



Structure Dialogue
for an efficient partnership in development

Background Document
- Overview of the process and
overall context -

March 2010

The content of this document has been drafted by the Technical Assistance Team on behalf of the European Commission. It is not legally binding and has the purpose to provide a basis for discussion in the context of the structured dialogue.

Introduction

What is the Structured Dialogue (SD)?

The SD is an initiative launched by the EC to discuss the involvement of civil society organizations (CSOs) & Local Authorities (LAs) in EC development cooperation. Conceived **as a confidence and consensus-building mechanism** - and not a negotiation process- the initiative aims at increasing the **effectiveness of all stakeholders** involved in EC development cooperation, by building on the momentum gained by international and European debates.

To this end, it is expected that stakeholders involved share information and knowledge, and build mutual understanding, confidence and trust, in order to advance and strengthen partnerships and explore ways to improve not only EC working methods but also practices of its main partners.

Who will be involved?

The SD is **an inclusive process**. It gathers the European Commission, European Parliament, EU Member States and civil society organisations (CSOs) as well as local authorities (LAs) from Europe and from the EU partner countries. Different from the previous consultations, **the active inclusion of all stakeholders (including their constituencies) is a priority for the 2010-2011 exercise**. Hence adequate mechanisms are established to ensure that relevant CSOs&LAs are involved, prepared and widely consulted. A special effort is done for the identification and preparation of actors from partner countries.

Considering resource and time constraints **only a limited number of participants will be invited to attend the live-events** (European Working Sessions and "Southern" Regional Seminars). Any relevant stakeholder, belonging to one of the 4 categories of actors involved is nevertheless welcome to actively contribute to the dialogue via the on-line tool.

How has it been prepared?

Since July 2009, participatory preparations for the SD have been underway, in view of defining an **inclusive, open, transparent and results-oriented process**. A number of relevant milestones took place during 6 months of preparations

What is the purpose of this background document and how can it be used

This Background document **supports the SD** as such, but also its participants, who are asked to bring in perspectives from their constituencies, going beyond their individual participation - especially **CSO networks and platforms**, as well as **individual organisations, and LA representatives** from all over the world participating in the SD via the on-line tool and/or through the live events which are foreseen throughout 2010-2011.

It is designed as a **"toolkit"** which seeks to: (i) provide essential **background information**, (ii) **inform and guide discussions** and; (iii) **provide a common ground on which to base discussions**.

To serve this purpose, the **Background document is accompanied by:**

- (i) A **dossier with the 3 Working papers** exploring the key issues that will be discussed throughout the process. The dossier also includes a number of case studies for illustrative purposes and raises some fundamental questions in order to stimulate the discussion (*available on-line –see below*).

- (ii) An extensive **Glossary**, which serves the purpose of building a common language for discussion, notwithstanding national and regional particularities (*available online – see below*).

Where can I find more information?

All information - including the dossier with the **3 Working Papers, the glossary and further resources**, as well as updates, reports and outcomes of the Brussels Workings sessions and Regional Seminars will be posted on the civil society helpdesk (CISOCH): https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/structured_dialogue

To contribute to the debates, visit the blog: <http://blogs.ec.europa.eu/dialogue> , the main interactive communication channel of the SD.

For an overview of the process and information about its origins please visit: <http://ec.europa.eu/europeaid/dialogue>

Acronyms

AAA	Accra Agenda of Action
ACP	African Caribbean and Pacific countries
AG – CS	Advisory Group on Civil Society and Aid Effectiveness
AE	Aid Effectiveness
AIDCO	EuropeAid Cooperation Office
CONCORD	European NGO Confederation for Relief and Development
CS	Civil Society
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DCI	Development Cooperation Instrument
DG DEV	Directorate General Development
EC	European Commission
ECA	European Court of Auditors
EEAS	European External Action Service
EIDHR	European Instrument for Democracy and Human Rights
ENoP	European Network of Political Foundations
ENP	European Neighbourhood Policy
EP	European Parliament
EUD	European Union Delegation (terminology updated after the entry into force of the Lisbon treaty, before referred to as "European Commission Delegation")
HRDN	Human Rights and Democracy Network
IfS	Instrument for Stability
ITUC	International Trade Union Confederation
LA	Local Authority (EC definition includes Regional Authority)
MS	European Member States
MEP	Member of the European Parliament
NGO	Non Governmental Organisation
NIP	National Indicative Programme
NSA	Non State Actors
PD	Paris Declaration
DG RELEX	Directorate General for External Relations
SAG	Stakeholder Advisory Group
SD	Structured Dialogue
TA	Technical Assistance (team of experts)
UCLG	United Cities and Local Governments
WG	Working Groups

