Task Team
CSO Development Effectiveness
and Enabling Environment

Development of Guidance
for Indicator Two:
An Invitation to Engage

I. What is the guidance and how can you help?

Background. Efforts to make civil society organization (CSO) engagement in development cooperation more effective are particularly relevant given the ambitions of the Sustainable Development Goals (SDGs) and the role envisaged for CSOs in their implementation and review. One of the ten indicators of the Global Partnership for Effective Development Cooperation's (GPEDC) monitoring framework is Indicator Two: *civil society operates in an environment that maximizes its engagement in and contribution to development.* This indicator seeks to assess progress in implementation of the GPEDC commitments in relation to civil society. More specifically, it seeks to assess the extent to which provider and recipient country governments contribute to an enabling environment for CSOs, and the extent to which CSOs pursue development effectiveness and accountability in their own operations. CSOs' ability to maximize their contribution to development is thus a shared responsibility. The Indicator Two construction in the GPEDC's *Monitoring Guide 2015/16*[1] is based on a four-module framework developed with leadership from the Task Team on CSO Development Effectiveness and Enabling Environment (Task Team), that speaks to the policies and practices of the above-mentioned development actors.

Module 1. Space for Multi-stakeholder Dialogue.
Speaks to the importance of space for CSOs to engage in multi-stakeholder dialogue at national, regional and global levels.

Module 2. CSO Development Effectiveness, Accountability and Transparency. Speaks to actions that can be undertaken by CSOs themselves to enhance their effectiveness, accountability and transparency.

Indicator Two four-module framework

Module 3. Official Development Cooperation with CSOs. Addresses how providers' engagement with CSOs can be optimized in line with effective development cooperation principles.

Module 4. Legal and Regulatory Environment.
Addresses what governments can do through appropriate legal and regulatory frameworks to create an environment that is conducive for CSOs.

Purpose. The Task Team is developing Guidance for Indicator Two. The aim is to collate examples, guidance, and tools, in order to offer practices that stakeholders could implement to realize the GPEDC commitments in relation to civil society.

Our open invitation to provide examples

Do you have examples, guidance or tools from country, regional or global level that speak to one or more of the four modules of the Indicator Two framework? Please share them with the Task Team via its Guidance webpage:
https://taskteamcso.com/gpi-12-guidelines-2/[2]

An open invitation to provide examples

How you can contribute. The development of Guidance for Indicator Two is an ongoing initiative. While the Task Team already gathered a number of good practice examples, it is seeking further examples, guidance, and tools for potential inclusion in the Guidance. Though Indicator Two is assessed at country level, examples from the regional and global levels are also sought. The Task Team recognizes that what constitutes good practice is open to interpretation and varies across different contexts. By offering a range of examples the Guidance will provide readers with an array of practices for consideration.

Please share your good practice examples from country, regional or global level with the Task Team through its Guidance webpage:
https://taskteamcso.com/gpi-12-guidelines-2/

Guidance as part of the Task Team's Global Partnership Initiative 12. For its (first) 2013/14 monitoring round, the GPEDC lacked country-level primary data on Indicator Two. It also found that while there was "consensus on the importance of an enabling environment for CSOs to operate and engage in development there [was] a range of views of what an enabling environment entails."[3] Overall, there appeared to be a need for more guidance on the Indicator Two modules.

At the GPEDC's High Level Meeting (HLM1) in Mexico in 2014, the Task Team committed to Global Partnership Initiative 12 (GPI-12).[4] Through GPI-12 the Task Team helped to elaborate the Indicator Two Framework, monitoring process and questionnaire, ahead of the GPEDC's (second) 2015/16 monitoring round. Subsequently the Task Team completed a Stock-take[5] assessing the experience of the 2015/16 Indicator Two monitoring. The Stock-take findings suggests that further awareness and capacity to advance and monitor Indicator Two are needed. The Task Team offers the Guidance as a complement to the Framework and a further response to the need for a deeper understanding of Indicator Two's four modules.

II. The Indicator Two framework: elaboration and examples

Indicator Two speaks to the GPEDC commitments on the CSO enabling environment and CSO development effectiveness. The CSO enabling environment is a multi-dimensional concept comprising "the political, financial, legal and policy context"[6] that affects how CSOs can operate. Different actors influence the environment in which CSOs operate, including development cooperation providers and recipient governments. Meanwhile, CSO development effectiveness and accountability is in essence the other side of the enabling environment coin and concerned with what CSOs can do to enhance their own effectiveness.

This section briefly explains key elements of the four modules of the Indicator Two framework. More thorough coverage of the modules is found in the Task Team's Key Messages for the GPEDC's second High Level Meeting.[7] For each module an example is provided to illustrate how good practice examples will be featured in the Guidance.

