).

Judgement criterion 3: EC aid delivery through CSOs contributed to progress towards local economic development

Local (economic) development is another policy area where CSOs are deemed to have a particular added value. The Evaluation Team found evidence supporting this assumption. In most countries visited, the CSO channel (mainly via the NGO Co-financing and Food Security budget lines) was found to contribute positively to economic development at the local level (including local planning; micro-credit schemes; employment creation, etc.). This type of programmes often contributes to improving partnerships with local authorities (an interesting example is the support programme for local development ACORDS in Madagascar).

The case studies included in the Peru and Benin Country Notes offer evidence that funds channelled through CSOs contributed to (i) improved quality of life of target groups (primary health care, access to water, access to schools, improved sanitation); (ii) capacity development of vulnerable groups (such as women) for income-generation; (iii) improved access to tools and markets; diversification of marketed products; (iv) enhanced awareness of local authorities on the potential of local economic development for poverty reduction and social cohesion; and (v) the replication of positive outcomes at regional level. However, as in question 6.1 and 6.2 it is difficult to evaluate the sustainable impact of CSO activities beyond project outputs.

4.7. EVALUATION QUESTION 7: To what extent and how did European Commission strategies, programmes and projects, delivered through CSOs, provide an appropriate development response in (post-) conflict situations/fragile states/difficult partnerships?

Answer to EQ 7

The EC often relies on CSOs to pursue a variety of development objectives (e.g. conflict prevention/resolution; democracy promotion; service delivery) in conflict situations, fragile states and difficult partnerships. Ample evidence was found of successful CSO interventions in (post-) conflict situations, including some examples of impact on broader processes such as a gradual shift in role division between CSOs and government in transition phases. The effectiveness of CSO interventions in those contexts is informed by the evolving local environment; the degree of flexibility the EC adopts; and its capacity to engage creatively with CSOs and the Government beyond short time-frames. Experience in difficult partnerships suggests that the effective use of available instruments for CSOs is generally very challenging and risky. Questions arise about the will and the capacity of the EC to use its political weight to defend space for civil society when it is curtailed by the partner government.

As mentioned above (see EQ 1), the EC considers CSOs to be a useful channel with a distinct added value in (post-) conflict countries/fragile states and difficult partnerships. Through the questionnaires and the field visits, the Evaluation Team found **ample evidence of positive effects** of EC aid delivered through CSOs in this type of countries:

- In Somalia, the CSO channel was used in an innovative way to promote conflict resolution (e.g. inclusion of CSOs in the national peace conferences, successful efforts to establish local CSOs that function as regional peace and dialogue centres, involvement of traditional leaders at community level, which fulfil an important role in conflict mediation);
- In the conflict zones in Colombia, national and international CSOs are strategic actors operating as human rights monitors, pressure groups, think-tanks and grassroots organisations. CSOs play an important role as the partners leading social processes at local level in order to build regions of peace, sustainable development and respect for life and human rights, as witnessed in the success of the Peace Laboratories (see also EQ3);
- In Georgia, European CSOs were found to be an effective channel to engage in conflict resolution as well as to develop initiatives in those conflict areas where local CSOs cannot operate, or where ethnic tensions can be dealt with more effectively through the neutral presence of international CSOs;
- In Lebanon, the EC is perceived to positively contribute to conflict prevention through its support to CSOs that promote a culture of human rights and dialogue between different communities, although the EC's lack of flexibility and the subsequent lack of viability of the projects is seen as a major obstacle;
- CSOs have equally contributed to guaranteeing basic services in health, education, water and sanitation in crisis situations (e.g. Afghanistan, DRC). In these sectors, CSO involvement is above all seen as transitional, the ultimate aim being that the State takes over this role in basic service delivery over time. Questionnaires and country visits indicate that the reorientation of roles and involvement of CSOs in post-conflict situations is seen by EC staff in conflict-affected coun-

tries as a fundamental challenge. The lack of strategic reflections on how to ensure a smooth transition, and eagerness of donors to support, and hence legitimise newly established state structures explains why in a number of cases, these changes manifest themselves as a rather abrupt shift from the use of CSOs to channelling aid through government while in others the EC tries to ensure cohesion between CSOs and the State to ensure a more gradual transition⁶⁴.

A number of the above-mentioned cases resulted in positive dynamics that went beyond immediate project or programme outputs, leading to **broader development outcomes**. The Somalia case study shows how the EC, together with other donors, is contributing to a gradual transformation of the local CSO environment and helping to develop a full-fledged CSO sector which will need to be taken into account by the gradually developing state structures. In Colombia, the regional intervention model has also transcended specific project outputs and is now recognised by the Colombian State through its inclusion in the national development plans. These experiences with transforming the positive dynamics generated by projects in conflict resolution into wider processes owned by the various stakeholders seem to depend largely on local circumstances (e.g. the capacity of particular Delegations to conduct strategic programming, degree of civil society structuring and concentration of civic CSOs, the existence of a conducive legal environment, etc).

Other factors tend to determine the levels of impact achieved by EC aid channeled through CSOs in (post-) conflict situations:

- The degree of **flexibility** of the EC in adapting to a volatile situation: the country study of Somalia confirms that Delegations can be flexible in reorienting their interventions. This flexibility however stems primarily from the existing constructive relationship between Delegation staff and CSOs;
- The difficulty of ensuring a coherent EC support over a **longer period of time**: inevitably processes of conflict resolution and post-conflict reconstruction require a long time-frame and the EC is, through its rigid procedures, not well-positioned to provide such support;
- The **privileged use of INGOs**: given their stronger financial, administrative and technical capacities, INGOs are privileged partners in crisis situations. The country studies of Somalia and Georgia show that their presence may be legitimised for various reasons (e.g. lack of capacity of most local CSOs; absence of a legal framework for local CSOs; perceived neutrality of INGOs). However, relying exclusively on INGOs is not sustainable over the long run and may even harm the development of a local civil society sector, particularly when interventions are not accompanied by specific capacity development efforts of local CSOs.

The Evaluation also examined the results of using the CSO channel in **difficult partnerships**, i.e. in countries where mainstream cooperation policy is not possible (e.g. because official aid is suspended) or where the space for engaging with CSOs is very limited. The findings highlight the importance of flexibility, creativity and risk-taking in the management of CSO funds:

⁶⁴ In Afghanistan, the EC acknowledges that CSOs have an added value as implementing agents in the absence of a working state. However, the EC has made a clear choice in its CSP 2003-2006 to work more with, and in support of, government institutions, rather than continue to work through CSOs. In Somaliland, the more stable part of Somalia, the overall EC approach aims at ensuring coherence between CSO interventions and the regional government structures. Through cooperation at service delivery level with multiple layers of authorities, civil society contributes to developing a vision of the role of the state in relation to citizens and civil society.

- In Myanmar, local CSOs are actively supported because they are able to access beneficiaries that INGOs cannot reach (either because of their limited mandate or travel authorisation from government, or because of the need to maintain a low profile when working with certain groups). Some local CSOs, such as faith-based organisations, also have extensive networks to remote and marginalised groups and enjoy the confidence of both the authorities and beneficiaries to work effectively, particularly in the social sectors;
- In Zimbabwe the EC strategically and creatively used the CSO channel to continue substantial forms of cooperation with the country, despite the official suspension of cooperation. This support *to* and *through* CSOs encompassed a wide range of sectors and also included governance activities. Whenever possible, links were made with government agencies (e.g. in the health sector);
- In several authoritarian states (e.g. Syria, Tunisia, Cuba, Eritrea) the EC seems to lack a clear strategy in creatively engaging with civil society. In other countries such as Egypt, which has equally put in place restrictive legal framework regulating the activities of CSOs, the EC has opted for an indirect management system⁶⁵ through a governmental structure, which seeks to improve governance by promoting state-civil society collaboration in service delivery;
- The EC tends to privilege the use of **thematic budget lines** in difficult partnerships as they do not require (formal) consent of the government. Furthermore, these budget lines have been able to generate positive effects. In Azerbaijan, for example, which is still in a political transition process, the Delegation organises information meetings and discussion forums at the regional level on the thematic programmes. Both local governments and CSO grantees are invited to discuss programme content, providing an opportunity for government and civil society to sit around the table;
- The Evaluation Team also found evidence (in the ACP, MEDA and TACIS regions) of EC-funded **projects implemented by CSOs that were suspended because of government pressure**⁶⁶. There are reported cases where local CSO staff working on EIDHR projects, have been arrested arbitrarily because they were supposedly violating national law, or where EIDHR projects have been suspended because the government had blocked NGO's financial accounts, or simply withdrawn registration/working permits of staff;
- All this, in turn, puts a premium on the EC's **ability to exert pressure over a partner government** particularly opposed to active citizenship, and to defend the space of civil society when this is strangled by partner governments.

⁶⁵ There is a programme in Egypt whereby NGOs operate under the supervision of the National Council for Child and Woman (a public institution and EC's direct contractor) to deliver social services to children at risk.

⁶⁶ A telling example comes from an European human rights NGO whose EIDHR project in Algeria was suspended after serious pressure of the government. In addition, the government put the issue on the dialogue table and claimed a veto right for EIDHR projects. The case of Eritrea also challenges the assumption that the EC can actually circumvent government through its own instruments and procedures. When in 2005 the Government of Eritrea issued a proclamation regulating the activities of NGOs, breaching Article 4 of the Cotonou Agreement, the EC opted not to directly challenge the Government, even if the majority of their CSO partners had to cease operations. The baseline was to 'remain engaged' and therefore, to abide by the Government's sovereign right to regulate over its territory. Regarding the use of available instruments to influence the deteriorating situation of human rights in Eritrea, it is worth noting that none of the projects financed under EIDHR address 'thorny' issues (e.g. civil and political rights, freedom of expression, of association, liberty of movement) but rather those which are high on the government's agenda (e.g. female genital mutilation).

CLUSTER D: MANAGEMENT ISSUES (criterion of efficiency)

This final cluster D deals with the question of how the civil society channel is managed. To this end, it first examines the *internal capacity of the EC* to ensure a strategic and efficient management of aid channelled through CSOs and then the *capacity of CSOs themselves* to act as recipients of aid.

4.8. EVALUATION QUESTION 8: To what extent are the European Commission management systems (in terms of programming modalities; funding modalities and procedures; monitoring mechanisms) adapted to the needs of using CSOs as an aid delivery channel?