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SECTION I: AN OVERVIEW OF THE PROCESS AND THE OVERALL CONTEXT

This section gives essential information on the SD, in terms of the framework, origins, objectives and expected results, actors involved and set up of the consultation process.

It also provides an overview of the overall development effectiveness framework in which the SD shall evolve and includes information on parallel and complementary CSO, LA and donor-led processes whilst providing a global overview of the evolution of EC relations with CSOs&LAs.

1.1. Setting the context and rationale of the SD

Restarting the dialogue offers an opportunity for change in a world that has changed

In 2002, EuropeAid launched an informal dialogue process between the EC, European Development NGOs, members of the European Parliament and representatives of Member States. The key event of this dialogue with 4 parties (*also known as Quadriologue*) was a seminar held under the Italian Presidency of the Union, in October 2003 in Palermo. It was a forum in which procedural and substantial issues on civil society involvement in EC development aid implementation were debated.

The so-called **Palermo Process** proved its added value not only as a **multi-stakeholder place for dialogue**, by launching dynamic reflections on the way forward, but it also allowed to adjust aid implementation mechanisms to **ensure greater efficiency and effectiveness**¹. Jointly with other important developments -like the enhanced role of EU Delegations-, Palermo contributed to the introduction of new aid instruments and of access to direct funding for stakeholders in the partner countries.

Since about a decade, **important changes have taken place**. Civil Society Organisations have grown exponentially worldwide and local authorities have consolidated, manifesting themselves increasingly as relevant development and governance actors. EU member states and the EC have recognized this trend and embraced participatory approaches and innovative ways to support CSOs and LAs. On a global scale, a number of landmarks have been achieved (Millennium development Goals, Monterrey, Paris, Accra, Doha Conference) while increasing debates are taking place on the way the global architecture for external aid should be reshaped to increase relevance, effectiveness and sustainability of development interventions.

In a process supported by the EC jointly with several Member States, among other donors, the Accra Agenda of Action (AAA) has set a more inclusive framework where the role of CSO, LA and Parliaments is recognized; yet it requires further elaboration to improve consistency, since **accommodating the requirements of the aid effectiveness agenda and the participation of CSOs&LAs are not always easy to reconcile**.

Against this background, the SD provides a concrete opportunity for change, by jointly identifying ways and means to improve the effectiveness of all actors involved in EC development cooperation; a critical requirement which needs to be seen as a shared responsibility among all the actors involved: EU Member States and the European Parliament as co-decision makers, the European Commission as policy developer and implementer, and ultimately, CSO and LA themselves, defining each actor's roles and responsibilities.

1.1.1. What are the objectives and expected results of the SD?

Conceived as a **confidence and consensus-building mechanism – and not a negotiation process**- the initiative aims at increasing the **effectiveness of stakeholders** involved in EC development cooperation.

¹ To download reports & recommendations of the Palermo (2003) and Paris (2004) seminars: <http://ec.europa.eu/europeaid/dialogue>

It is furthermore an initiative with which the **EC wishes to respond to the conclusion of several reports² (CSO Channel, CoA), to the request of CSOs&LAs and of the European Parliament, in the frame of the AAA, by:**

- Reaching a **mutual understanding** and building consensus on the main challenges related to CSO & LA involvement in EC cooperation and,
- Finding ways to **improve the effectiveness of CSOs&LAs** involvement in EC cooperation, to advance and strengthen partnerships and exploring ways to **adapt EC modalities** accordingly.