MODULE 1 – SPACE FOR MULTI-STAKEHOLDER DIALOGUE

Space for multi-stakeholder dialogue can be said to exist when CSOs can access multi-stakeholder dialogue fora – at national, regional and global levels – that contribute to the design, implementation and monitoring of development policies and planning, so that these are democratically owned. The following features are considered as good practice:

Institutionalized. This implies that dialogues are systematic (i.e. regular, and thus anticipated by other stakeholders) and that there are feedback mechanisms that demonstrate how stakeholder inputs have been taken into account.

Accessible. Dialogues are accessible if for instance notification and relevant information (in line with CSOs' right to access government information) is provided in a timely manner, in accessible language.

Inclusive. This calls for multi-stakeholder dialogue processes that allow for inclusive participation of traditionally marginalized groups.

Resources and/or training opportunities, with the aim of capacity building for all stakeholders to engage meaningfully in multi-stakeholder dialogue.

> **GOOD PRACTICE ENTAILS:** Space for multi-stakeholder dialogue that is institutionalized, transparent and inclusive
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> **GOOD PRACTICE EXAMPLE:** Participatory budgeting in Brazil
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> Participatory budgeting in select municipalities in Brazil, in which citizens and CSOs' engagement in the policy exercise of budgeting has become increasingly institutionalized. With this institutionalization has come various positive policy outcomes including increased spending in health and sanitation, improved health outcomes, and growth in the number

of CSOs. Over time, with the participatory budgeting process "new patterns of governance, state–society relations, and empowerment are initiated, thus producing more durable change".

Source: Touchton, M. and B. Wampler (2014). Improving social well-being through new democratic institutions. In Comparative Political Studies, 47(10), 1442-1469, Improving Social Well-Being Through New Democratic Institutions

MODULE 2 – CSO DEVELOPMENT EFFECTIVENESS, ACCOUNTABILITY AND TRANSPARENCY

This module is concerned with what CSOs need to do in order to enhance their development effectiveness, accountability and transparency. CSOs involved with the CSO Partnership for Development Effectiveness (CPDE) have developed the Istanbul Principles[8] as a basis for CSOs to design self-managed mechanisms to help improve CSO practices in relation to development effectiveness. Particular areas of CSO practice that merit ongoing attention include:

CSO self-regulation mechanisms. Successful self-regulation tends to be characterized by a consultative design process; information disclosure requirements; monitoring and verification of compliance; and some form of sanctioning non-compliance.

Ownership. CSOs' initiatives need to be demand-driven and respond to the priorities of the constituencies CSOs seek to serve or represent, using inclusive and participatory approaches focused on empowerment.

Information sharing and coordination. Important for CSOs in their interactions with governments, each other and other actors in order to optimize impact and avoid duplication or gaps in coverage. Making information about the aid flows CSOs receive and disburse available is also necessary for transparency.

Accountability. To enhance accountability for development results, CSOs are encouraged to monitor and report not on activities, but more specifically on results at the outcome level.

GOOD PRACTICE ENTAILS: Self-managed CSO mechanisms to enhance CSO development effectiveness, accountability and transparency in CSO operations, related to the Istanbul Principles and International Framework for CSO Development Effectiveness, at country level.

GOOD PRACTICE EXAMPLE: Strengthening Accountability and Governance of NGOs in Nepal (SAGON)

One of the NGO Federation of Nepal's (NFN) main objectives is strengthening accountability and governance of NGOs in Nepal. To this end, the NFN amended its voluntary Code of Conduct to reflect the Istanbul Principles. The NFN recognizes the need for a broader and deeper understanding of the Principles among CSOs, and in Government. To promote the Istanbul Principles and broaden their uptake across the CSO sector, the NFN has translated them into Nepali, and integrated coverage of the Principles in its NGO Governance Resource Book.

The organization has also undertaken ongoing capacity development on the subject with NGOs including at district levels. The NFN attests that these efforts have motivated its members to streamline and apply the Istanbul Principles in their organizations. This initiative is funded by the Swiss Agency for Development and Cooperation (SDC).

Sources: CPDE (2014). The Journey from Istanbul: Evidence on the implementation of the CSO DE principles, http://www.csopartnership.org/wp-content/uploads/2014/04/casestories_ebook.pdf
http://www.ngofederation.org/index.php?option=com_content&view=article&id=391

MODULE 3 – OFFICIAL DEVELOPMENT COOPERATION WITH CSOS

This module speaks to how development cooperation providers offer financial support to CSOs and to their broader non-financial engagement with CSOs. A fundamental starting point is that what constitutes effective practice in providers' relations with CSOs may differ from effective practice in providers' relations with governments. Good practice features of official development cooperation with CSOs include:

Civil society and/or CSO policy. Ideally such a policy (developed in consultation with CSOs from provider and recipient countries) goes beyond the "how" of the funding relationship and addresses the intrinsic value of strengthening civil society.