Answer to EQ 8

The EC still has to make important adjustments to its overall management systems and capacities in order to be able to strategically use the CSO channel in conformity with its new political agenda towards CSOs. There are moves in the positive direction, including the evolution towards more participatory programming processes, strengthening of in-house capacity, provision of guidance to EC Delegations; deconcentration of thematic budget lines, etc. Yet there are also major institutional constraints hampering a strategic management of the CSO channel such as the less than optimal use of the CfP as tool for channelling aid to CSOs and the weak monitoring and evaluation systems. The most pervasive bottleneck lies in the prevailing administrative culture, which focuses primarily on spending aid and ensuring financial accountability. This leaves limited time for EC Delegation staff to take on board essential functions that are critical for a strategic management of the CSO channel, such as: getting to know the actors; engaging in dialogue; undertaking field visits; ensuring quality monitoring of EC funded interventions; linking CSO projects with other programmes; investing in donor harmonisation; and sharing knowledge.

Judgement criterion 1: The EC has systems and processes to programme aid through CSOs in line with stated policy objectives

Three factors need to be taken into account when assessing the efficiency of EC programming processes in relation to civil society. First, the period of Evaluation (2000-2006) largely coincides with the introduction of the multi-annual programming process. Second, further adjustments to programming were put in place as a result of major changes in international cooperation from 2000 onwards, including the full-fledged recognition of civil society as actors in development. Third, it takes time to adapt internal programming systems to new policy evolutions. In this respect, it is important to capture the dynamics of evolving programming practices towards the civil society channel.

As explained above (see EQ2), the Evaluation Team observed positive developments in programming EC aid to be channelled through the CSO channel. However, most of these innovations (such as improved dialogue with CSOs and multi-donor schemes of support to civil society) are fairly recent. Evidence collected with regard to EC programming practices during the evaluation period 2000-2006 suggests that programming of aid delivered through CSOs often lacked a strategic focus and was seldom participatory. This can be linked to a number of weaknesses prevalent in the EC programming process:

- The programming process tends to be hampered by an **insufficient understanding of the different roles** the various categories of CSOs could play at national and local levels. This, in turn, leads to a dialogue with individual CSOs focusing on implementing issues rather than a dialogue with network organisations on development strategies;
- Since deconcentration has taken effect, participatory programming is clearly more advanced with regard to instruments directly dealing with CSOs (e.g. thematic budget lines, specific NSA programmes) than with geographic instruments, although for the latter the Cotonou Agreement represents a special case due to its rather sophisticated programming framework (see EQ1 and 2);
- Participatory programming has been **underutilised** in the drafting of sector strategies and programmes. This may help to explain why the CSO channel remains marginalised in certain key policy areas of EC support in a given country, despite the added value CSOs could bring;
- Participatory programming has been limited on issues related to EC financing modalities, as exemplified by the concerns CSOs have on the (rapid) shift of EC aid to budget support;
- In some regions (e.g. TACIS, Georgia) systems and processes for programming were reported to be **unduly centralised**, thus promoting a one size fits it all approach. This is perceived to stifle a more flexible, innovative and country specific use of the CSO channel;
- The various Country Notes (except Somalia) did not provide evidence of strategic programming discussions taking place on the relative merits and added value of different channels for aid delivery.

The questionnaire shows that these internal constraints to efficient programming can be exacerbated by the political environment in third countries.

Judgement criterion 2: The EC has management systems and procedures for channelling aid through CSOs

Changes in the EC policy framework towards civil society are due, inevitably, to affect the management of the CSO channel. Following the adoption of the participatory development approach (see chapter 3), the task at hand for the EC is no longer to manage a set of thematic budget lines, aimed at funding projects in which CSOs are perceived as beneficiaries. The agenda now consists of integrating CSOs as co-responsible actors in the overall cooperation process, recognising their diversity as well as the variety of roles they are called upon to play in each sector and in all phases (formulation, implementation, monitoring and evaluation). In this context, the Evaluation Team sought to assess the extent to which EC management systems and procedures have been adapted to the new policy framework towards CSOs.

As mentioned before (EQ 3) a positive evolution is the **deconcentration** of responsibilities for the management of most thematic budget lines to the Delegations. Both the country missions and the questionnaire confirm that this has created new opportunities for (i) conducting dialogue with CSOs; (ii) improving the relevance of CfP; and (iii) promoting greater coherence between the use of the CSO channel in thematic and geographic instruments.

However, evidence from various sources suggests that the **internal organisation** at the level of both EC Delegations and HQ may hamper a strategic and efficient use of the CSO channel (in line with the new policy objectives):

- Although a fairly **high ratio of staff** is dealing with CSO-related issues, this **does not necessarily entail improved efficiency**. In general terms, cooperation exists across staff working in different sections, but this is rarely structured in strategic terms. Different operational sections dealing directly or indirectly with CSOs (e.g. social sectors section, food security and rural development section) often do not have a shared vision or strategy on the use of the channel. The questionnaire and country missions indicate that there tends to be a major distance between staff dealing with operational issues related to CSOs (often contract agents) and staff conducting policy and political dialogue issues. A similar disconnection often occurs between operational staff and the contract and finances section, particularly with regard to how procedures should be implemented;
- At HQ level, there is a **dispersion of responsibilities**. There are three overarching units dealing with civil society, namely: EuropeAid E4 (quality support on CSO issues), EuropeAid F1 (relations with civil society and coordination) and DEV02 (relations with civil society, including dialogue with CSOs from the North). DG RELEX has the lead on DCI country and regional programmes, ENPI and EIDHR strategies, while DG DEV has the lead on ACP strategies and programming of the Non-State Actors and Local Authorities (NSA & LA) thematic programme. On the positive side, consultation mechanisms have been put in place to improve coordination, amongst others through: the inter service quality support group (iQSG) and EuropeAid's 5 QSG (4 geographic and 1 thematic). Efforts to ensure coherence in EuropeAid are also pursued in the process of assessing strategy documents, annual action plans, CfP, etc.;
- The EC has made efforts to increase the efficiency of its management systems for channelling aid through CSOs. Country missions indicate that Delegations generally hold regular informative meetings for CSOs in which they brief them on their main priorities and programmes and inform them about forthcoming CfP. However, during the focus group meeting, CSOs criticised the "inconsequent application of EC policy orientations" across regions and even within the same geographic context (e.g. ACP). In some cases, policy instructions are perceived to be "simply ignored". As a result, the approach towards CSOs in a given country is seen to depend to a large extent on "the official in charge in a particular moment of time" rather than on a mainstreamed and properly institutionalised policy and management culture".;
- The **Calls for Proposals mechanism** deserves some attention, as it is used both in thematic and geographic instruments. It is worth noting that in some CfPs the amount of total received applications (with their respective budgets) amounts up to 12 times the available budget. This shows the high interest of CSOs in accessing EC funds, in spite of procedures. However, the current system seems not to be fully adapted to the new EC political commitments towards CSOs or to the (rapidly evolving) capacity levels of CSOs as illustrated in Box 5 below.

Box 5 : How adequate is the Call for Proposals system?

- The usefulness of CfP highly depends on how it has been conceived: the objectives that should be reached through the call; the sectors/ selection criteria that have been identified; the minima and maxima budgets for the requests⁶⁷, etc. This underlines the importance of drafting specific guidelines for each CfP in a participatory manner and integrating national specificities.
- CSOs mostly acknowledge the engagement of the EC to make selection processes more transparent. However, some issues are perceived to reduce the transparency of the selection process, including the lack of information on the selection process of evaluators and assessors;
- CfP are often seen as cumbersome and highly demanding. CSOs have to make a major investment in preparing proposals and if these are then not successful it can mean a serious loss (cf. Cambodia, Benin);
- Procedures actually serve as a filter favouring CSOs able to access information and to understand and comply with procedures. In rare cases, specific training programmes have been organised for CSOs prior to the launching of the call of proposal, focusing on how to write a project and fulfil the guidelines requirements (e.g. Senegal). In a similar vein, project implementation procedures are not adapted either to the capacities of smaller, less formal (local) CSOs (e.g. Lebanon, Cambodia, Benin). Local CSOs are further penalised because the process is not conducted in local language (e.g. Cambodia and Lebanon);
- The system is still “fairly hit and miss” as it depends on what CSOs come up with at the time of the call. It may then also be difficult to achieve balanced coverage of sectors or regions⁶⁸;
- The system encourages fairly intense competition between local CSOs, which is seen as unhealthy for the development of the sector (cf. Cambodia, Benin, Senegal);
- The system is not adapted to support the sustainability of actions. Due to the limited amount of funds and the extremely high number of proposals, a project has little chance to receive follow-up financing. In addition, the system does not really offer scope for building up partnerships with CSOs to tackle issues over the medium term in a planned and sustainable manner.

Besides accessing funds through CfP, CSOs have also the possibility to be **contracted as service providers** through procurement procedures (especially services). The rules for applying the standard procurement procedures refer to the maximum budget for the contract in question⁶⁹. In this case, CSOs are often in competition with consulting companies. The increasing use of framework contracts (beneficiaries or Commission) may have strongly influenced the use of local CSOs (and the type of local actors used), but no information is available on this issue.

Experience with the implementation of CSO support programmes shows the **importance of the selection of the appropriate technical assistance (TA)**, often in charge of the project management unit. As for standard TA, the disadvantages of

⁶⁷ The definition of the amount of the minimum and maximum budget is of tremendous importance as it has a direct influence on the type of CSOs which will participate to the CfP.

⁶⁸ In this case, there is still the possibility to add specific criteria such as balanced repartition among regions or sectors or between various types of actors, but this may affect the neutrality and transparency of the selection process.

⁶⁹ International restricted tender procedure ≥ €200,000; .Framework contracts 2.Competitive negotiated procedure (BUDGET) Simplified procedure (EDF) < €200,000 but > € 5,000; Single tenders ≤ €5,000.

higher management costs linked to such an (international) technical assistance have to be compared to the advantages of the guarantee of neutrality in the selection process and the compliance with the EC rules. CSO support programmes tend to give another role to TA, i.e. focusing on facilitating dialogues between actors, empowering national structures to build networks, focusing on management issues while giving the driving seat to national platforms for guiding the programme.

The Evaluation Team noted that the EC allows for some degree of flexibility to cope with the volatilities of **difficult partnerships**, for instance by derogating standard procedures with regards to rule of origin and the rule of nationality (e.g. Eritrea, Somalia); or by finding creative ways to circumvent extremely curtailing legal frameworks (e.g. DPRK). However, the field mission to Somalia indicates that procedures could be more flexible to cater for the needs of real crisis situations, for instance by allowing quick financial adjustments.