This overall goal finds its translation into **specific objectives and expected results** as follows:

Specific objectives	Expected results
More specifically, the dialogue process shall seek to:	In terms of expected results, the dialogue process shall help to:
<p>1. Better define the roles and added-value of various categories of CSOs&LAs in cooperation: whether from EU or partner countries, and also by sector (NGOs, trade unions, political foundations, cooperatives, Human Rights and Peace-building organisations, environmental organisations etc) & Identify the role of European stakeholders (EC, MS but also European CSOs) to promote an enabling environment for CSOs&LAs at the country level.</p>	<p>1.1. Elaborate a shared definition of the specific role, responsibilities, added value of various categories of CSOs&LAs in EC cooperation from programming to evaluation.</p> <p>1.2. At the country level, explore the respective role of the various stakeholders (State & CSOs&LAs) involved in development efforts.</p> <p>1.3. Explore the potential for renewed partnership between EU CSOs and local CSOs.</p>
<p>2. Better characterize the division of labour between stakeholders (State & Non-States actors) and complementarity in approaches and programmes to reach more sustainable CSO & LA actions.</p>	<p>2.1. Explore ways to accommodate requirements of the aid effectiveness agenda –particularly in matters of new aid modalities- and the participation of CSO&LA</p> <p>2.2. Enhance complementarity and harmonization among donors to improve the division of labour</p> <p>2.3. At the country level, enhance the complementarity between the EC programmes supporting CSOs&LAs (both geographic & thematic).</p>
<p>3. Identify possible ways to adapt EC aid delivery mechanisms towards a more strategic use of the CSO & LA channel (support to and through CSOs and LAs)</p>	<p>3.1. Concretize recommendations on maximising the potential and effectiveness of the call for proposals system and improving the sustainability of projects.</p> <p>3.2. Identify alternative aid mechanisms to allow a more strategic involvement of CSOs and LAs through longer-term partnerships</p>

² See Box 2 for further information

4. Explore options to improve future EC initiatives in areas like Development Education & Awareness Raising, support to local & regional authorities and Democracy & Human Rights.	4.1. Improve EC initiatives in areas like Development Education & Awareness Raising, support to local & regional authorities and Democracy & Human Rights.
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Table 1: Specific objectives and expected results of the SD

1.1.2. Who are the actors involved?

The SD is **conceived as a global dialogue process**, which will bring together stakeholders from both Europe and European Partner countries. Accordingly, **the inclusion of partner countries' stakeholders has grown to be a high priority.**

On the Community side, **it is important to note that the SD is a genuine EC process, whereby inputs from the three Directorate-Generals involved in the EC external cooperation are duly coordinated:**

- **DG DEVELOPMENT**, which is responsible for **defining the global Commission's development policy** and which is also in charge of programming EC aid to ACP countries.
- **DG RELEX**, which contributes to policy formulation and manages relations with: European countries that are not EU members (or candidate members) and the rest of the world³.
- **EuropeAid co-operation office**, whose main mission is to **implement** the Commission's external aid instruments, both those funded by the Union's budget and the European Development Fund.

This current set-up, nevertheless, is most probably subject to change due to the implementation of the Lisbon Treaty⁴, which will result in some significant transformations in the way in which the EU relates to the rest of the world (i.e. the Treaty foresees the creation of an EU diplomatic service – called the European External Action Service - EEAS).

The figure hereafter gives an overview of the **European⁵ and other regional stakeholders involved:**

³ The countries of Central Asia; the countries of the Mediterranean, Middle-East & the Gulf; North America, Latin America and Asia.

⁴ It is a "reform" treaty signed by the EU MS that entered into force on 1 December 2009. It deals with the functioning of the EU. Prominent changes include more qualified majority voting in the Council of Ministers, increased power (co-decision) of the European Parliament and the creation of a long-term President of the European Council and a High Representative of the Union for Foreign Affairs and Security Policy.

