

Aid Effectiveness:

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

Report on Donor Roundtable Dialogue

2 MARCH, 2007

GABORONE INTERNATIONAL CONVENTION CENTRE
GABORONE, BOTSWANA





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Abbreviations

ACBF	African Capacity Building Foundation
AFRODAD	African Forum and Network on Debt and Development
APRM	African Peer Review Mechanism
AusAID	Australian Agency for International Development
BIDPA	Botswana Institute for Development Policy Analysis
CAGE	Conflict and Governance Facility
CDE	Centre for the Development and Enterprise
CIDA	Canadian International Development Agency
CSOs	Civil Society Organisations
CBOs	Community Based Organizations
DFID	Department for International Development
EC	European Commission
EU	European Union
GTZ	German Technical Cooperation
ICP	International Cooperating Partners
IGD	Institute for Global Dialogue
NGOs	Non-Governmental Organisations
NZAID	New Zealand Agency for International Development
PRSPs	Poverty Reduction Strategy Papers
RISDP	Regional Indicative Strategic Development Plan
SACAU	Southern African Confederation of Agricultural Unions
SADC	Southern African Development Community
SADC-CNGOs	SADC Council of Non-Governmental Organizations
SARDC	Southern African Research and Documentation Centre
SARPN	Southern African Regional Poverty Network
SATUCC	Southern African Trade Union Co-ordination Council
SIDA	Swedish International Development Agency
SIPO	Strategic Indicative Plan for the Organ
UNDP	United Nations Development Programme
UN	United Nations
USAID	United States Agency for International Development

Summary

The international donor community has put in place processes with the objective of enhancing aid effectiveness for a number of years now. The Rome High-Level Forum on Harmonisation (2003) and the Marrakech Roundtable on Managing for Results (2004) set precedents for the Paris Declaration on Aid Effectiveness (2005) which remains a landmark document on aid effectiveness. SADC member states and their international cooperation partners adopted a similar declaration in Windhoek in April 2006. Both the Paris and Windhoek Declarations call upon donor institutions, developing and developed countries to increase their efforts to effectively utilise development resources on the basis of the principles of ownership, harmonisation, alignment, managing for results and mutual accountability. The challenge that remains is the implementation of the declarations and addressing some of the emerging issues, such as how they relate to non-state actors.

A key objective of the Dialogue was to establish the extent to which external donor support to southern Africa civil society organisations (CSOs) is being affected by the new emphasis on aid effectiveness. The argument is that there is a significant shift in the way donors are channelling their support to CSOs, including the pooling of donor support through national and regional intermediaries. This in turn has the potential to shift the dynamics in the way CSOs can influence poverty reduction efforts. Some key questions about the nature and extent of coherence between donor country level support and their regional support to CSOs are also emerging. For example, how does donor support to CSOs working on poverty reduction at the national level link to those CSOs working on regional initiatives.

In addition, there are also concerns about the pace and limited impact of improving aid effectiveness through harmonisation (donor cooperation) and alignment (support to partner priorities), especially in relation to

addressing issues of the quality of aid, moving from project support to budget support, aid absorption capacity of southern Africa CSOs, and the limited participation of key interest groups in influencing decisions on how aid is given, managed and utilised, among other issues.

It is in this context that the Southern Africa Trust commissioned a research report on the subject of "Aid Effectiveness: Trends and Impacts of Shifting Financial Flows to CSOs in Southern Africa". The research findings of this work were presented at a one-day roundtable discussion on 2nd March, 2007 in Gaborone, Botswana.

The roundtable session objectives were:

- To share the research findings of the draft Southern Africa Trust commissioned research.
- To discuss ways of strengthening CSOs so as to ensure they can effectively access and manage aid flows (absorptive capacity) to southern Africa.

- To discuss effective mechanisms and innovative sources of funding for CSOs in southern Africa.
- To discuss future opportunities for regional CSO-Donor engagement in southern Africa.

1. Key Emerging Issues

Key emerging issues from the dialogue are outlined as follows:

- a) The relationship between donors and civil society organisations (CSOs) is a strong one. An estimated one-third of official aid goes to CSOs in the South. However, CSOs have not effectively and directly utilised platforms for discussions about aid effectiveness that have been taking place in recent years.
- b) CSOs play a critical role in the poverty reduction supply chain given that they speak for the voiceless “poor”; they ensure transparency and accountability and contribute to the policy process. Therefore, they are an important player in the process that seeks to make aid more effective and responsive to the needs of its intended constituents. There is need for greater CSO involvement in the aid effectiveness debate and process.
- c) There is a greater need to use regional and national CSOs as intermediary vehicles for delivery of aid as well as trying to harness the diversity of the sector in ensuring aid benefits its intended constituents and reduces poverty levels in southern Africa while at the same time ensuring that there is sustainability for such efforts. A case study of the Southern Africa Trust was used to illustrate this point.
- d) The research findings from the study on *Aid Effectiveness: Trends and Impacts of Shifting Financial Flows to CSOs in Southern Africa* illustrate that aid volume to the Southern Africa Development Cooperation (SADC) region is increasing. Service delivery is noted as one of the key areas where donors are investing.
- e) Donors are supporting CSOs through multiple funding agencies and a variety of support models. There is need for greater

CSO and government collaboration and harmonisation.