The question of EC **visibility** has been moving to the forefront since the reform process of the EU external action early 2000 (see also EQ1). But what does visibility mean in the context of using CSOs as an aid delivery channel? Evaluation findings (although there are some exceptions notwithstanding, see Box 6) suggests that visibility mainly takes the form of EC Delegations providing information and advice on funding opportunities; and CSO projects and programmes recognising the EC support received. Only limited evidence was found indicating the existence of a critical reflection within EC Delegations on how to link visibility more to the question of impacts achieved or the possible negative side effects of the visibility requirement for the CSOs involved (e.g. in terms of reducing CSO ownership for the project). Whereas at HQ level no evidence was found of a strategic reflection on this issue, the country report of Somalia shows that the EC Delegation is careful in avoiding excessive visibility when this can become dangerous. Besides the security issues, there is a broader concern of what the impact is of visibility strategies on the conflict dynamics and peace process. The NSA support programme in Senegal (PAPNBG / UGP-ANE⁷⁰) has shown how channelling aid through NSA could improve the visibility of EC cooperation. The EC organised a major information campaign in all regions on this programme, ensured training sessions for more than 800 NSA representatives as well as regional fora for several thousands of actors, Cotonou principles (especially participation and governance) have been discussed all over the country.

Judgement criterion 3: The EC has mechanisms in place for monitoring and evaluating the use of the various approaches and procedures and for dialogue on lessons learned

The tools used by Delegations to keep track, follow-up and assess EC aid channeled through CSOs currently include the CRIS database, financial and technical reports submitted by partners, audits, regular meetings with project managers, project Evaluation missions, field visits, Results Oriented Monitoring (ROM) reports, workshops organised with CSOs, and donor coordination fora.

Evidence from various sources indicates that these M&E tools are adequate to ensure a financial and administrative management of CSO projects until the moment of closure. However, they are generally ill-adapted to ensuring a strategic management of civil society as actor and as aid delivery channel in the overall cooperation process (across sectors of intervention, themes and instruments), as they do not allow to

⁷⁰ Programme d'Appui au Programme National de Bonne Gouvernance, Volet Acteurs Non-Etatiques, <http://www.ugp-ane.org/>

monitor in a systematic way issues such as: (i) the evolutions within the civil society sector; (ii) the quality of CSOs participation in development processes; (iii) the added value of the civil society channel in different sectors or instruments; (iv) the impact and sustainability of aid channeled through CSOs; and (v) the (cross-cutting) lessons learned in using the CSO channel. This, in turn, tends to have a negative impact on the EC capacity to programme aid and to ensure a result-based management.

Other structural weaknesses compound the problem:

- **Field visits** are an important tool for effective M&E, but time and budget constraints often prevent Delegation staff from carrying them out. This holds particularly true for visiting the myriad of small projects the EC may support. There is also limited guidance on how to ensure a qualitative follow-up to CSO projects or a standard methodology for field visits.
- Few opportunities exist for an efficient and systematic **exchange of good practices** between Delegations and HQ. CSOs are rarely consulted or invited to discuss lessons learned from the monitoring process or evaluation missions. CSOs interviewed in the field and in Brussels regret that the M&E focus is primarily on financial and contractual issues, less on content matters, let alone on channel issues. The Somalia case portrays a different picture of EC officials (i) adopting an open and interactive style; (ii) discussing experiences and sharing lessons and (iii) taking proactive steps to reorient projects and programmes.
- An important insight from the statistical analysis is **the lack of comprehensive and reliable data** on aid channelled through the various CSO categories actors across countries, sectors and instruments. The EC databases were initially conceived as a financial management tool, *not* as an instrument that could also provide EC policy-makers with strategic information on evolving EC aid flows to and through CSOs.
- The country visit to Lebanon also indicates how the **absence of a knowledge management strategy** and the lack of an institutional memory can affect the CSO channel⁷¹.

Judgement criterion 4: The necessary capacities are in place to manage aid through CSOs?

This judgement criterion focuses on the overall human and institutional capacity of the EC to manage the CSO channel in line with stated policy objectives.

A first dimension of this capacity relates to the **quantity and quality of staff**. Both the questionnaire and the country missions clearly indicate that a growing number of EC staff (from various units and sections) deal with CSO matters. In several EC Delegations (e.g. Peru) there is a willingness to make a qualitative jump forward in terms of managing the CSO channel in a way that is more strategic (= better linked to the overall objectives of EC cooperation), integrated (= covering all sectors of intervention) and participatory (= designed and implemented with the CSOs). However, the questionnaire also points out that few people dealing with CSOs are actually CSO experts, specialized in participatory approaches; capacity development of CSOs or social change processes.

Closely linked to this is the quality of the **knowledge systems** on CSO matters. The country missions in particular suggest such systems are generally not in place at the level of EC Delegations. Indicators of this state of affairs are (i) the limited opportunities for a structured exchange among different units and sections on dilemmas en-

⁷¹ The Delegation did not possess any information on CSO projects between 2000 and 2003 because the former person in charge had left the country

countered when using the CSO channel; (ii) the lack of strategic planning sessions at Delegation level focusing specifically on civil society as an actor and channel for aid delivery; (iii) the inadequacy of capitalisation processes of the wide range of experiences gained with CSO projects and programmes.

As mentioned before, the various HQ units in charge undertake major efforts to respond to growing demands from the field for operational guidance, training and capacity development as well as to capitalize/disseminate lessons of experiences and good practices. However, they face important human and financial constraints. There is widespread agreement on the need to strengthening the overall response capacity of the various HQ units (including via a pool of external expertise) so as to be able to extend the support services provided to EC Delegations and push for a more strategic use of the CSO channel.⁷²

.A key finding of the Evaluation relates to the ***institutional incentives*** surrounding the management of the CSO channel. These incentives largely determine the actual priorities of the EC; the use of time of staff; the type of defined results and the indicators of performance (at the level of the organization and individual staff members). There is ample evidence from the various sources that the prevailing administrative culture and incentive system is not conducive to a strategic management of the channel in line with stated policy objectives. EC officials are constrained to committing and disbursing funds while ensuring a smooth bureaucratic handling and control over the funding delivered through the CSO channel. There are few incentives to reserve time for the various tasks implied in a strategic management of the CSO channel (e.g. getting to know the CSO arena; dialogue with CSOs; strategic planning; linking project work with political dialogue; learning, etc.). The focus in managing the channel is *not* on developing strategic partnerships with CSOs, based on common objectives and joint responsibility for achieving results.

Judgement criterion 5: CSOs have efficient management systems and procedures for channelling and monitoring aid from the EC

The efficiency of the CSO channel is not only determined by the management capacity at EC level. It is also important to consider the capacity question at the receiving end, i.e. at the level of the various categories of CSOs involved. A full-fledged analysis of CSO capacities was outside the scope of this evaluation. Yet some pointers could be collected with regard to this question.

To appreciate the efficiency of management and monitoring systems within CSOs, one has first to distinguish between ***international CSOs*** and national CSOs. The former category generally has the necessary capacities to manage EC funding and to interact with the EC on programming and project implementation issues. The fact that EC procedures are defined according to international NGO standards for project implementation, monitoring and Evaluation, *de facto* strengthens the bias towards (European) CSOs capable of following EC procedures (see also EQ 3 and EQ 8).

With regard to the ***national CSOs*** a variety of situations prevail. Several country reports (cf. Georgia, Lebanon, Somalia) portray a bleak overall picture of the legitimacy, organizational capacity and competence of the local CSO sector as well as

⁷² The survey indicates that staff is not fully satisfied by in-house training opportunities provided on CSO matters. Training is seen to put emphasis on procedures and not on the process, good practices, and new trends on NSA cooperation. Also the fact that trainings are mostly organised in Brussels, limits the number of project officers that can access training. In response to these demands, EuropeAid has recently started regional trainings/workshops with a strong cross-fertilisation and exchange of experiences component, contributing to the emergence of a community of practice among EC Delegations.

their prospects of sustainability. It is highly questionable that these CSOs can engage in an effective dialogue with the EC. Other country reports tell a different story of civil societies that have been able to rebuild capacity after a total collapse (e.g. Cambodia); organise themselves in fairly effective umbrella organisations involved in policy work (e.g. Benin) or regenerate themselves, including in the form of advocacy-oriented thematic networks (e.g. Peru). Furthermore, experience also shows the need to carefully consider the full picture of the local civil society, including various levels of organisational development among CSOs. In a number of countries, there is a growing amount of fairly solid CSO structures acting as umbrella organisations, associations, unions or professional NGOs. They have reached similar levels of management capacity as Northern CSOs or are in the process of doing so, are able to manage large programmes and to work with different donors and deal with their respective procedures. It is also crucial to be aware of the diversity of the CSO world and the potential conflicts that may exist between different categories of CSOs in the struggle for power and access to resources. These tensions generally surface when attempts are made to structure CSOs in representative organisations.

Evidence collected from various sources shows the need for the EC to insist on a genuine **partnership approach** between international and local CSOs when channelling aid through the former. This is required to ensure adaptation of the projects to local realities; foster ownership; promote capacity building of local CSOs and enhance chances of impact and sustainability. Field accounts indicate that EC procedures are not automatically conducive to the establishment of balanced partnerships between EU NGOs and third country CSOs. In many cases Southern CSOs appear to play a sub-contractor role in programmes managed by other actors.

5. OVERALL ASSESSMENT, CONCLUSIONS AND LESSONS LEARNT

This chapter starts with an **overall assessment** regarding the use of the CSO channel by the EC in the period 2000-2006, based on key findings gathered (see Box 6). Building on this analysis, a set of more elaborated **conclusions** are formulated (see 5.1–5.5). In the final section, the **main lessons learned** with regard to the use of the CSO channel are summarised (see 5.6).

5.1. Overall assessment (all EQs combined)

The EC has a longstanding relationship with CSOs. The **adoption of participatory development as a key principle** of cooperation in late 1990s led to a major (paradigm) shift in the EC's policy framework underlying the use of the CSO channel. The Cotonou Agreement, signed in 2000, acted as a forerunner of this evolution, yet the other regions soon followed suit. This policy change meant that CSOs were no longer to be regarded as mere beneficiaries of EC funding but as full-fledged actors in development, to be consulted in dialogue processes; involved in implementation, monitoring and evaluation; and enabled through capacity development initiatives.

Over the past years, the EC (both at HQ and field levels) made efforts to incorporate the participatory development agenda and to adjust the use of CSO channel accordingly. On many fronts, **progress** was achieved as reflected in (i) further policy developments; (ii) the growing support provided to CSOs in their role as dialogue partners or advocacy agents; (iii) a wide range of innovative approaches and emerging good practices with regard to the use of CSOs as aid delivery channel; (iv) a new generation of CSO capacity development programmes (mainly in the ACP region); (v) the initiation of various internal learning and capacity development processes.

