



Working Beyond Government

EVALUATION OF AUSAID'S ENGAGEMENT WITH CIVIL SOCIETY IN DEVELOPING COUNTRIES

ODE BRIEFS

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Vanuatu NGO Wan Smolbag Youth Centre Bike Club members preparing for a field trip to Mele village. Photo credit: Dianne Hambrook, April 2010.

Civil society in developing countries can be a powerful agent for change. Alongside government and private sector actors, civil society can contribute to positive and sustainable development in partner countries in many ways, including by delivering better services, enhancing social inclusion, and making governments more effective, accountable and transparent.

AusAID has a long history of working with civil society in developing countries. A significant proportion of the aid program is spent on activities involving civil society organisations. Current funding arrangements represent a deepening commitment to long-term partnerships. For example funding of \$50 million to 2016 was recently allocated to the ongoing Church Partnership Program in Papua New Guinea (PNG)—a partnership between seven mainstream PNG church

denominations, their counterpart Australian faith-based non-government organisations (NGOs), AusAID and the PNG Government. Since 2002, AusAID has partnered with BRAC, a large Bangladeshi development NGO, with annual funding currently around \$30 million per year. The 2011 aid policy statement *An Effective Aid Program for Australia* indicates the Australian Government will continue to increase its assistance to civil society organisations.

Such focus warrants investigation into the way AusAID engages with civil society. In this context, the Office of Development Effectiveness commissioned a major evaluation of AusAID's work with local civil society in its partner countries. The evaluation looked at international good donor practice in engaging with civil society¹ and examined AusAID's experience

KEY POINTS

- In-depth evaluation of AusAID's engagement with civil society in Papua New Guinea, Vanuatu and the Philippines finds innovative and strategic models for working with civil society.
- Incorporating civil society into country-level analysis recognises civil society's role in development and can strengthen programming.
- Choosing intermediaries embedded in local systems can enhance sustainability, help bring small activities to scale and reduce transaction costs.
- Linking civil society with partner governments can expand the reach of basic services.
- Longer-term, core funding and improved partner selection can improve development results and mitigate the risks of working with civil society.

OFFICE OF DEVELOPMENT EFFECTIVENESS

The Office of Development Effectiveness (ODE) monitors the performance of the Australian aid program, evaluates its impact and contributes to international evidence and debate about aid and development effectiveness.

ODE Briefs are short, focused pieces of research and analysis on key findings and emerging themes on aid effectiveness.

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¹ Working paper: *Good practice donor engagement with civil society, 2010*, available at www.ode.ausaid.gov.au

across three countries: Papua New Guinea, Vanuatu and the Philippines.²

A broad definition of civil society was used in this evaluation to include the following kinds of organisations: NGOs, informal groups, cooperatives, trade unions, social movements, faith groups, think tanks, direct action groups, human rights organisations and, in some contexts, clan groups. The analysis of the evaluation reports was supplemented by secondary evidence from other countries. AusAID's partnerships with Australian NGOs were largely beyond the scope of this evaluation unless they were an intermediary organisation for AusAID's work with local civil society.

Working with civil society in all its variety is not without risks for donors. It is not always clear which civil society organisations have real local legitimacy. Civil society organisations may have weak management and problems with probity, transparency and accountability. Donors clearly cannot associate with groups within civil society who might be working against the interests of development, for example those which finance terrorism. In addition, both donors and civil society face practical challenges such as the difficulties of taking small and successful activities to scale, the sustainability of civil society organisations, the potential duplication of activities (numerous organisations providing similar services), multiple funding (several donors funding an organisation for the same activity) and the high transaction costs for donors of dealing with a myriad of small organisations. And, in the end, donors are held to account for the actions of the independent civil society actors they fund.

Nonetheless, donors recognise that civil society in developing countries has an important role in development alongside state and market actors. Because the state is not the only driver of development, or of a more effective state, donors need to consider the roles of all the drivers and decide how they will engage with them. Australia sees

strengthening civil society as a core element of the aid program's approach to improving governance and achieving development results.

The findings and recommendations from this evaluation suggest ways of managing the risks while optimising AusAID's engagement with civil society to achieve development results. They are arranged around three key actions:

- i. Finding strategic approaches for engaging with civil society. AusAID's experience demonstrates the value of developing a sound understanding of the role and actors in civil society and of engaging strategically and progressively as this understanding deepens. Some risks can be mitigated through careful selection of civil society partners, assisted by strengthened analysis of the role of civil society at country level.
- ii. Working with local systems and partners. Choosing appropriate intermediaries can help donors manage high transaction costs and sustainability issues, and take small activities to scale.
- iii. Applying good practice in the design of individual programs. For example, building trusted relationships in their engagement with civil society, AusAID can develop long-term partnerships and core funding with some organisations.