- f) There is a need for increased dialogue among donors and CSOs given that they have a crucial role to play in the aid supply chain especially given their diversity and specialisation. CSOs need to enhance collaboration amongst each other to have a greater influence on policy dialogue.
- g) There is need to enhance multi donor approaches that support CSOs in Southern Africa to increase their networking and learning capability, support Community Based Organisations (CBOs), reduce duplication, encourage innovation and enhance the objectives of the Paris and Windhoek declarations.

2. Way Forward

Key aspects of a way forward that emerged as outcomes of the closing discussion were:

- a) The need for increased dialogue, sharing of information, learning, and analysis in the aid effectiveness agenda, and for building relationships amongst CSOs in the region, in a forum such as this. This will enable increased engagement of CSOs in policy dialogue and increased voice and attention by donors and government in areas of mutual interest.
- b) Ensuring declarations such as Paris and Windhoek are conceptualised through a consultative process. This can be done by providing space for full engagement/ involvement of CSOs so as to entrench the principle of ownership and facilitate better implementation of these treaties.
- c) Assessing the role and impact of CSOs in the SADC-Regional Indicative Strategic Development Plan (RISDP) process will provide a good pointer to the alignment of their strategies both at the national and regional level, enabling a better evaluation of their strategies based on their strategic performance.
- d) There is a need for CSOs to take leadership in the aid effectiveness debate by harnessing their diversity, developing their institutional

An estimated one-third of official aid goes to CSOs in the South. However, CSOs have not effectively and directly utilised platforms for discussions about aid effectiveness that have been taking place in recent years.

architecture, and actively engaging donors and governments in dialogue on their needs. The Southern Africa Trust is keen to take on a proactive role to help develop learning and analysis and effective practices, so as to ensure greater CSO engagement with the aid effectiveness agenda in southern Africa. Broader participation and voice is needed to address this leadership vacuum because the Trust does not want to necessarily take a leadership role in this area. The Trust will follow up on the outcomes of this meeting with SADC, key CSOs in the region working on aid delivery issues, and donor regional programmes to take forward a process in a programmatic way. This may include structured mechanisms to ensure better knowledge of aid flows and mechanisms, sustained monitoring of trends in aid flows, and regular, structured dialogue between the various interest groups.

- e) The adoption of a strategic approach by CSOs in the region to provide better focus and participation in policy dialogue on aid is required. Conceptualising the strategies from a systems perspective and investigating the impact of processes such as the APRM in the region will be beneficial.

- f) The research report will be finalised after taking account of this dialogue meeting. It will then be issued publicly. Further focus discussions will be convened to concretise recommendations for specific action.

Central to these developments is a need to engage in dialogue at different levels, initially informally as CSOs cultivate trust among each other and invest in collaborative partnerships, thus positioning themselves strategically for Accra 2008.

Overall, CSOs need to proactively engage in a continuous structured policy dialogue and also ensure that community voices are directly heard in this dialogue.

The following record highlights presentations and discussions during the different sessions of the roundtable dialogue.

Making a case for supporting civil society organisations in southern Africa, by Kemi Williams, DFID

The relationship between donors and civil society organisations (CSOs) is a strong one in many respects, with an estimated one-third of official aid now going through or directly to CSOs in the South. CSOs have not however been directly involved in the discussions about aid effectiveness that have been taking place in recent years. The session, thus explored some of the reasons for donors supporting greater involvement by CSOs in this process from the DFID perspective and its intended goal of being a responsible donor within the framework of market forces that allows for an exit strategy (strategic plans shifting from five years to ten years e.g. Ghana and South Africa) by the donor while at the same time ensuring sustainability of aid projects.

1. Role of CSOs in the poverty reduction supply chain

The Paris Declaration (global focus) and Windhoek Declaration (indigenised for the SADC region) developed the principles of harmonisation, alignment, ownership and mutual accountability. These principles are to make aid more effective and responsive to the needs of its intended constituents. The aim was to:

- a) Minimise transaction costs to governments receiving and giving aid
- b) Promote coherence in the allocation and use of aid to the realities facing its intended beneficiaries.
- c) Minimise duplication of roles among stakeholders in the aid supply chain.
- d) Ensure donors support recipient government priorities (appropriateness enables ownership).

For these to be effective there should be:

- Good governance.
- Sound policies e.g. PRSPs.
- Complementary interaction between CSOs and governments in the service delivery realm.

Guiding the process was that governments needed to formulate appropriate and realistic poverty reduction strategies. Recipient countries were expected to put in place governance systems that were deemed to be “good enough” so as to access donor funds. Enabling this goal of aid effectiveness provided an opportunity for CSOs to fill gaps in service delivery and project implementation as regards the aid supply chain and the intended goal of providing the optimal benefit to the intended recipients of that aid.

Recipient countries were expected to put in place governance systems that were deemed to be “good enough” so as to access donor funds.

The role of CSOs in this aid supply chain is thus:

- Speaking for the voiceless (poor).
- Ensuring transparency and accountability is upheld by aid recipient governments.
- Contributing towards evidence based policy processes and formulation.
- Increasing collaboration with government in the process to ensure the aid supply chain is focused, of good quality and responsive to the appropriate needs of its intended recipients.