However, the Evaluation Team also found evidence of **major gaps between EC policy commitments towards civil society and actual implementation practices** in using the CSO channel. In the field, innovative approaches co-exist with traditional 'top-down', 'supply-driven' and/or 'instrumental' approaches to working with CSOs. **Many pieces of the jigsaw are still missing**, including (i) coherent political support from the top; (ii) clarity on the added value of the CSOs in various contexts and sectors; (iii) operational guidance on how best to use the CSO channel in service delivery (in partnership with central and local governments), in governance processes and in new aid modalities; (iv) suitable partnership approaches with CSOs based on common agendas, adequate support modalities as well as joint responsibility for results; and (v) the right mix of institutional incentives for staff to manage the CSO channel in a strategic way.

These gaps (i) reduce the overall consistency of the EC's strategy towards civil society; (ii) make it difficult to tap the full potential of CSOs as aid delivery mechanism; (iii) reduce the chances of achieving sustainable impact and (iv) affect the credibility of the EC as a global player and development partner.

5.2. Main conclusions

On the basis of this overall assessment, *five closely inter-related conclusions* are drawn:

(i) The participatory development agenda, adopted by the EC, is gradually changing the use of the CSO channel

The overall assessment clearly shows that the participatory development agenda has not yet been fully internalised by the Commission. Yet it is slowly but steadily ***affecting the ways of using CSOs as an aid delivery channel***. Thus, EC Delegations increasingly recognise the areas, sectors, themes or spheres of cooperation where CSOs can add value (EQ 1). Improvements could be observed in the programming process (EQ 2) that are gradually leading to the formulation of more sophisticated strategies towards using the CSO channel, including a search for complementarity with other aid delivery channels. The EC is looking for ways and means to engage with a wide range of CSOs other than traditional European NGOs (EQ 3). Funding for CSO participation in policy processes, advocacy work and watchdog roles (EQ 3) is on the rise, as suggested by the statistical analysis and confirmed during the field missions. In various countries new opportunities are created for CSO participation in geographic instruments, both as implementing agencies and as dialogue partners (EQ 4). Particularly in the ACP, the new political mandate of the EC towards civil society has translated in the form of specific NSA support programmes aimed at enabling CSOs as full-fledged actors and promoting dialogue with government (EQ 4). The EC/EU commitments in the framework of the Paris Declaration on Aid Effectiveness confronts the EC with the double challenge of integrating the CSOs in the new aid architecture and of applying the Paris principles to support provided to the CSO sector (EQ 5). The Evaluation Team noted innovative practices towards CSOs at the downstream level of implementing projects and programmes (without much ex ante strategic planning), which generally lead to positive effects (EQ 6), including in difficult partnerships or conflict situations (EQ 7). The enhanced focus on CSOs as an aid delivery channel has also led to some positive evolutions with regard to the EC's internal management capacities (EQ 8), including major efforts by relevant HQ units to provide guidance to EC Delegations (through various tools); to enhance knowledge and to promote further policy development (based on a stock-taking of good practices). Innovative projects such as the DECIM network, conceived as a space for donor coordination, are also taking place.

(ii) The EC has not yet developed a clear and consistent strategy to using the CSO channel in line with stated policy objectives

Despite the above mentioned changes, the findings of the Evaluation lead to the conclusion that the EC still lacks a consistent, shared and institutionalised strategy to manage the CSO channel (across regions, sectors and themes). This conclusion is corroborated by the following findings:

- ***Confusion on the notion of the CSO channel.*** Despite a long EC tradition of working with CSOs, thinking about civil society as a channel is a relatively new concept. Field-based evidence indicates that there is much ***confusion*** among EC

staff. The link between the EC's commitment to participatory development and the consistent use of the CSO channel is not clear.

- **Lack of a clear strategy and operational guidance for using the CSO channel.** EC policy documents formulate general principles with regard to participatory development; the roles of CSOs in various policy areas or the importance of dialogue and capacity support. Yet none of these documents pushes the analysis further by also considering the strategic and operational implications of using CSOs as a channel for aid delivery (EQ 1). They often remain vague, if not silent on the issue of when, how and for what types of results the CSO channel should be used.
- **Co-existence of strategic and instrumental approaches to using the CSO channel.** The Evaluation Team collected evidence of innovative strategies and practices towards CSOs (across regions, sectors of intervention and instruments) that are largely in line with stated EC policy objectives towards civil society (EQs 3-5). However, it also observed many cases whereby the EC continues to use rather traditional top-down, supply-driven and/or instrumental approaches to working with CSOs. Examples were also found of an inconsistent application of the participatory development agenda, including reform attempts that stop halfway the road such as: (i) a less than optimal use of (participatory) programming processes to make clear choices with regard to dealing with CSOs as actor and channel (EQ 2); (ii) a perceived bias in favour of NGOs and European CSOs (EQ 4.1); (iii) a limited knowledge by most EC Delegations of the local arena of CSOs and their strengths and weaknesses (EQ 4.1); (iv) the continued choice for projects as the preferred approach for engaging with civil society without embedding this tool in broader strategies and addressing some of its limitations⁷³ (EQ 4.2); (v) the under-utilisation, if not marginalization, of CSOs in sector and general budget support approaches (EQ 4.2) as well as (vi) the lack of complementarity between geographic and thematic programmes (EQ 4.3) as well as between project, sector and macro-level approaches.
- **Difficulties to ensure consistency with the new commitments of the Paris Declaration.** The various Evaluation sources confirm the existence of major concerns on the possible negative effects that the implementation of the Paris Declaration, with its current almost exclusive focus on the state, may have on the CSO channel. Some of these dangers are already visible in the field, and manifest themselves for instance in the squeezing out of CSOs as the EC moves towards budget support (e.g. Georgia) or the limited involvement of CSOs in programming and monitoring budget support (e.g. Benin, Cambodia). There is little evidence that the EU, and the EC in particular, have systematically thought through the possible implications, opportunities and risks of the Paris Declaration with regard to the participatory development agenda and related use of the CSO channel, including in terms of providing harmonised donor support to civil society (EQ 5). Albeit very recently, the Accra Forum on Aid Effectiveness (September 2008) has stimulated the EU to think through the consequences of the Paris Declaration for civil society and to acknowledge the legitimate role of CSOs in the whole aid effectiveness debate.
- **Lack of clarity on the role of the EC as a donor/political player.** Evidence suggests that the EC has not yet fully come to terms with the political implications when it applies its policies of participatory development and channels its aid through CSOs for advocacy purposes (EQ 2, 3, 4 and 5). In providing funding and strengthening CSOs that aspire to play a role in domestic governance processes, the EC may encounter opposition from dominant power holders or

⁷³ For instance, in terms of burdensome management and follow-up, poor synergies with other activities, risks of stand alone activities that cannot easily be replicated and uncertain sustainability.

reluctant governments. How does the EC position itself in such complex and conflict-prone situations?

- ***Doubts about the overall EC institutional capacity to manage the CSO channel in line with stated policy objectives.*** The Evaluation Team collected ample evidence from various sources that the EC has not yet adapted its overall institutional machinery and incentive system for dealing with CSOs to the requirements of its new policy framework towards civil society. This is visible at the level of the internal processes for programming aid to and through CSOs (EQ 8.1); the management systems and procedures used (EQ 8.2)⁷⁴; the monitoring and evaluation systems (EQ 8.3); the available human and institutional capacities (EQ 8.4) and the strategies towards reinforcing the capacity of CSOs to be an effective and efficient recipient of EC aid (EQ 8.5). These institutional bottlenecks hamper the capacity of the EC (i) to manage the CSO channel in a strategic and pro-active manner; (ii) to exploit windows of opportunities as they arise to support interesting initiatives; (iii) to reach out to the various categories of actors (particularly to small CSOs) in support of their respective added value; (iv) to ensure linkages between project support to CSOs and wider development processes⁷⁵; and (v) to develop strategic partnership relations with CSOs.

(iii) The added value of the CSO channel is not optimally used by the EC

In a development sector characterised by the existence of multiple channels for aid delivery, the issue of ‘added value’ is a key factor for donor agencies to make informed choices.

The Evaluation findings indicate that the EC is ***not yet well-equipped to properly deal with the whole question of the added value*** of the CSO channel all along the cooperation cycle, i.e. from the identification phase (“what added value can CSOs, in all their diversity, offer in a given context?”) to the design phase and related choice of implementation modalities (“how best to support CSOs to fully realise their added value?”).

In analysing the reasons for this deficit, two factors seem to be at play. On the one hand, the EC has built up, over the years, a substantial experience in mobilising civil society for the attainment of key development objectives. EC Delegations have quite clear perceptions on the potential added value of CSOs (see EQ 1). Recent policy documents pay more attention to the question, particularly sectoral communications (EQ 1). There is also no shortage of programmes and projects where the EC succeeded in using the CSO channel in such a way that a clear added value was delivered in traditional areas of CSO work (EQ 6.1); in governance related processes (EQ 6.2); as well as in conflict, fragile states and difficult partnerships (EQ 7).

On the other hand, the Evaluation clearly shows that these good practices in using the added value of the CSO channel are not underpinned by a solid and consistently applied implementation strategy at the level of the EC as a whole. As a result, there are ***many missing links*** in current EC approaches to mobilising the added value of CSOs as aid delivery channel including:

⁷⁴ For instance, there are clear demands to associate CSOs more closely in process of designing guidelines for CfP, defining selection modalities, etc.

⁷⁵ For instance by providing long-term support to CSOs engaged in the decentralisation process or by ensuring a link between the good results achieved by CSO in emergency situations (under LRRD) with the need of a more coordinated development strategy driven by the state.