Building on innovation: towards a more strategic approach to engaging with civil society in developing countries

The evaluation found examples of innovative and strategic models for engaging with civil society in developing countries. For example, AusAID and the Government of Vanuatu analysed the drivers of development in 2007 and determined that two major civil society groups—the churches and the chiefs—had authority and reach across the islands. Programs with the churches and chiefs, particularly

with the chiefs to debate the role of *kastom* governance (incorporating customary law, traditions and norms) in the community, have since been developed. The Vanuatu program was able to cease its resource intensive small grants program and focus its civil society support on four strategic partnerships: with the churches, chiefs, Vanuatu Women's Centre and a local NGO (Wan Smolbag).

However, innovations like this—working with groups beyond a traditional donor focus on NGOs, including civil society in country level analysis and selecting civil society groups as strategic partners—have occurred in pockets only and have not been driven by an overarching strategy on the part of the aid program. Such a strategy can be articulated in the civil society engagement framework, flagged in the 2011 aid policy statement *An Effective Aid Program for Australia*. Analysis of the type done in Vanuatu can be used to inform all country strategies for the aid program, in order to develop a more strategic approach to working with civil society. Such analysis would identify the key legitimate actors in civil society and their contribution to development. It would seek to understand their relationship with the government and identify if and how donor support to civil society can serve to progress development. A more strategic approach to working with civil society can help the aid program reduce numerous small activities with civil society organisations and manage some of the political risks.

Underpinning this and the remaining recommendations is a need for greater technical expertise in AusAID to advise country program staff on working with civil society. Reactivating AusAID's civil society network would provide a means to share lessons of working with civil society across different country contexts.

Recommendations

1. *Develop a civil society engagement framework that recognises civil*

2 Individual evaluation reports are available at www.ode.ausaid.gov.au

Promoting more effective, accountable and transparent government

In 2008, the Philippines Commission on Audit reported that PHP 33.8 million (\$750,000) worth of school furniture delivered to public schools was of substandard quality. As part of its support to the education sector in the Philippines, AusAID funded a pilot program with local NGO Procurement Watch to monitor the quality and quantity of furniture provided to schools. During the pilot phase, more than 600 volunteers were mobilised and trained to monitor the actual cost, quality and delivery of chairs and tables in 39 schools across six regions. Following the first phase, an additional 96 schools in one region alone asked to join the program.

Delivery was then given to our school for 200 chairs, and for tables and teachers' tables. And I was so grateful because all equipment delivered was in good condition. I am so happy because it responded to the needs of our school, because this year we have a tremendous increase in our enrolment. More than 300 students. [Strategic informant].

society in developing countries as integral to the development process.

2. Integrate country-specific civil society strategies into country aid strategies; include analysis of civil society in country situation analyses.
3. Invest in appointing a civil society adviser in Canberra and major country programs, and in activating networks for sharing lessons related to engaging with civil society.

Partnering with civil society: towards more sustainable systems of service delivery and governance

The evaluation considered what it would mean to expand the aid effectiveness principle of working in partner systems, advocated in the Paris Declaration on Aid Effectiveness, to include the systems of civil society in developing countries.

The evaluation found that building sustainable, local systems should be a primary consideration in the aid program's selection of delivery partners. Where aid is delivered through parallel structures, such as a stand alone managing contractor office, local systems miss out on being strengthened and it can be more difficult to take small activities to scale. In the Philippines Australia Community Assistance Program, for example, funds were invested in developing a parallel structure rather than a local and more sustainable structure, such as an umbrella civil

society group. Choosing appropriate intermediaries—including Australian NGOs if they can demonstrate how they will build sustainable civil society locally and achieve results—can help donors manage high transaction costs.

The evaluation also found that including civil society (along with partner governments and other actors) in policy dialogue and implementation of sector-wide approaches can strengthen sector development efforts. In the Philippines, AusAID's support for the NGO Procurement Watch, as part of its broader program of education support, provides a good model.

There is potential to take such an approach to scale because of the ability of groups like Procurement Watch to mobilise volunteers right across the Philippines. AusAID's support to civil society groups in Papua New Guinea for the prevention of HIV, which sits within the government's framework, is another example of providing support to civil society as part of a sector approach.

AusAID support for partner governments to contract civil society organisations can also help expand the reach of basic services. In this model, the state retains stewardship and oversight functions by setting policies and regulating the provision of services, but leaves the delivery of services to non-state providers, who are often better able to mobilise resources on the ground. In Australia, this arrangement between government and not-for-profit service providers is common

practice and increasing. Harnessing the capacities of both state and non-state providers for service delivery is particularly relevant in countries like Papua New Guinea and Vanuatu, where capacity is limited.