CSOs should thus be proactive and involved in improving aid effectiveness by:

- a) Engaging in aid projects that truly define the needs of the poor.
- b) Modelling aid effectiveness strategies based on what is appropriate to its intended recipients.
- c) Holding aid delivery stakeholders accountable for “what” (i.e. the goal of the policies/projects to be implemented) and “for whom” (i.e. the intended beneficiaries of the policies and projects).
- d) Engaging in critical thinking on the aid instruments used, and whether they promote harmonisation e.g. PRSPs do they deliver for the poor, how accountable are they?
- e) Collaborating with governments to develop robust (inclusive) PRSPs that set the foundation for true mutual accountability.
- f) Piloting and adopting the Paris principles on aid effectiveness and identifying their appropriateness in a specific country/region:

2. Case: Southern Africa Trust

The decision to form the Trust was based on an observation that CSOs were not working efficiently in the region and had a poor absorptive capacity of resources. The role of the trust was to engage in grant making and capacity building of CSOs in the SADC region. This required indigenisation of strategies for greater effectiveness as well as a vehicle for DFID to outsource the allocation and management of its donor funds. An initial grant of ten million pounds sterling over a five year period was provided to the trust. This was meant to reduce the transaction costs associated with aid. The goal was to enable increased aid effectiveness and greater impact on its intended recipients. This enabled the aid supply chain to be more responsive as bureaucratic levels were reduced, although still prevalent, which resulted in time lags in the availability of aid. The problem can be solved by the donor being a responsible one as most CSOs operate on a hand to mouth basis; hence any time lag drastically affects the outcome of a project.

Using the Southern Africa Trust as an aid delivery vehicle coincides with aid flows to the SADC region increase annually with the budgetary framework of the United Kingdom providing more allocations to CSOs. This is in line with a goal to increase British foreign aid to 0.7% of gross domestic product by 2013. Redundancies in DFID staff have also called for innovative allocation of funds so as to reduce the transaction cost of providing aid.

The focus on increasing financial flows to developing countries by donor countries is offering opportunities for the greater participation of CSOs as governments struggle to utilise funds at their disposal.

3. Plenary Discussions

Discussions on this presentation centred on:-

- a) The need to create the Southern Africa Trust for the region and its sustainability after exit by donors.
- b) CSOs struggle with bureaucracy by donors/ governments and attempts to address this.
- c) The effectiveness of an initiative like the Southern Africa Trust in representing a shift in the type and volume of aid flowing into the region.
- d) Sustainability of this support model to improve aid effectiveness.
- e) CSOs offering one of the key vehicles for delivery of aid.

The meeting concluded that the focus on increasing financial flows to developing countries by donor countries is offering opportunities for the greater participation of CSOs as governments struggle to utilise funds at their disposal. This has further increased the need to use CSOs as vehicles for delivery of aid as well as trying to harness the diversity of the sector in ensuring aid benefits its intended recipients and reduces poverty levels in southern Africa while maintaining a sustainability mindset.

Research findings on aid effectiveness: trends and impacts of shifting financial flows to CSOs in southern Africa, by Elling Tjonneland, Chr. Michelsen Institute (CMI)

The Southern Africa Trust commissioned a report on the impacts of the aid effectiveness debate on CSOs in southern Africa. The report is based on the collection of data from seven SADC countries- Botswana, Lesotho, Malawi, Mozambique, South Africa, Zambia and Zimbabwe. It identifies the main trends in aid flows and support models to civil society while assessing trends in relation to the principles of aid effectiveness. The following are the preliminary findings of the report.

1. Research Findings

The research findings focus on four main areas:

- a) Aid volume to CSOs in the Southern Africa Development Community (SADC) region is increasing with service delivery dominating as a major proportion of aid to CSOs that is channelled to them to engage in sectors such as health and education :
 - Substantial but difficult in quantifying due to the classification of aid by donors as regards the definition of CSOs.
 - Channelled through northern NGO's that act as an intermediary between donor governments and CSOs.
 - New donors from foundations via ACBF to the EU through the formation of special purpose vehicles and philanthropic endeavours to disburse aid.
 - Small but significant direct support to advocacy and policy engagement due to a perceived need to enable stakeholder reconciliation.
- b) Aid effectiveness processes are advancing at the official level in southern Africa:
 - The Windhoek declaration adopts a home-grown adaptation of the Paris declaration for the SADC region, thereby enabling the appropriateness of the Paris Declaration to the SADC region.
- c) The role of CSOs in improving aid effectiveness is not guided by a coherent strategic approach:
 - There is a limited focus on civil society as CSOs are mostly seen as a last resort for aid disbursement where governments have failed, coupled with weak absorptive capacity of donor aid.
 - There is poor but growing donor cooperation in line with the principle of harmonisation, through greater collaboration on points of interest in policy debate and poverty reduction strategies.
 - CSOs are not guided by a strategic approach as regards the donors/govern-

ment perceptions of CSOs. This makes areas of engagement between the two adversarial and not collaborative. There is also a competitiveness mindset amongst CSOs working addressing aid issues and between CSOs and governments.