- A lack of clarity in EC policy documents on critical “why, when and how” questions related to the use of the CSO channel (EQ 1).
- The limited availability of operational guidelines on the added value of CSOs and on how best to tap it (EQ 1).
- The poor consideration of the added value of the CSO channel in programming processes (EQ 2).
- The tendency to mainly use CSOs as contractors and sub-contractors (EQ 3).
- The lack of clarity on the added value of local CSOs as compared to the roles that international CSOs can/should play (EQ 4.1).
- The difficulty of adapting the use of the CSO channel to new trends in international cooperation. This is, for instance, the case with the role of CSOs in social service delivery. The EC, much alike other donors, has a tradition of using the CSO channel for the perceived capacity to provide basic (social) services to poor communities. However, this CSO service delivery model is increasingly being questioned as a result of (i) shifting views on the role of the State in development; (ii) concerns with the efficiency, effectiveness and sustainability of aid channeled through CSOs in these areas; as well as (iii) experiences with new aid modalities (including sector wide approaches). The EC has started the reflection on the wider implications for the use of the CSO channel. Yet much remains to be done to redefine the added value of CSOs in sector wide approaches, including in terms of promoting civic engagement in the new aid modalities or generating demand for improved accountability and service delivery (EQ 3, 4).
- The lack of political and institutional capacity to optimally assess and effectively use the potential added value of CSOs in governance-related processes (EQ 6.2).
- The inadequacy of the procedures to attract and support relevant CSO initiatives (EQ 8)
- The limited attention to the sustainability of CSO themselves – thus reducing the chances of realising the full potential added value that they may have (EQ 6, 7 and 8).

(iv) Mixed record with regard to impact and sustainability

Evaluative material and hard data are not readily available with regard to the use of the CSO channel as such. It is therefore not possible to draw conclusions that would apply across the board. However, the Evaluation Team could collect evidence of **positive contributions** made by CSOs (i) in various geographic and political contexts; (ii) in their dual role as service providers and dialogue partner/advocates for policy change; (iii) in social sectors of intervention, governance-related processes and local (economic) development; (iv) in projects and programmes funded through geographic or thematic instruments (particularly the European Initiative for Democracy and Human Rights and the NGO-co-financing budget line).

Evidence has also been collected on **broader (and often intangible) development outcomes** that were generated through working with CSOs. Examples include (i) the creation of social capital (in the form of empowered communities); (ii) organisational development of CSOs (often through effective partnerships with international CSOs); (iii) new partnership relations between State and civil society (particularly at decentralised level); and (iv) scaling-up of project outcomes in the form of new public policies being adopted at the level of government.

It is **less evident** to make major statements with regard to the **sustainable impact** of these interventions⁷⁶. This is a generic problem that is not limited to the CSO channel. In the questionnaire, EC Delegations recognise the difficulty of assessing the impact of EC-funded CSO interventions. The lack of adequate M&E systems compounds the problem.

More fundamentally, the question of impact reflects the dilemmas and challenges faced by the EC when working through CSOs. Two different perspectives may prevail. If the notion of CSO channel is seen from a narrow, instrumental perspective -as a financial conduit for CSO projects- it is possible to ascertain that the EC has funded a wide range of interesting **projects** with positive effects and outcomes at project level. However, a different picture emerges when one takes a wider, strategic view on the CSO channel and looks beyond the immediate project outcomes to consider the impact of these projects on broader **processes** of societal change, institutional reform or improved governance – which inherently involve interactions between state and civil society and require a longer time span to achieve results.

In the latter perspective, **valid questions can be raised on the likelihood of sustainable impact** of aid channeled through CSOs considering (i) the limited scope and duration of isolated and narrowly defined CSO projects; (ii) the lack of clear-cut strategies to transform the positive dynamics generated by well targeted projects into wider change processes owned by the various stakeholders; (iii) the limited connection between these projects and broader national and sector programmes (especially when CSOs already operate as service providers) or other donor interventions; (iv) the difficulty of ensuring a coherent EC support over a longer period of time, partly induced by inadequate procedures; (v) the poor attention generally given to how donors can contribute to improving the enabling environment for civil society and to the (financial) sustainability of the CSOs themselves. This holds particularly true for CSOs involved in advocacy, policy research and watchdog activities. Their effective functioning over time – especially in hostile environments – critically depends on reliable forms of (core) funding.

(v) The prevailing institutional culture within the EC is not conducive to a strategic management of the CSO channel

Evidence from various sources clearly indicates that the **overall EC institutional environment** is a **major bottleneck for a strategic management** of the CSO channel, reflecting clear political choices for engaging with CSOs and delivering aid through appropriate implementation and funding modalities. This contrasts with mere instrumental approaches whereby CSOs are primarily seen as beneficiaries of project funding.

A broad range of **disincentives** seem to exist within the EC for such an approach across the board of the institution, including:

- A rather **diffuse and often limited political backing from the top for a coherent application of the participatory development agenda vis-à-vis civil society**. This lack of leadership at the political and senior management level explains the gap between the ambitious policy objectives towards CSOs (as

⁷⁶ This is obviously a generic problem that applies to all donor-funded initiatives (not only those pertaining to the CSO channel)

reflected in the European Consensus on Development) and mainstream cooperation practices in the field. This is detrimental to the credibility of the EC as a global partner. Typically, the EC's identity and image among actors in the field (including governments and CSOs) remains strongly linked to that of a financial institution with important funds to be distributed and administered through complex bureaucratic processes and procedures. In Peru the EC is known as "*la financiera*" and certainly less as a strong political player with a strategic programme towards CSOs.

- EC officials have to cope with firmly engrained systemic obstacles to a strategic management of the CSO channel. As confirmed by several other evaluations, the ***prevailing institutional culture and incentives system at the EC level gives priority to disbursements, financial control of aid and short-term (visible) results.*** The current procedures may help to increase transparency but they have become increasingly burdensome and entail transactions costs that most (local) CSOs are not able to incur. They prevent the adoption of process approaches to working with CSOs, adapted to local conditions and capacities as well as to the need for organic development of the CSO sector. The rigid financial framework and time spent in dealing with procedures tends to reduce the effective duration of interventions, the scope for experimentation as well as the flexibility in implementation – all are factors that are indispensable for effective actions leading to sustainable impact.
- This institutional set-up does also not create a conducive environment to promote ***strategic partnerships*** (between the EC and CSOs and between CSOs themselves) based on common objectives and joint responsibilities for achieving results and impacts.
- Devolution has led to a significant increase of EC Delegations' responsibilities. While this is a laudable evolution, the transfer of human resources to Delegations to engage in quality cooperation has manifestly not been sufficient, explaining the ***overburdening of staff*** with administrative work, and the limited time left for engaging with CSOs, monitoring and learning (EQ 8). This provides a major disincentive to reach out to small local grassroots organizations despite their potential added value (cf. Lebanon). The limited implementation capacity of the EC brings along the need to involve relevant sources of expertise (including local sources of knowledge, PMUs, specialist TA as well as intermediary organizations). The EC has not yet developed appropriate strategies to effectively and efficiently tap external knowledge and expertise.
- The ***institutional fragmentation*** of the EC further limits the scope for truly strategic and integrated responses to the CSO channel. An increasing number of EC Delegations have appointed staff to deal specifically with civil society. However, they often remain in a relatively marginalized position and disconnected from other units and sectors. There is also quite some dispersion in terms of responsibilities across sections (EQ 8)⁷⁷ and in HQ across the different services involved - in some form or the other - in managing the CSO channel (dispersion of responsibilities throughout EuropeAid, RELEX, DEV, and EC Delegations).

⁷⁷ For instance between the thematic logic and the geographic logic towards CSOs or between development staff and those in charge of the political section.

5.3. Key lessons learnt

This final section summarises some of the **key lessons learned** in using the CSO channel, with a particular focus on good EC practices noted in several countries.

- *Start from the specific context.* The various information sources all point to the critical importance of context in ensuring an effective use of the CSO channel. This has major implications for the overall EC response strategy towards the CSO channel. It means there is no room for one-size-fits-it-all approaches to determine when best to use the CSO channel, for what purposes and how. It also implies the need for flexibility, so as to enable the EC to systematically adapt its strategies to changing conditions and priorities at field level.
- *Importance of understanding “who is who” in civil society.* The rapid expansion and diversification of CSOs in third countries confronts the EC with the need to carefully identify the added value of the various CSO actors. This implies a (i) thorough understanding the civil society local arena (including through various possible types of mapping studies, preferably jointly undertaken with other donors); (ii) the development of adequate mechanisms, instruments and procedures to engage with the various types of actors (at different levels: macro-meso-local); (iii) a clear strategy for addressing the multi-dimensional capacity challenges facing CSOs; (iv) an enhanced focus on sustainability issues of projects and CSOs themselves; as well as (v) a proper consideration of the potentially damaging impact of donor funding on the organic development of the civil society sector (EQ 4, EQ 5, EQ 8).
- *Power and politics are at play in the arenas where the EC interacts with CSOs.* In many countries, there is no shortage of tensions between state and civil society, determined among other things by restrictive legal frameworks for CSO participation, centralising approaches (e.g. Cambodia, Georgia) or outright government opposition to CSOs which assume advocacy and watchdog roles (e.g. Peru). In such environments, the EC is likely to face a tough job in applying its new agenda towards CSOs.
- *A qualitative participatory programming process is crucial for a strategic management of the CSO channel.* The programming process is a defining moment to (i) make clear choices relating the added value of the various channels of aid; (ii) promote a multi-actor dialogue on programming priorities; (iii) determine a more effective task division between state and civil society actors in a given sector; (iv) allocate EC aid to the various possible channels; and (v) identify windows of opportunities to provide strategic support to CSOs⁷⁸. The EC increasingly follows such an approach to programming - this is in particular visible in the last generation CSPs - and reflects a more strategic approach to using the CSO channel in line with stated policy objectives (EQ 2) and complementary to other possible channels.
- *Combining a diversity of engagement strategies in close cooperation with other donors.* Many EC Delegations still struggle to overcome the heritage of the past when working with CSOs (i.e. mainly working through instrumental budget lines) and continue to rely on a compartmentalised approach, which leads to the fragmentation of CSO activities. Yet evidence was also found of innovative EC practices which have combined approaches, instruments and support programmes - preferably together with other donors - aimed at making an optimal use of civil society's potential while at the same time empowering CSOs to play their role more effectively (EQ 4 and EQ 5).

⁷⁸ For instance in terms of strengthening the capacity to be a dialogue partner to government (e.g. the NSA programmes in Benin, Botswana, Mali, Mauritania, Niger, Senegal, Somalia).

These innovative practices – and indeed this other way of working with civil society - are not yet widespread, though there is evidence that a number of EC Delegations are catching up and trying to follow the line of these positive developments. At this stage, these pioneering initiatives offer guidance for the way forward.

6. RECOMMENDATIONS

In this final chapter a set of recommendations are proposed, based on evaluative material collected (chapter 4) and on the main conclusions that could be drawn (chapter 5). They are presented in a logical order and with cross-references to the appropriate findings, conclusions and lessons learned.