Mix of funding mechanisms. Recognition of the need to balance support to i) CSO-defined objectives (respecting CSOs' right of initiative), and ii) to CSOs for programming aligned with provider or recipient government-defined objectives. Space for CSOs' distinct priorities, plans and approaches is key, with core/institutional funding being a vital modality to support CSOs' right of initiative.

Monitoring and evaluation (M&E). Providers' M&E is used not simply as a tool for accountability and compliance, but to promote learning and reflection, with streamlined reporting.

Accountability and transparency. Providers can encourage CSOs to address their accountability relationships with others, to ensure that providers' requirements do not substitute for CSOs' need to advance their accountability and transparency in aid recipient countries. Meanwhile, providers are encouraged to make information on their CSO funding flows publically accessible in the countries where they are funding CSOs, including to national governments.

Administration. Minimization of transaction costs through coordination of donors' CSO support and standardized and harmonized requirements that ideally align with CSOs' own procedures. Alternatively funds can be pooled to a single CSO or CSO support mechanism.

Dialogue. Dialogue with CSOs can serve pragmatic purposes (e.g. mutual learning or tapping into CSOs' knowledge and expertise), but can also build trust, respect and understanding of each other's constraints and comparative advantages.

Promotion of enabling legal and regulatory frameworks for CSOs. Strengthening CSO legal and regulatory frameworks can be incorporated into providers' work for instance through programmes promoting rights and democracy or policy dialogue with recipient

governments. This needs to be undertaken sensitively, with a good understanding of the context and risks.

GOOD PRACTICE ENTAILS: A. Funding that balances support to CSO-defined objectives (respecting CSOs' right of initiative); and support to CSOs for provider-defined objectives. **B.** Support to CSOs' public awareness-raising in provider countries

GOOD PRACTICE EXAMPLE: Austrian Development Agency's (ADA) mix of CSO funding mechanisms

ADA supports CSOs to implement program and projects particularly in areas where CSOs have specific focuses and know-how, and work directly with local groups in aid recipient countries. CSOs are supported in two ways: as *contractors* for the direct implementation of Austrian Development Cooperation's (ADC) programmes (generally aligned with the national development strategies of aid recipient countries); or as *development partners* using co-financing for projects based on CSOs' own initiatives and thematic focus (coordinating with ADC goals and programmes). Various instruments are available for co-funding of CSOs, based on the principle of right of initiative. Austrian CSOs are supported to work in partnership and engage in capacity development with CSOs or other actors in aid recipient countries, as well as to undertake public awareness raising in Austria. Instruments include:

- Individual Projects South and East: Two-three year funding for CSOs, with up to 50% funding available for CSOs working in ADC priority countries, and 25% in non-priority countries.
- Framework Programs: Three year funding (up to 80% in priority countries, 75% in non-priority) for CSOs' coherent and interactive programs with a clear strategic development objective and results focus, inclusive of consideration to synergies at country level, structural change, knowledge management and exchange, and policy dialogue.
- Strategic Partnerships (new pilot): Five year funding that builds on successful Framework Programs. Also results-oriented but with greater flexibility for partners.

Source: Communication with Austrian Development Agency, Civil Society International department, October 12, 2016.

MODULE 4 – LEGAL AND REGULATORY ENVIRONMENT

This module focuses specifically on what governments can do to create an environment that is conducive for CSOs. An enabling legal and regulatory environment calls for CSO-related laws, policies and regulations that are "fit for purpose" and support CSOs in fulfilling their diverse roles in development. Good practice features that are consistent with internationally and regionally agreed rights and associated standards include:

Fundamental freedoms promoted and respected. The freedoms of assembly, association and expression are crucial for CSOs to be able to fulfil their independent role. This calls for recognition of these fundamental freedoms in the constitution and more broadly in laws, policies, regulations, and practice.

Enabling environment for formation and registration. Implies a framework that allows CSOs to freely come into existence and register voluntarily for any legal, not-for profit purpose, if the founders so desire. Important is that the law, policy or regulation is clear and transparent,

with attainable criteria and an affordable and quick procedure. Good practice also calls for clear grounds for denial and the availability of an independent recourse mechanism.

Enabling environment for operation. CSOs need to be able to pursue a broad-range of self-defined objectives and speak freely, including on public matters such as proposed legislation and state policies or actions. It also implies CSOs regulating their internal governance.