- There is a diversity of funding agencies and variety of support models. This is evident in professional CSOs that have proven effective in delivering projects that have an impact on the poor. It is based on donor agencies identifying their strengths and weaknesses, thus allowing for specialisation.
- d) New trends are emerging out of the aid effectiveness initiatives:
- New entry points for policy engagement are emerging as donors/governments see an increased need to adopt a multi-stakeholder approach in policy engagement. However, this should be done between CSOs and SADC at the regional, thematic and national levels.
 - Some agencies are increasing direct support to CSOs especially in countries where donors perceive that governance is not good enough.
 - There is more focus on capacity building of CSOs so as to increase their absorptive capacity and functionality in this dynamic environment.
 - International NGOs from donor countries are accessing more funds as donor governments outsource aid disbursements to their local NGO's that are increasingly taking space in the southern Africa region.
- Increased dialogue among donors on their CSOs support experience.
 - Increased collaboration by donor agencies that engage in similar policy and project areas.
 - Ensuring a higher probability of collaboration by starting dialogue at the outset of programmes.
 - Establishment of local funding facilities in close proximity to CSOs.
 - Regional CSO support facilities such as the Southern Africa Trust should collaborate with other equivalent initiatives in areas of mutual interest for greater impact through expertise and reduced transaction costs.
- b) Challenges and opportunities at the regional level should be identified and addressed. The challenges presenting themselves are:
- Mechanisms formulated in the restructuring of SADC as regards its Secretariat and officially-recognised apex organisations is not yet functional resulting in minimal dialogue with CSOs.
 - Weak absorptive capacity of CSOs in the region to engage in regional policy issues.
 - The thematic groups and the draft Windhoek Declaration Implementation Plan does not provide CSOs an adequate framework with which to monitor donors and harness opportunities availing themselves for regional development.
 - The need to engage CSOs in the thematic groups so as to build networks and collaborative partnerships.
 - The extent of engagement between SADC and CSOs will determine the bias to accountability between the donors and the populace of the SADC region.
 - Ensuring alignment between SADC's regional development strategy (RISDP and SIPO) and national development strategies.
- c) The opportunities presenting themselves are:
- Restructuring of SADC has factored in avenues that offer CSOs greater involvement and mutual accountability.

2. Moving forward

- a) The paradox of harmonisation and diversity is that too much harmonisation will negatively affect CSO diversity which emanate from the diverse purposes, organisational structures and constituencies of CSOs. The extent of harmonisation is also constrained due to the inherent diversity of interests and priority areas amongst donors. This being so, attempts at enabling effective CSO support through collaborative frameworks among donors can be accelerated by:

International NGOs from donor countries are accessing more funds as donor governments outsource aid disbursements to their local NGO's that are increasingly taking space in the southern Africa region.

- Formation of thematic groups for donor coherence in SADC offers opportunities for mobilising development finance for the region, a role CSOs can effectively engage in and facilitate.
 - Stakeholder engagement will offer CSOs greater voice in SADC policy dialogue and enable greater perspective of evolving donor trends, especially as regards capacity building.
- d) Investment in enabling and enforcing NGO coalitions could be an option as they are more effective and united to a common goal in influencing policy and engaging donors in various issues. They also serve as a more potent voice in articulating the issues affecting the citizens in the region from a non partisan perspective, an aspect conducive to growth and better welfare of the regions citizens.
 - d) Reflection on the fundamentals of how aid functions as the underlying power dynamics are in favour of donors.
 - e) Attention to the politics involved in donor interactions.
 - f) The need for a deeper assessment of the pattern of allocation of funds between CSOs and governments.
 - g) The need for greater attention to the role of the private profit-making sector in the aid effectiveness agenda.
 - h) The need to identify issues that motivate better aid delivery.
 - i) Increased domination of the aid agenda by northern NGOs in the SADC region,
 - j) Efforts being made by northern NGOs in harmonising aid so as to minimise demands on CSOs in the SADC region.
 - k) Gaps in service delivery in the SADC region in the context of capacity development. This calls for the need for capacity building among CSOs in the region.
 - l) That the harmonisation principle is pegged on the strength of the organisation of civil society and its diversity in the region, the question being whether one size fits all stakeholders or whether aid should be more focused on a case by case basis.

3. Plenary Discussions

Discussions on the research findings highlighted:

- a) The need for a better conceptualisation and definition of CSOs in the poverty debate.
- b) The need for a determination of issues and principles to guide a strategic approach by CSOs so as to be able to be more accountable for results.
- c) Engagement of CSOs within the framework of the APRM as an avenue to influence the aid effectiveness debate.
- m) The need to explore and identify the specific roles of the three major stakeholders in the aid effectiveness agenda; donors, SADC Secretariat and CSOs.
- n) Increased use of budget support by donors and the uneasy relationship between CSOs and government on service delivery.

The paradox of harmonisation and diversity is that too much harmonisation will negatively affect CSO diversity which emanate from the diverse purposes, organisational structures and constituencies of CSOs.