A four-tiered structure is proposed:

- Overall recommendation
- Political recommendations
- Strategic and operational recommendations
- Process recommendations

6.1. OVERALL RECOMMENDATION

Building on existing good practices, the EC needs to drastically improve the overall use of civil society as a channel for aid delivery. This implies (i) ensuring greater consistency with stated policy objectives; (ii) making a better use of the added value of CSOs; (iii) improving the conditions for achieving sustainable impact and (iv) removing the political and institutional barriers for a strategic, effective and efficient use of the CSO channel.

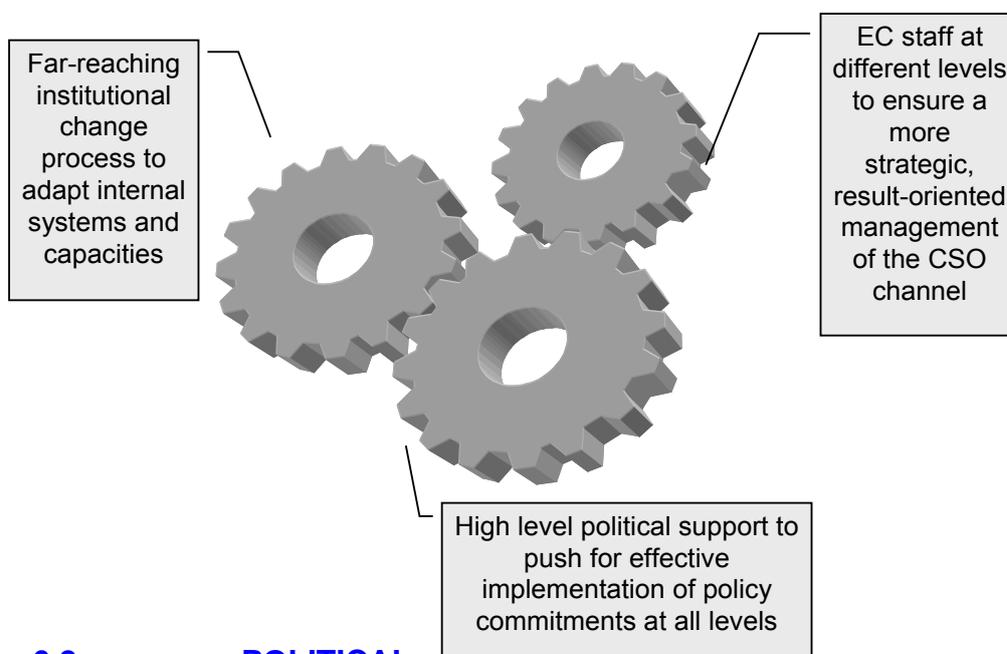
This overall recommendation stems directly from the evaluative findings, as summarised in section 5.1. The formal adoption of the participatory development agenda from 2000 onwards fundamentally altered the EC policy framework underlying aid delivery through the CSO channel. While efforts were made to incorporate this agenda into mainstream cooperation processes, the Evaluation Team also found evidence of major inconsistencies in the use of the CSO channel. This implementation gap, in turn, reduces the capacity of the EC to make the best possible use of the added value of CSOs in different geographic and political contexts. It also has a negative impact on the effectiveness, efficiency and sustainability of EC aid delivered through CSOs.

In order to reduce this implementation gap, **three inter-related conditions** need to be fulfilled:

- First, the EC needs unambiguous and consistent **political support from the top** leadership within the organisation as well as from higher and middle management, to move beyond instrumental approaches to using the CSO channel. To this end, a set of **political recommendations** are formulated below.

- Second, it will be necessary to reconsider the way of thinking about, engaging with and supporting CSOs at EC level. To this end, a set of **strategic and operational recommendations** are proposed.
- Third, there is also a need to set in motion a number of institutional change processes at different levels to accelerate the effective implementation of the participatory development agenda. To this end, a set of **process recommendations** are formulated.

These three sets of recommendations are not only closely linked. Ideally, they should also be carefully sequenced. In this logic, the political reforms (= first set of recommendations) constitute the top priority. In the absence of a clear political message that the whole approach to civil society needs to be implemented in a more courageous, consistent and effective way, there is little chance that the EC machinery will move in the right direction. Without this high level political support, middle management may be reluctant to address upfront the strategic and operational challenges related to the use of the CSO channel (= second set of recommendations) as well as the process challenges (= third set of recommendations) that are required to improve the impact of EC aid delivered through CSOs. **Figure 3** shows the interdependency of the three sets of reforms.



6.2. POLITICAL RECOMMENDATIONS

This first cluster of recommendations is of a political nature and targets the EC political and managerial leadership. In order to improve the use of the CSO channel, it is first and foremost important to exercise stronger political pressure for a full and consistent application of existing EC policies and political commitments towards CSOs across regions, sectors and instruments. This political message needs to be accompanied by a comprehensive set of institutional incentives encouraging staff to engage in a different way with CSOs. Within this political cluster, **three recommendations** and a related set of priority actions are proposed:

1) Provide a clearer political and stronger managerial leadership in pushing for an effective implementation of policy commitments towards CSOs

A consistent chain of political support –from top political players to middle management in both HQ and EC Delegations- is required to make progress in the effective application of existing EC policy frameworks towards civil society. **Four priority actions** in this respect include:

(i) Communicate better on the EC commitments towards CSOs

There is no shortage of EC declarations and policy documents stressing the political importance of engaging with civil society as full-fledged development actors. Yet this message has clearly not trickled down sufficiently as so as to ensure a consistent application of the participatory development agenda. The leadership is therefore invited to **develop an effective communication strategy** to socialise the message across the organisation that a thriving, representative and legitimate civil society is part and parcel of the broader governance/development/poverty reduction agenda and therefore should be regarded as a fundamental strategic tool and aid delivery channel for achieving EC development policy objectives and ensuring greater impact and sustainability of EC aid delivered through CSOs.

(ii) Put in place mechanisms to ensure greater consistency in the application of the participatory development agenda

Experience demonstrates that it is not sufficient to formally adopt a fundamentally different approach to working with civil society, as the EC did in the early 2000. In order to translate this into practice, the EC needs to follow through the effective ‘in-take’ of the policy change by the system. In the period 2000-2006 there have been attempts to push this agenda forward but the Evaluation clearly indicates that a much bolder effort is needed. The following actions should be considered:

- *Encourage the EC Delegations to assume political responsibility and associated risks.* By nature, the EC agenda to support CSOs as dialogue partners and as advocacy organisations is not neutral. With its support, the EC de facto intervenes in the constantly evolving relationship between state and society. By doing so, it inevitably influences power, accountability and broader governance relationships. As an actor, the EC has therefore to critically assess its impact on all domestic actors and stakeholders with a view to determine the direction and sustainability of its aid efforts within a longer time perspective. This is of course a sensitive, complex and risky task, but it is at the heart of the new EC strategy towards CSOs. Likewise, Evaluation findings suggest that EC capacities to act as a political player need to be strengthened, particularly at field level.
- *Give clear political instructions (and other types of incentives) to ensure relevant forms of CSO participation in new aid modalities (SPSPs, GBS programmes) based on the principle that CSOs can bring an important added value in terms of (i) enhancing ownership of development policies; (ii) strengthening the demand for better (national/sectoral/local) governance as well as downward accountability mechanisms; and (iii) improving the monitoring of the mutual accountability of the various parties involved.*
- *Ensure a better ‘consistency check’ at the level of the IQSG, particularly in terms of integrating the civil society dimension into the programming process.*

(iii) Monitor the effective implementation of the participatory development agenda

This may help to prevent the recurrent anger of seeing the dilution of this agenda as the implementation process moves on. To this end, the EC should prioritize the improvement of the currently highly inadequate systems for data collection on EC aid flows delivered through CSOs, both in quantitative and qualitative terms. A reliable data information system is pre-condition for a strategic management and political monitoring and evaluation of the use of the CSO channel

(iv) Provide institutional incentives and remove systemic bottlenecks

The Evaluation findings show that there are both obstacles and a lack of positive incentives to move away from a narrow, instrumental focus on CSOs as an aid delivery mechanism (see section 4.8) The task at hand is to create better conditions for staff to adequately implement the participatory development agenda towards CSOs and to make a more considered and strategic use of the CSO channel. This, in turn, entails taking measures to

- Explore creative ways to *increase the 'quality time' available to EC staff*, particularly at the Delegation level, to overcome compartmentalisation; pro-actively engage with CSOs; share experiences; dialogue with other donors; or ensure a qualitative monitoring of effects and outcomes.
- Widen the procedural space for staff to be able to *shift towards programme and process approaches to supporting CSOs*, amongst others by promoting a better collaboration between Contract and Finances and Operational sections at the level of EC Delegations.
- *Ensure civil society expertise at sufficiently strategic levels within Delegations*. A knowledgeable CSO focal point within the Delegation, endowed with a clear job description and mandate for ensuring the strategic management of the CSO channel, could help overcome the tendency to adopt an instrumental approach that often comes with the spread of responsibilities for CSO related activities over different staff.
- *Promote higher levels of tolerance for risks* that are compatible with the multiple objectives in using the CSO channel. A higher preparedness to take risks and assume responsibility for possible (unforeseen) effects produced by aid channelled through CSOs is particularly needed in the field of governance and human rights.
- *Revitalise the spirit of the 'Palermo process'* as a structure 'quadrilogue' with EU Member States, the European Parliament and the CSO community (on both sides) on ways and means to remove systemic bottlenecks that hamper the EC capacity to deliver on its commitments towards civil society.

2) Champion space for civil society in the policy and political dialogue with partner governments

The Evaluation findings clearly indicate that the EC is not always making effective use of its political position and leverage (i) to defend the 'space' for genuine CSO participation (as autonomous actors); (ii) to ensure effective application of the CSO provisions agreed upon with partner countries in treaties and regional cooperation frameworks; or (iii) to mobilise the full potential and added value of the CSO channel (EQ 4 and 5). The following actions could be envisaged:

- (i) **Encourage EC Delegations to make a much more effective use of political dialogue** to promote genuine CSO participation as well as an effective use of the CSO channel in political, social and economic processes.
- (ii) **Actively identify and use all available opportunities to expand the space for CSO participation** in policy-related processes, in governance, in sector wide approaches or other multi-stakeholder development programmes.
- (iii) **Use the full EC/EU political weight** when authorities use violent or repressive means to suppress tensions with CSOs, human rights defenders or civilians.
- (iv) **Capitalise on good practices of EC engagement with CSOs in hostile environments.**
- (v) **Provide support to the consolidation of domestic accountability mechanisms** between state and society. The bottom line should be to avoid doing harm by locking the partner government in an exclusive accountability relationship with donors, and thereby pre-empting the emergence of such domestic state-civil society transparency and accountability relations.