Access to resources for CSOs. Part of a CSO's right to operate and carry out its statutory activities is the right to solicit, receive and use funding from legal domestic, foreign and international sources. Laws, policies and regulations that facilitate CSO fund generation, for instance through enabling tax regimes, are encouraged. Good practice entails no distinction be made between resources obtained domestically or abroad.

CSO engagement. Governments are encouraged to include CSOs as primary stakeholders in drafting/revising CSO-related laws, policies and regulations, also with reference to Module I on spaces for multi-stakeholder dialogue.

GOOD PRACTICE ENTAILS: A. Engaging CSOs in reviewing CSO-targeted laws and policies and **B.** Voluntary registration processes for CSOs with clear procedures and without undue complexities

GOOD PRACTICE EXAMPLE: New Association Registration Law in Myanmar

In July 2014 Myanmar enacted a New Association Registration Law (ARL). An earlier draft of the ARL raised some critical concerns, including regarding constraints on unregistered associations, problematic registration procedures and re-registration requirements. Local CSOs and key parliamentary allies in Myanmar were able to transform this initially restrictive draft law into a more enabling one, amongst others by highlighting how the draft law diverged from international norms and good practices. CSOs (who had been empowered by a training on international standards relating to freedom of association and good regulatory practices) met with parliamentarians to voice concerns and make recommendations. Ultimately, the draft law was substantially altered and made more enabling through; a more inclusive definition of associations, removal of provisions that would criminalize unregistered groups, providing for voluntary registration, simplification of registration documents, and improved procedural safeguards in the registration process. The engagement of CSOs – together with key parliamentary allies – resulted in the enactment of a new and more enabling ARL, which has led to a notable improvement to Myanmar's legal and regulatory environment for CSOs.

Sources: ICNL civic freedom monitor: Myanmar. http://www.icnl.org/research/monitor/Myanmar.html.
ICNL 2014-2015 Annual Report on the Civic Space Initiative, funded by the Government of Sweden and conducted with ARTICLE 19, CIVICUS: World Alliance for Citizen Participation, and World Movement for Democracy.

[1] GPEDC (2015), Monitoring Guide 2015/16: Monitoring the Effective Development Cooperation Commitments, http://effectivecooperation.org/wp-content/uploads/2015/10/2015-Monitoring-Guide_-final1.pdf.

[2] Further information and instructions for the submission of examples, guidelines or tools are available on the Task Team's Guidance webpage: https://taskteamcso.com/gpi-12-guidelines-2/. If a contribution is selected for inclusion in the Guidance, the Task Team will seek to develop the text in consultation with the contributor.

[3] GPEDC (2014), Making Development Co-operation More Effective: 2014 Progress Report, p. 59. http://effectivecooperation.org/wp-content/uploads/2016/05/4314021e.pdf

[4] GPIs are voluntary initiatives, affiliated with the GPEDC but led by various (development) actors to advance effective development cooperation commitments and make progress in new or innovative areas of work.

[5] Task Team on CSO Development Effectiveness and Enabling Environment (2016), Global Partnership Initiative 12 Stock-take of Indicator Two Monitoring, Jacqueline Wood with contributions from Adinda Ceelen, https://taskteamcso.com/gpi-12-stock-take/

[6] OECD-DAC (2012), Partnering with Civil Society: 12 Lessons from DAC Peer Reviews, http://www.oecd.org/dac/peer-reviews/partneringwithcivilsociety.htm

[7] https://taskteamcso.com/the-2016-high-level-meeting-in-nairobi/

[8] Open Forum (2011), Istanbul Principles for CSO Development Effectiveness, http://csopartnership.org/the-istanbul-principles/

[9] Prakash, A. and M.K. Gugerty, (2010), "Trust but verify? Voluntary regulation programs in the non-profit sector". Regulation and Governance, 4(1), 22-47.

Disclaimer

This document is produced by the Task Team on CSO Development Effectiveness and Enabling Environment. The content of this document does not necessarily reflect the views of ISS-EUR, Task Team participants or their institutions.

About the Task Team

The Task Team on CSO Development Effectiveness and Enabling Environment (Task Team) is a multi-stakeholder informal network. Its work is concerned with advancing the role of civil society in development, in the context of international commitments on civil society as agreed at the Accra (2008), Busan (2011), and Mexico (2014) High Level Fora/Meetings on aid and development effectiveness and (anticipated) at the 2016 Nairobi High Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC).

Task Team participants come from three stakeholder groups: governments that provide development cooperation; recipient governments; and civil society organizations (CSOs) in the CSO Partnership for Development Effectiveness (CPDE). It is led by three co-chairs, each representing a stakeholder group.

For more information
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