However, the evaluation found that some of AusAID's excellent work with civil society tends to remain isolated from AusAID's program with partner governments. In Papua New Guinea, for example, AusAID and Australian NGO partners have had significant success working with PNG churches, strengthening their ability to work together and to deliver services like health and education. But AusAID's work with the churches, which deliver some 60 per cent of health services in remote areas of PNG, remains separate from AusAID's large health program. Similarly in Vanuatu, Australia's Law and Justice Program does not work with the chiefs in spite of their role in customary law, explored in AusAID's *kastom* governance program.

In some countries, donors can provide assistance that strengthens the enabling environment for civil society. This could also benefit donors in managing their concerns over weak management, probity and legitimacy of some civil society organisations. For example, donors can help civil

Delivering better services

To improve services in Vanuatu, the Government of Vanuatu needs to extend its reach across the country. Partnering with civil society can be an effective way of achieving this. AusAID's long-term support of village health workers in Vanuatu through Save the Children Fund Australia has been transferred to the Ministry of Health, which now manages the contract with the NGO to support these workers. As a result, health services have been expanded to 753 villages across Vanuatu, treating more than 60,000 people. Provincial governments have increased government resources to village health workers, now considered part of the formal health system.

society organisations develop local accreditation and self regulating processes or help governments develop the legal framework for civil society organisations' operations. Traditionally this has not been a focus for AusAID but there are examples of Australian NGOs providing this enabling support. The evaluation suggests that the aid program consider explicitly strengthening the enabling environment for civil society as part of its strategic efforts to strengthen civil society generally.

Recommendations

4. *Develop a rationale for choosing aid program intermediaries on the basis of their ability to help develop sustainable local civil society as well as to deliver results.*
5. *Include civil society in policy dialogue and implementation when designing sector wide approaches with partner governments.*
6. *Support initiatives to strengthen the enabling environment for civil society as part of strengthening civil society, where the context is appropriate.*

Being fit for purpose: towards more enabling ways of working with civil society in developing countries

The evaluation found that while considerable work has gone into developing new ways for donors to work with partner governments, short-term projects remain the norm in work with civil society, which affects their ability to have sustained impact. Again there were notable exceptions, with better practice involving long-term partnerships with trusted civil society organisations and core funding to help higher capacity civil society organisations achieve their objectives.

The careful selection of civil society partners, arising out of the strengthened analysis of the role of civil society at country level as well as the effectiveness of individual organisations, is a key to managing risk. When selecting civil society partners, AusAID or its intermediaries have often relied on competitive rounds, even when this may be at odds

Addressing gender inequality

AusAID's long-term core funding for the Vanuatu Women's Centre (VWC) since 1999, has yielded significant results. After 10 years of lobbying, the centre was crucial in the gazettal of the *Family Protection Act* in 2009, which, for example, extended the definition of rape so that rape in marriage is not precluded. The VWC now provides advice and advocacy to the Vanuatu Police Force in applying the Act.

with the purpose of strengthening civil society. It can create shopfront NGOs that have no real legitimacy but are created in the hope of securing donor funds. There are a range of other options that AusAID and its intermediaries can choose, which may be better suited to selecting civil society partners that are more likely to be accountable to their constituencies and, potentially, self-sustaining.

In choosing an appropriate selection process, the aid program should consider the seven principles described in the 2009 *Commonwealth Grant Guidelines*, in particular the focus on outcomes, proportionality and value for money. As with all aspects of the aid program, fraud and mismanagement cannot be tolerated. By designing processes and guidelines to fit the intended result of the funding, the aid program can be more proactive, and adopt a more targeted, open or demand driven approach to selecting organisations.

Two areas of aid effectiveness—mutual accountability and harmonisation—continue to pose challenges for AusAID's work with civil society. One practical action to promote mutual accountability is for the aid program and civil society to be more transparent by publicly releasing information about their funding, performance and results. This would help hold both civil society and the aid program to account. The evaluation found that despite the best efforts of donors to harmonise their support, the subsequent burden on both donors and civil society organisations actually increased. AusAID and other

donors could find more efficient ways of harmonising support that are less burdensome all round. For example when more than one donor has selected a civil society partner for core funding (such as Australia and New Zealand with Wan Smolbag in Vanuatu) the arrangement could be administered by a single donor in a way that simplifies the civil society organisation's reporting and ensures both donors' requirements are met.

Recommendations

7. *Design individual programs with civil society as follows:*

- Move from short-term to longer-term funding where there has been demonstrated capacity and performance and consider providing core funding to trusted and effective civil society organisations.
- Develop a clear basis for selecting individual civil society organisations. Choose partners through targeted rather than competitive approaches, where appropriate.
- Promote mutual accountabilities through greater transparency of both civil society organisations and the aid program.
- Harmonise more efficiently with other donors so that the benefits accrue to both recipients and donors.

Full report

The full report *Working Beyond Government: Evaluation of AusAID's engagement with civil society in developing countries* is available at www.ode.ausaid.gov.au

A management response to the evaluation is included in the evaluation report.