3) Enhance the quality of the partnership with CSOs (notably by improving the dialogue and pushing through more adapted CSO support modalities)

The participatory development agenda, embraced from 2000 onwards, goes much beyond a traditional donor-recipient relationship. It calls for the establishment of ***mutually beneficial political relations*** (at different levels) with CSOs as key actors in development; potential allies in promoting change as well as a possible channel for aid delivery. The EC used to have a much stronger political partnership with (European) civil society. This aspiration has been largely lost over time as successive reforms at EC level privileged a rather technocratic, managerial and procedural approach towards delivering aid through CSOs. Recent attempts to revitalise a political partnership (e.g. the above mentioned Palermo process) yielded promising initial results but were not consistently pursued and successfully concluded. In order to build a qualitative different partnership with CSOs, the EC might consider the following actions:

(i) **Launch a multi-actor dialogue on the notion of CSO channel**

The concept of the CSO channel is relatively new and creating confusion and tensions. Many thorny questions on how best to use CSOs as a channel in the new aid architecture remain open. The EC could show its political commitment towards a new type of partnership with CSOs by organising a structured dialogue on the future use of the CSO channel in a multi-actor cooperation system.

(ii) **Enhance the quality of existing dialogue mechanisms .**

This should help to facilitate the construction of strategic partnerships around common agendas (with due respect for the role of each actor); define ways and means to make optimal use of the CSO added value ; refine partnership criteria and agree on standards of downward accountability. Such a structured and ongoing dialogue could also lead to the elaboration of a Code of conduct with a set of guiding principles and coherence obligations⁷⁹ for using the CSO channel (to be adapted to the local context).

⁷⁹ The channelling of aid to and through CSOs has, for instance, to respect the legitimate role of other actors (such as central and local governments). There is also the challenge of ensuring coherence be-

- (iii) **Assume mutual accountability for results** conceived as long-term change processes in different country contexts as advocated by the Paris seminar under the Palermo dialogue process.
- (iv) **Elaborate a more refined EC strategy to help supporting the sustainability of civil society as a sector** by defining different types of support models for various categories of CSOs.

6.3. STRATEGIC AND OPERATIONAL RECOMMENDATIONS

Building on existing/emerging good EC/EU practices in various political and geographic contexts (see chapter 4), the following recommendations suggest ways and means **to ensure a more strategic, result-oriented management of the CSO channel**, in line with EC policy objectives all along the project cycle. Following this logic, recommendations are provided below with regard to:

- programming the use of the CSO channel (recommendation 4);
- implementation strategies (recommendation 5);
- monitoring and evaluation (recommendation 6).

4. Enhance, through genuine participatory processes, the overall quality of programming aid through civil society

In order to overcome the many weaknesses observed in the programming phase (including in the identification and formulation process), **three priority actions** are proposed:

(i) **Invest in better knowledge of the civil society arena.**

Sound knowledge of the civil society arena and its relationship with state, citizens and external actors, is a prerequisite to a more strategic management of the CSO channel. Yet the Evaluation findings suggest that this is not yet standard practice and that the required systems, capitalization and capacities are not always in place in EC Delegations (EQ 8). From an operational point of view, several improvements with regard to existing practices could be envisaged:

- *Mainstream the use of strategic mappings* of CSO actors based on existing good practices
- *Encourage learning without overtaxing management*, based on (i) more structured exchanges within EC delegations across sector programmes, approaches, budget lines and instruments; (ii) an ongoing dialogue with civil society actors; (iii) relevant support from HQ (see recommendation 8); and (iv) support to innovative projects such as the DECIM network on civil society
- *Put in place a dynamic database* that allows for a strategic monitoring of CSO's development as a sector at different levels (whenever possible in collaboration with other actors).

tween EC supported CSO projects and broader policies (e.g. food aid through CSOs and agricultural policies)

(ii) Develop country specific strategies to engage with CSOs.

If the EC wants to improve its capacity to manage the CSO channel, the Delegations need to have a more sophisticated strategy and roadmap for engaging with and delivering aid through CSOs. Such overall CSO strategy papers or civil society profiles would need to:

- *Define a long-term, strategic vision on state building through civic engagement which puts an emphasis on strengthening the enabling conditions as well as the channels for voice and accountability.*
- *Identify strategic linkages to be made with the broader governance agenda, as civil society can be an important entry point to strengthen the demand for improved governance (e.g. in sectors such as health, education, transport).*
- *Clearly identify the roles that could usefully be played by the various actors (State, local governments, different categories of CSOs, international versus local CSOs) in achieving key development objectives, and identify why and how to provide support to and through these respective channels*
- *Conduct an 'actors' analysis of the various categories of CSOs - using available 'mappings' where available - and identify their potential added value for achieving EC development objectives in a given country/region.*
- *Identify ways and means to promote cooperation and alliance-building between CSOs.*
- *Elaborate on the type of (long-term) institutional development strategy needed to promote the consolidation of a viable CSO sector.*
- *Consider the possible division of labour with other development partners. Integrate views, strategies and approaches towards CSOs of other donors and external actors (including INGOs) into the EC's ongoing programming process of the civil society channel. What ultimately matters is the collective impact of external development efforts on CSOs and their environment.*
- *Identify appropriate benchmarks to monitor progress over the long-term (including progress on political dialogue on civil society issues).*

In order to help Delegations in the definition of such strategies for working with CSOs, it could be useful to elaborate country specific operational guidelines based on typologies of countries (for an example see Annex XII).

(iii) Ensure participatory programming for using the CSO channel.

The Evaluation findings show the limits of programming CSO aid without an adequate strategic vision on the role and added value of CSOs and in the absence of an effective consultation process with the CSOs concerned (EQ2). There is widespread agreement that the EC should adopt more participatory programming approaches with regard to the CSO channel (in geographic and thematic instruments). The task at hand is to build on these positive experiences and seek to institutionalise a more qualitative multi-actor programming process. The following priority actions could be envisaged:

- *Determine the most suitable dialogue mechanisms⁸⁰ for involving CSOs in programming and reviewing the CSP; in developing sector policies; in providing*

⁸⁰ There is no one size fits all approach for the concrete modalities of a programming dialogue. Where they exist, existing participation and consultation mechanisms (in the framework of e.g. a PRSP) are a useful instrument. In other countries EC could invest in the creation of a (semi-) structured mechanism – adapted to the local CSO and overall environment - whereby civil society inputs are effectively taken into

(general and sector) budget support (including through targeted programmes aimed at strengthening CSOs in their role as advocacy/watchdog agencies) and in programming CfPs.

- *Create space for funding own initiatives of CSOs at different levels, by adapting EC procedures in order to reduce the bias towards international and local CSOs that already meet EC standards.*
- *Ensure coherence between the use of the CSO channel and the different cooperation approaches, instruments and financing modalities and explore creating ways of dealing with them.*
- *Establish appropriate and realistic benchmarks on the quality of participatory programming on which all stakeholders can agree.*

5. Search for more realistic and effective implementation strategies

The Evaluation findings clearly indicate that the overall relevance (EQ 2), effectiveness (EQ 3-5) and sustainability (EQ 6-7) of the CSO channel is likely to be considerably improved if the EC seriously rethinks and refines its current implementation strategies using existing good practices as starting point. **Four priority actions** are proposed:

(i) **Manage the CSO channel in a partnership mode.**

Participation of CSOs is not only important during programming. The Evaluation findings confirm the need for a consistent application of the principles of dialogue and joint action in the management of the CSO channel all along the project cycle. To move forward along these lines, the following operational recommendations could be considered, particularly at the country level:

- *Extend the dialogue beyond programming to encompass other key processes or events of particular relevance for the quality of the partnership, including participation mechanisms in the framework of a PRSP or the yearly performance assessments in countries with budget support mechanisms.*
- *Provide incentives for ensuring an ongoing dialogue with CSOs on all relevant implementation matters.*
- *Support and engage with (informal) networks of CSOs that are of a strategic importance and could be allies in the pursuit of common agendas.*
- *Put much more emphasis on capacity development of CSO actors (so that they can assume their role in development and act as an efficient and effective channel). To this end it is advocated to make a more systematic and better use across regions of specific NSA support programmes (as effectively used in the ACP context).*
- *Ensure that the programmes follow a systemic approach of capacity building⁸¹; focus on promoting multi-actor partnerships⁸² and define the role and added value of the PIU;*

account in country analysis and programming choices.

⁸¹ This means having a broad perspective on institutional development, including the governance of CSOs; strengthening of NSA platforms at different levels; consultation between various actors; clarification of legal framework; making clear linkages with key policy processes and the governance agenda; provision and monitoring of a fund for financing CSO activities via CfP.

⁸² NSA structures should have a key role in the overall management and steering of the NSA support programme. In countries with a functioning decentralization system, local authorities should be integrated in the management process (involve them in selection committees, add a coherence check with local development plans for the proposals).

- *Adapt, to the extent possible, the procedures (CfP) to the programme's objectives.*⁸³

(ii) Combine different approaches, instruments and channels of aid.

The Evaluation findings clearly suggest that the efficiency and effectiveness of the CSO channel is likely to be enhanced by a smart combination of available instruments, approaches as well as by the complementary use of various channels of aid delivery according to their comparative advantages (EQ 4). Some EC Delegations already have a positive track record in this regard. Progressive de-concentration of programming responsibilities to the Delegation level offers an opportunity to further improve and institutionalise EC capacity to choose the 'right mix' of CSO instruments and approaches. In operational terms, the EC is therefore advised to:

- *Combine geographic and thematic instruments* in support of the CSO channel, through:
 - ✓ Assessing the relative strengths and weaknesses of the instruments in specific country settings and considering how the use of thematic instruments can reinforce EC's action in identified focal sectors (through CSO's participation in service delivery, sector advocacy and watchdog activities) and vice versa.
 - ✓ Using the instruments in a dynamic way, e.g. thematic instruments can be a first entry point in difficult conditions but whenever possible a spill-over into geographic programming should be sought.
 - ✓ Promoting synergies between Delegation staff dealing with the thematic and geographic programming - especially at sector level - as it provides a good basis to capitalize lessons, as well as a basis to inform programming with multiple instruments.
- *Combine the different approaches* (project, sector, macro) in order to strategically strengthen and support the CSO channel through:
 - ✓ Creating room for CSOs in sector and macro approaches to strengthen their dual role as governance actors and as service providers.
 - ✓ Linking project approaches wherever possible and necessary to sector/macro support, e.g. combining CSO projects alongside the provision of sector or general budget support.
 - ✓ Ensure that CSOs are properly involved in all relevant aspects of the implementation of the Paris Declaration on Aid Effectiveness.
- *Consider the complementary use of various channels* especially the governmental channel. This can be done among others through:
 - ✓ Promoting 'smart' partnerships which can include cooperation between government agencies and CSOs at different levels (local/central). Such partnerships can range from co-delivering services, to working with CSOs through the government channel (eventually via budget support) in cases where there is a good collaboration.