- o) The effects of minimising transaction costs on operational space for donors and CSOs.
- p) The need to invest in the diversity of CSOs.
- q) The definition of capacity requirements as regards CSOs and how much should be invested in capacity building.
- r) The effects of issuing pre-determined calls for proposals that set the agenda for work undertaken.
- s) The need to balance reducing transaction costs and aid effectiveness.
- t) The need for greater investment in public-private partnership initiatives.
- u) Need for SADC-based CSOs to engage northern NGO's to ensure their operations are aligned to national and regional development plans.
- v) The need to develop appropriate strategies for CSOs to influence the aid debate so that CSOs are not just passive recipients of aid.
- w) The need for realism about what CSOs can and cannot do.
- x) The need for identification of points of parity and strategic fits among different CSOs in the SADC region.

The session concluded that CSOs have a crucial role to play in the aid supply chain especially given their diversity and specialisation. This is evident from the research findings that have noted a trend of increased aid to CSOs in the region. However, CSOs have to collaborate so as to maintain relevance and have a greater influence on policy dialogue and points of engagement in the aid supply chain. We now look at the experience of one such agency that could provide such an avenue of collective influence for CSOs in the region in the aid effectiveness process.

Multi-donor approaches to southern African CSO institutional development: challenges and opportunities, by Neville Gabriel, Southern Africa Trust

The Southern Africa Trust was established with the aim of strengthening the engagement of regional CSOs in the development and implementation of policies aimed at overcoming poverty. As an organisation, it provides a useful example of and for a multi-donor approach to the institutional development of CSOs. The opportunities and challenges of this approach are discussed below.

1. Emerging Learning from the Southern Africa Trust

The goal of the Trust is for regional civil society organisation to be:

- Effective: CSOs should have a regional impact on policy formulation and implementation so that policies work better to overcome poverty. This can be done through capacity building of stakeholders who engage in policy work.
- Active: CSOs should be vocal participants in policy dialogue. This is done by facilitating CSO engagement in policy processes.
- Inclusive: Through the adoption of a multi-stakeholder approach to widening participation among various constituents and creating an enabling environment for excluded civil society voices.
- Informed: Sharing learning and analysis and building knowledge networks. This will impact on the quality of evidence-based policy generation.
- Resourced: Support to policy work will be provided through the allocation of grants.

The purpose of the Southern Africa Trust is thus, to support deeper and wider engagement in policy dialogue to overcome poverty in the region.

Learning outcomes of the Southern Africa Trust's approach include:

- a) A pragmatic approach that is based on the realities facing targeted constituencies, works best. In the aid effectiveness debate, the approach of the Trust is that changes are happening to the way aid is provided and this is already having an impact of CSOs in the region. The question is therefore: what can we do about this for the benefit of CSOs and for more effective poverty reduction?
- b) Increased support to CSO capacity building can improve aid effectiveness since CSOs are part and parcel of the aid supply chain. However, CSOs must demonstrate that they credibly and legitimately represent voices of the poor.

- c) Assessing the power dynamics in aid supply and absorption must include assessing the power dynamics amongst different interests amongst CSOs as well. There are, for example, major differences of interest and influence amongst the NGO establishment and community based organisations, as between bigger and better resourced professionalized NGOs and other types of NGOs.
- d) The question of whether it is advisable for CSOs to access funding through governments in southern Africa is a moot question since it is only a question of which governments CSOs will be willing to take money from, either through direct donor aid or budget support. Greater engagement between CSOs and governments is required in southern Africa if we are to build developmental states that are sustainable. However, there is no doubt that the type of government that CSOs access funding from will influence the shape of CSO programmes.
- e) Donor administrative systems lag behind political developments in aid coherence, resulting in a dysfunction between formation of policy and translation of those policies into operating systems, negatively affecting the intended goal of aid harmonisation processes.
- f) The increasing deconcentration of donor delivery mechanisms to regional and national levels, taken together with a reduction in administrative capacity by most donors, is resulting in an increased concentration of financial resources in fewer CSO recipients according to a kind of “bigger is better” principle, because this is administratively easier. CSOs that benefit are mostly well-established, big, and highly professional service delivery or research-type institutes. This is changing the nature of civil society organisation in the region.
- g) Many donors face the same challenge of reduced capacity but increased budgets. This trend is evident in downsizing of donor staff while at the same time receiving more aid allocations for them to disburse. This impacts on their efficiency, hence the increased need for them to utilise a multi-donor approach so as to outsource the management function to reduce their own transaction costs.
- Key implications of these learning outcomes are that:
- Access to aid flows is a challenge for most CSOs due to an increasing concentration of resources in fewer recipients. Investment in CSO institutional development and linkages/networks provides avenues to reduce duplicity and provide greater access to aid as well as greater voice in policy dialogue.
 - Attempts to increase harmonized aid but not transform operating systems means that transaction costs are reduced for donors but at least the same level of capacity (if not more) is required amongst beneficiaries as when aid is not harmonised. This calls for CSOs to increase capacity building if the problem is not addressed. In addition, CSOs must address their current weakness in absorptive capacity. Hence more aid does not necessarily translate into more effective aid if operating systems and capacity constraints are not addressed.
 - The role of intermediary civil society support agencies therefore becomes more important as they become central to the aid effectiveness agenda because they can more effectively develop harmonised systems.
 - There is already evidence of some innovative aid delivery initiatives in the region that are centred on maximising CSO impact in policy work to overcome poverty. The formation of the Southern Africa Trust is a case in point that has seen more coherence in addressing the role of CSOs in the region, such as this forum. Other examples include initiatives in Mozambique and Lesotho.