⁸³ The following proposals could help achieve this: (i) draft specific guidelines for each CfP in a participatory manner and integrating national specificities; (ii) discuss with CSOs the scope of the CfP ; (iii) define the amount of the minimum and maximum budget for the proposals based on the target groups; (iv) develop strategy to involve small CSOs ; (v) Clarify the problem of guarantees for the grants (vi) improve the transparency of the selection process ; (vii) strengthen CSO capacities to participate to CfP; (viii) make CfP accessible to less professional CSOs.

- ✓ Acting as a facilitator of dialogue between state and civil society and mediating when relations between civil society and government are tense or conflictive, amongst others by finding creative ways to integrate CSO matters into political dialogue processes.
- ✓ Strengthening government's capability and responsiveness towards civil society to enhance its capacity to manage participatory processes (at local and central levels).

(iii) Think and act outside the box by working together with other donors.

The need for improving the "3 Cs" with regard to CSOs as actors and possible channel for aid delivery comes clearly out of the Evaluation. The effective implementation of the Paris Declaration will require the participation of CSOs. It should provide further incentives to harmonise EC/EU (donor) approaches to engaging with and supporting CSOs (EQ 5). In operational terms, this move towards greater harmonisation in the support to and through CSOs could be promoted by the following actions:

- *Work out an effective division of labour* with other donors in terms of providing support through CSOs, based on the comparative advantage of the various agencies. This could, for instance, be done in the ongoing processes in-country attempts to formulate Joint Assistance Strategies for donor harmonisation and alignment.
- *Critically assess the experiences gained and results achieved in using multilateral agencies* for channelling EC aid (indirectly) through CSOs (e.g. in electoral support programmes) and use this capitalisation to improve current practices.
- Encourage EC Delegations that are facing major constraints in managing the CSO channel in a strategic way, to systematically explore the scope for making use of intermediaries who can spend time in hands-on support to local CSOs.
- *Promote the use of multi-donor basket funding* to CSOs.
- Continue to invest in joint knowledge networks (such as the EC co-initiated DECIM process) and promote effective feedback and use in-house.

(iv) Be creative with funding to CSOs.

The smart use of the CSO channel in line with stated policy objectives requires re-thinking from the side of the EC. The Evaluation has shown the limits of short-term project funding for CSOs through relatively rigid procedures. It furthermore shows that, partially because of the many procedural hurdles, European CSOs are still privileged in funding to the detriment of local CSOs. It also suggests that the shift towards sector and budget support results in a one-sided focus on the government channel and is squeezing out CSOs. Moreover, the financing needs of CSOs differ according to their role(s). Experience indicates that credible advocacy and watchdog organizations need predictable and sustainable sources of funding. In operational terms, it is therefore recommended to:

- *Promote, whenever possible, the use of programme-based funding to and through CSOs* so as to overcome some of the limitations of project funding (see EQ 4); allow for a more strategic use and capacity development oriented use of the CSO channel; and promote synergies with the government actors.
- *Provide whenever possible joint funding* in support to specific CSO actors or agree on a joint monitoring and reporting system so as not to overburden their capacities.
- *Make an effective use of the new procedure of "sub-grants"* to channel funding to (small) local CSOs with limited financial/administrative capacity be channeled

through *cascade systems* (INGOs or well-structured local CSOs channeling the funding on their turn).

- *Explore modalities to provide long-term (institutional) funding* to targeted CSOs or to networks that perform strategic roles (e.g. as knowledge institutions, watchdog agencies, human rights monitoring) and can show a strong track record.
- *Ensure that CSOs can, whenever possible and useful, access part of the EC funding provided in the framework of sector and macro-approaches* for specific roles where they have an added value. This could, for instance, be done by including a CSO grant-making component in sector budget support (for both service delivery and advocacy work). This may also help strengthen governance mechanisms within sectors through effective sector dialogue forums, stronger demands from organized citizenry and enhanced transparency.

6. Manage the channel in a result-oriented way

The Evaluation findings concur that the current tools to quantitatively and qualitatively monitor EC aid channeled through CSOs are ill-adapted to the EC policy framework in which CSOs are seen both as actors and as an aid delivery channel in the overall cooperation process (see statistical analysis and EQ 8.3) Given their primary focus on ensuring a financial and administrative management of (short-term) CSO projects until the moment of closure, current M&E tools do not enable the EC to properly assess a wide range of critical issues with regard to the CSO channel. The whole notion of impact using the CSO channel may need to be reviewed, much along the lines advocated by the 2005 Paris seminar organised under the Palermo-process⁸⁴. A strategic management of the CSO channel implies a radically different way of looking at results, moving beyond an approach centred on isolated, short-term project outputs to focus on more systemic (and often less tangible) results over a longer period of time to be achieved by a variety of actors. In order to put in place an adequate M&E systems for managing the CSO channel, the EC should take initiatives at three levels:

(i) Clarify the substance of an improved M&E system for the CSO channel

In practice, this means reconsidering ‘what’ is to be monitored and evaluated. It invites the EC is to move away from a too dominant focus on short-term project outputs and to focus more qualitative aspects (such as the added value of CSOs in different sectors or instruments; the quality of CSOs participation in development processes; and the impact and sustainability of aid channeled through CSOs).

(ii) Improve the process followed to ensuring an effective M&E

This relates to the question of ‘how’ by whom M&E should be done. In essence, this boils down to promoting a joint learning approach towards impact involving all stakeholders so as to assume shared responsibility for results.⁸⁵

⁸⁴ The four categories of participants (EC, EU Member States, European Parliament and CSOs) recognised the limits of current systems to measure impact, linked to the prevailing culture primarily concerned with disbursement, minimal risks and visible results in the short term. The focus on financial control substantially reduces the duration of the intervention, the room for experimentation and the flexibility in implementation –all factors that are essential for effective development work and impact. A consensus emerged on the need to fundamentally rethink the ways to look at CSO impact. In practice, this means appreciating the results achieved in the context of long-term processes (as opposed to short-term projects) and doing this jointly through adequate dialogue, stock-taking and learning mechanisms.

⁸⁵ This was one of the key conclusions of the EC-supported seminar on Impact, conducted under the Palermo Process (December 2004)

(iii) Adapt the instruments used in M&E

The challenge here is to make clear choices with regard to the type of databases needed to ensure a strategic and result-oriented management of aid channeled through CSOs at both central level and at the level of partner countries.

6.4. PROCESS RECOMMENDATIONS

The Evaluation findings concur that much remains to be done to adapt the overall EC internal systems, processes and capacities to ensure a strategic management of the CSO channel in line with stated policy objectives (EQ 8). There is also widespread agreement that the overall institutional culture -with its focus on disbursements and financial control - constitutes another major disincentive (EQ 8). The final recommendations below therefore focus on institutional change processes that should be put in motion by the EC.

Two inter-related process recommendations are proposed:

7. Provide ongoing support to EC Delegations committed to engage in an institutional change process

The Evaluation findings confirm that many EC Delegations have not yet taken on board the participatory development agenda and adapted the use of the CSO channel accordingly. In order to accelerate the intake of this agenda, a bolder, more proactive approach is needed towards EC Delegations. The EC is advised to launch an initiative aimed at facilitating an institutional change process driven by EC Delegations and facilitated/supported from HQ through the provision of a set of backup services over a longer period of time. To this end, the EC could consider the following actions:

(i) Encourage EC Delegations to elaborate their own “institutional trajectory of change” to better address the various challenges associated with a strategic management of the CSO channel in a given context. This “trajectory” would spell out a basic plan to gradually upgrade the Delegation’s implementation strategies, methods of works and management approaches with regard to the CSO channel. It would include a capacity development component (how to exchange; how to learn; new skills competences to be developed, etc.).

(ii) Provide reform-minded EC Delegations with a flexible financial instrument
This would allow EC Delegations involved in the change process to bring in additional expertise in a quick and efficient way.

(iii) Ensure relevant forms of support by the planned ‘Civil Society Helpdesk’
(see next recommendation).

8. Establish the 'Civil Society Help Desk' as knowledge hub and catalyst for change

This process recommendation is already being considered by the EC. There are concrete plans for establishing a **Civil Society Help Desk** which would become operational in 2009. The Evaluation findings fully legitimate the creation of such a Help Desk (see EQ 1, 2, 5 and 8). Yet in order to realise its full potential, certain **critical conditions** need to be fulfilled:

- *Mandate.* The Help Desk should have a broad mandate, which goes beyond ensuring sound (financial) administration of aid delivered through CSOs and the rationalisation of EC communication with CSOs on issues related to Calls for Proposals. These are important functions but are not sufficient to ensure the full potential of a strategic HelpDesk. The HelpDesk should be able to address all relevant dimensions related to a strategic use of the CSO channel (including new policy commitments such as those arising from the Paris Declaration, the Joint Africa-Europe Strategy, etc.). The structure should be conceived as (i) a knowledge hub; (ii) a catalyst for change and (iii) a platform of dialogue to promote the inclusion of the various actors that play a role in the 'chain' of delivering aid through CSOs (i.e. policy-makers in HQs, EC Delegation staff; partner governments; CSOs, consultants, intermediaries, etc.).
- *Functions.* The Help Desk has a critical role to play primarily in serving EC staff dealing with CSOs by (i) putting in place a users-friendly knowledge management system on CSOs; (ii) developing a strategy to 'feed' Delegation staff with concise and practical information on key CSOs challenges and ways to address them so as to promote a permanent and dynamic process of learning at all levels; (iii) promoting the systematic capitalisation of lessons learned and good practices; (iv) facilitating exchanges and synergies between different EC units, themes or policy areas that are concerned about or deal with CSOs directly or indirectly; (v) ensuring an effective outreach and communication towards CSOs (in all their diversity, in Europe and in partner countries beyond issues related to Calls for Proposals); (vi) linking up with other donor agencies and relevant institutions dealing with civil society.
- *Organisation.* In this spirit, the Help Desk should not be conceived as a centralised, inward-looking unit but more as an externally oriented knowledge hub, driven and supported **by existing expertise within various EC units and Delegations**, as well as by a pool of external expertise and other sources of (local) knowledge. Appropriate staffing and resources should be allocated to it.