Exploring future opportunities for regional CSO-Donor engagement in southern Africa

Stakeholder engagement among CSOs, donors and governments in the SADC region is a crucial step aimed at improving interaction between the three role players in the aid effectiveness agenda and increased aid flows to the region. One example of an aid effectiveness initiative in the region is the establishment of thematic groups bringing together SADC members and donor countries. What opportunities are there for CSOs to engage in such initiatives? How can they best have input into future policy development related to aid flows to the region?

1. Thematic group coordination in SADC, by Tracy Zinanga, SADC Secretariat

The adoption of the Windhoek declaration in April, 2006 heralded the beginning of a new partnership between SADC and ICP's that marked the implementation of the SADC common agenda based on the principles of the Paris declaration. The objectives of the indigenised Paris declaration (read Windhoek Declaration) were to:

- Ensure regular institutionalised dialogue for constructive engagement, information and experience exchange and promotion of best practices on development cooperation.
- Improve coordination between ICP's and SADC in order to ensure more effective development cooperation mechanisms with a view to achieving maximum impact.

This provided two levels of dialogue within SADC, namely:

- Level 1, composed of a joint ministerial consultative conferences that brought all SADC member countries to a negotiating forum to chart the way for the SADC region.

- Level 2, incorporating joint SADC/ ICP task forces that comprise a wider network of stakeholders within the SADC region, including core groups and thematic groups.

Thematic groups are forums that specialise on one aspect of the poverty reduction debate such as health, education or agriculture that constitute priority areas in the debate. They are normally led by a designated country. The objectives of these thematic groups are:

- Fora for exchanging ideas and enhancing dialogue on strategic issues (consultation).
- Platform for networking/ confidence building between SADC and stakeholders.
- Fora for coordinating activities to avoid overlaps (duplicity) and achieve maximum synergies with other donors and other SADC activities.

The allocation of these thematic groups is as follows:

- Trade facilitation- led by the EU.
- Water- led by Germany.
- HIV and Aids- led by Sweden.
- Energy- led by Norway.
- Transport- led by DFID.

- Agriculture and food security- led by DFID.
- Natural resources and environment (yet to be named).

Structures utilised to manage these thematic groups and ensure their efficient coordination are:

- SADC Secretariat
- Lead ICP to assist SADC in facilitating coordination of other ICP's involved or interested in a thematic area, and to strategically advise the Secretariat and other SADC structures on ICP comparative advantages, and individual ICP priorities of support.

CSOs can engage in these thematic groups as enshrined in the SADC Treaty. The treaty provides for continuous engagement with the private sector, civil society, non-governmental organisations, and workers/ employer organisations.

2. CSOs and aid effectiveness: future opportunities for involvement, by Gert Danielsen, Programme Specialist-Aid Effectiveness, UNDP

- a) The United Nations role in the aid effectiveness debate is:
- To ensure commitment from the United Nations Development Group to the aid effectiveness agenda and move upstream from project implementation.
 - As a key supporter to national governments in the implementation of the Paris Declaration.
 - To be instrumental in the capacity development of national institutions so as to enable them be responsive in this dynamic environment.
 - Harmonising inter agency organs so as to formulate and implement one cohesive action plan. This means the UN can speak as one voice in the poverty alleviation debate having taken in the views of its agencies.
 - To provide country support towards Accra 2008.

b) The opportunities the role of the UN presents to CSO'S are:

- Creating new collaborative partnerships in country governments and regional treaties enabling increased voice of CSOs as representing a significant constituency in the poverty reduction debate especially as regards policy issues.
- Helping to ensure increased transparency and mutual accountability for all players in the aid effectiveness agenda. This enables increased professionalism of CSOs and exposure to development finance in the region.
- Increased participation in the service delivery of non core functions, ensuring national ownership, thereby reducing project implementation upheavals.
- Supporting regional peer training that will see increased capacity building in order to be more responsive to the dynamic environment and increase their absorptive capacity.
- Active participation in the Ghana Consultation Group thereby lending their voice to the policy debate and representing a significant constituency in the debate.
- Harnessing comparative advantages in the respective regions (SADC) and their alignment with the National Development Plans of their respective countries in their region.
- Integrating cross cutting issues among stakeholders to reduce duplicity and achieve more voice as we move towards Accra 2008.
- Ensuring international, regional and national commitments are upheld such as the Paris Declaration, Millennium Development Goals, Gleneagles Summit, and the Windhoek Declaration.

c) These opportunities can be harnessed and monitored towards the Ghana Consultation Group (Accra 2008 and 2010). This development will serve as a form of strategic measurement on the impact CSOs may have contributed to the poverty reduction debate.

The challenge of on-going struggles for democratic spaces (that is political in nature), as CSOs are viewed in suspicion and the constituencies they represent are vaguely defined due to lack of coherent strategies.

3. Opportunities for CSOs to engage in these initiatives, by Siphamandala Zondi, Institute for Global Dialogue (IGD)

- a) The participation of CSOs in public policy development in the national and regional arena remains highly unexplored. The involvement of the private sector (real business) and donors is more pronounced and institutionalised than CSO engagement in the debate. This could be attributed to three major factors:
- State (government) attitude to the concept of participatory democracy and development as they are emerging young democracies.
 - Poor donor support for strengthening regional/ domestic debate in policy formulation and capacity building of CSOs, but using them as conduits for project implementation.
 - Structural constraints within the CSO sector; CSO'S fragmentation, narrow agendas/ issue based, poor external support, possession of indistinct constituencies, shifting loyalties due to poor ideologies and strategy for self sustenance.
- b) Analysing the macro environment within which CSOs operate, presents certain characteristics of this particular environment:
- The challenge of on-going struggles for democratic spaces (that is political in nature), as CSOs are viewed in suspicion and the constituencies they represent are vaguely defined due to lack of coherent strategies.
- Diminishing democracy, that is, the widening gap between state (including donors) and civil society in some countries makes the strengthening of regional CSOs an exercise in futility. This cripples their advocacy for the constituencies they represent in policy dialogue.
 - Weak democratic institutions are marked by poor citizen participation in policy dialogue, even though state has been opening up to political parties, business and donors.
 - Exemption or leniency by business and donors when it comes to democratic processes in government, while receiving increased aid flows to facilitate state initiatives through increased budgetary support.
 - Fear that deepening democracy must mean democratization of all critical spaces through an inclusive process thereby facilitating greater CSO involvement in policy dialogue, hence the need to stifle their role.
- c) Exploratory areas that could increase regional CSO-Donor engagement in southern Africa are:
- Through a consultative process, CSOs need to reach a common understanding of their role in policy dialogue, without which there can be no effective collaborative partnerships at the regional level and in thematic groupings.
 - CSOs have to develop a common agenda, set of priorities and key engagement strategies based on a shared conceptual framework. The consequence being, the

sector will have limited influence (lobbying power) against well organised sectors (state and donors) in policy dialogue.

- CSO participation in thematic groups should not substitute for policy dialogue with donors, states and SADC on political-development questions, but should form a practical dimension of multi-faceted engagement in policy dialogue.
 - We should encourage continuous inter-CSO conversations and region wide networks to develop common ideas, approaches and strategies suitable for the highly dynamic environment they operate in.
 - CSOs should continuously probe policy and harness their rich variety of experience/ expertise, levels of access to state and communities and various strategic focuses. They will then be able to effectively participate at every level of engagement and on any issue on the table. This can be done by *the sector organising itself in a neat body of institutions*.
 - The region's CSOs *need to increase engagement with CSOs in the north and elsewhere*. This is meant to share experiences, build strategic relationships and fronts in donor countries so as to be incorporated from the onset of policy dialogue till the point of aid flow to implement the given policy initiative.
- d) The effectiveness of this engagement is dependent on three vectors of fundamental change in the mind set of the three role players in the policy dialogue, namely;
- Change in the state-civil society relationship from adversarial to collaborative.
 - A shift in donor thinking from viewing CSOs as extensions of donor arms to recognising their independent mandate and role in society is critical. This can be done through increased support to CSO development in an effort to deepen democracy, and not as a substitute of state, as is currently the forte among donors.
 - Investment in collaborative partnerships by CSOs on points of parity in key policy debates.
- e) CSOs can provide input to future policy development and related aid flows in the SADC region by:
- Changing their culture from adversarial to collaborative, harnessing their synergy, diversity and unity.
 - CSOs have to agree on a proper CSO regional platform such as SADC NGO, SARPN-style. It could be informal at first.
 - Consolidate thematic focuses in conformity with the Windhoek declaration at national and regional level.
 - Invest in research into what should be key priorities, positions and engagement strategies for CSOs in inter CSO conversations.
 - Promote harmony and institutional concordance through increased collaboration.
 - Integrate other on-going processes such as ECOSOCC, NEPAD, RISDP e.g. to avoid bureaucracy, increase response and impact on intended ultimate aid recipients.
 - Parallel engagement at national and regional level with common agenda will ensure effectiveness.
 - Formal engagement with organised donors and private sector (CHAMSI) to establish bonafide relationships.
 - Establish channels of engagement with international NGO's, especially from the global north.

The discussions highlighted on the following points:

- The need to invest collaborative partnerships among CSOs for information and access to community assets in Black economic empowerment (BEE) transactions.
- The need to conduct research in respect to the regional aspects of poverty in the SADC region.
- Formulation of declarations and policy should be through consultative processes.
- The need to share experiences among CSOs on engagements with donors in the SADC region.

A shift in donor thinking from viewing CSOs as extensions of donor arms to recognising their independent mandate and role in society is critical.

- Time constraints to CSO engagement with regional SADC structures should be addressed, given the under-capacity and heavy demands placed on CSOs.
- Points of engagement in meetings on policy should be addressed so as to eliminate rubberstamping policy directives formulated without consultative processes.
- The need for increased and continuous engagement in SADC consultative groups by CSOs in the region.
- Initiation of discussions away from northern NGO's among CSOs in the region.
- Seeking opportunities for CSOs that arise from policy debates in the SADC region.
- Poverty discussions should be approached from an inter sectoral angle.
- Thematic discussions should connect with grass root experience and the changing human conditions in the region.

The meeting concluded that opportunities that exist for increased regional CSO-Donor engagements in southern Africa should be strengthened. This can be done through a consultative framework and processes amongst CSOs in the region so as to achieve critical mass and lobbying power through adoption of a stakeholder engagement mindset. Adopting such a mind set will enable increased output of CSOs in future policy development dialogues with donors and their related aid flows for the benefit of their intended recipients in the pursuit of poverty reduction in the region.

Way Forward

Key aspects of a way forward that emerged as outcomes of the closing discussion were:

- a) The need for increased dialogue, sharing of information, learning, and analysis in the aid effectiveness agenda, and for building relationships amongst CSOs in the region, in a forum such as this. This will enable increased engagement of CSOs in policy dialogue and increased voice and attention by donors and government in areas of mutual interest.
 - b) Ensuring declarations such as Paris and Windhoek are conceptualised through a consultative process. This can be done by providing space for full engagement/ involvement of CSOs so as to entrench the principle of ownership and facilitate better implementation of these treaties.
 - c) Assessing the role and impact of CSOs in the SADC-Regional Indicative Strategic Development Plan (RISDP) process will provide a good pointer to the alignment of their strategies both at the national and regional level, enabling a better evaluation of their strategies based on their strategic performance.
 - d) There is a need for CSOs to take leadership in the aid effectiveness debate by harnessing their diversity, developing their institutional architecture, and actively engaging donors and governments in dialogue on their needs. The Southern Africa Trust is keen to take on a proactive role to help develop learning and analysis and effective practices, so as to ensure greater CSO engagement with the aid effectiveness agenda in southern Africa. Broader participation and voice is needed to address this leadership vacuum because the Trust does not want to necessarily take a leadership role in this area. The Trust will follow up on the outcomes of this meeting with SADC, key CSOs in the region working on aid delivery issues, and donor regional programmes to take forward a process in a programmatic way. This may include structured mechanisms to ensure better knowledge of aid flows and mechanisms, sustained monitoring of trends in aid flows, and regular, structured dialogue between the various interest groups.
 - e) The adoption of a strategic approach by CSOs in the region to provide better focus and participation in policy dialogue on aid is required. Conceptualising the strategies from a systems perspective and investigating the impact of processes such as the APRM in the region will be beneficial.
 - f) The research report will be finalised after taking account of this dialogue meeting. It will then be issued publicly. Further focus discussions will be convened to concretise recommendations for specific action.
- Central to these developments is a need to engage in dialogue at different levels, initially informally as CSOs cultivate trust among each other and invest in collaborative partnerships, thus positioning themselves strategically for Accra 2008.
- Overall, CSOs need to proactively engage in a continuous structured policy dialogue and also ensure that community voices are directly heard in this dialogue.

APPENDIX:

List of Participants

Donor Roundtable Dialogue held on 2 March, 2007 at the Gaborone International Convention Centre in Gaborone, Botswana

Donors

Cindy Lopez-Bento, EC Gaborone

Horst Michael Vogel, GTZ Gaborone

Fred Wayne McDonald, USAID Gaborone

Frederic Berard, French Embassy

Helmut Mueller-Glodde, GTZ

Janette Hetherington, NZAID Zimbabwe

Jean-Didier Oth, Second Secretary (Development), Canadian High Commission

Katarina Fried, SIDA Botswana

Kemi Williams, DFID Southern Africa (speaker)

Monica Moore USAID Gaborone

Odile Dayak, French Embassy

Overson Chiyaka, Hivos

Rosa Ongeso, ACBF Harare

Sonja Kurz, GTZ

Stacey Greene, AusAID

Subethri Naidoo, DFID Southern Africa

Thato Jansen, USAID Gaborone

Yvon Ruf, GTZ

Civil Society, Governmental and Other Organizations

Abie Ditlhake, SADC-CNGO

Alfredo Nuvunga, Deputy High Commissioner, Mozambique

Andrea Rogers, Synergos Institute

Charmaine Estment, CAGE

Donald Ndwandwe, Swaziland SADC National Office

Penelope Plowman, Facilitator

Sehoai Santho, Lesotho

Siphamandla Zondi, IGD (speaker)

Elling Tjonneland, CMI (speaker)

Farai Zizhou, BIDPA Gaborone

Innocent Nkata, Oxfam GB

Ishamel Sunga, SACAU

Gert Danielsen, UNDP (speaker)

Jorges Borges, Centre for the Development and Enterprise

Kaitira Kandjii, Media Institute of Southern Africa

Linda Scott Idhenga, Namibian High Commission, Botswana

Mafefe Mutombo, Embassy of DRC, Botswana

Moreblessings Chidaushe, AFRODAD

Moses Kachima, SATUCC

Neville Gabriel, Southern Africa Trust (speaker)

Nina Solberg Nygaard, Norwegian Church Aid, Gaborone

Ozias Tungwarara, AfriMAP

Phillip Mavulu, Acting Namibian High Commissioner, Botswana

Shelia Bunwaree, Mauritius

Sue Mbaya, SARP

Tafadzwa Ngoro, SARDC

Thusani Mulaudzi, South Africa High Commission, Gaborone

Tracy Zinanga, SADC Secretariat (speaker)

Barbara Kalima-Phiri, Southern Africa Trust

Themba Mhlongo, Southern Africa Trust

Elizabeth Byaruhanga, Southern Africa Trust

Petronilla Ndebele, Southern Africa Trust

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