⁵ Including internationally organized actors (e.g. multinational NGOs and trade unions)

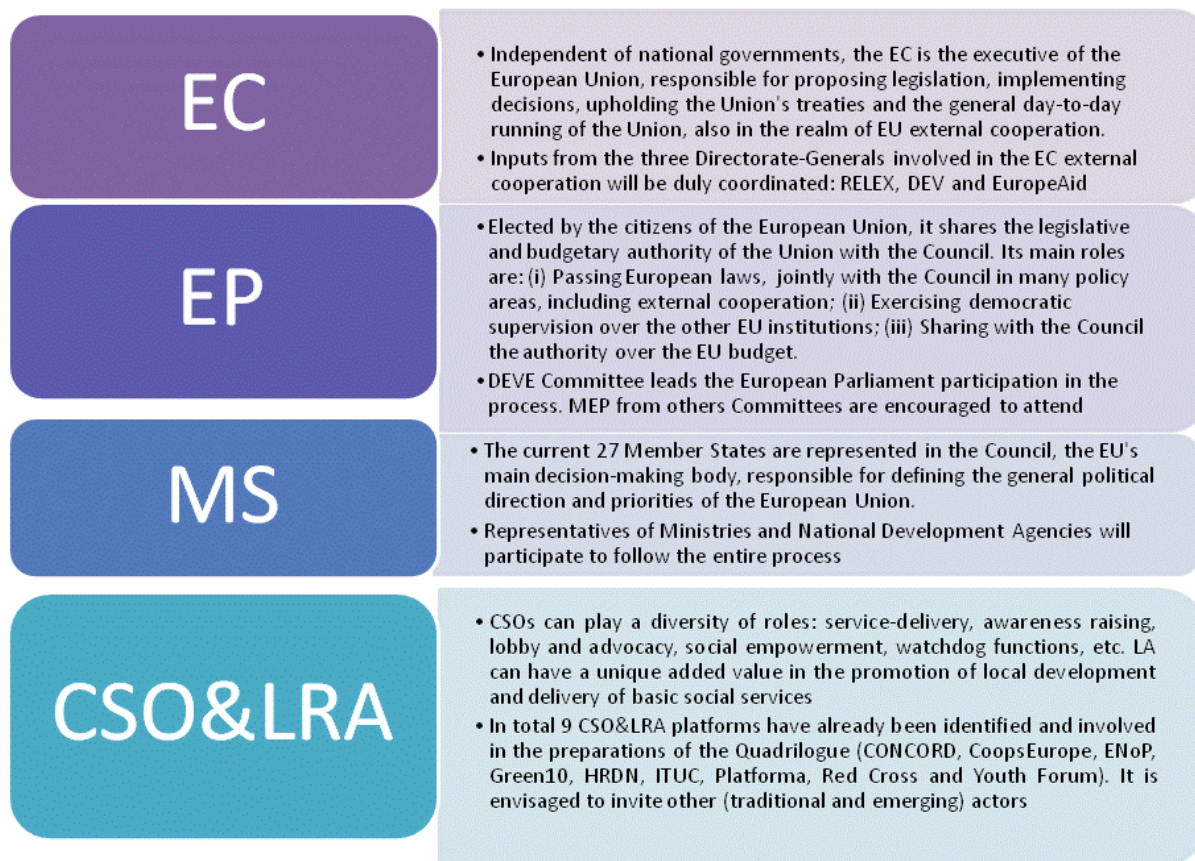


Figure 1: European actors involved in the SD

In **partner countries**, the Dialogue will involve CSO&LA and EU Delegations⁶ and:

⁶ The deconcentration (or “devolution”) of the management of external aid towards the European Union Delegations (before European Commission Delegations) was a key element of the 2000 reform of the management of EU external assistance, under the basic underlying principle that: “All that can better be managed and decided on the spot, close to what is happening on the ground, should not be managed or be decided in Brussels” (Source: *Communication on the Reform of the Management of External Assistance*, p.20). Deconcentration applies to all phases of the project cycle: from programming to evaluation. In practice the reform implies that EU delegations are responsible for key operational tasks, such as project identification and appraisal, contracting and disbursement of Community funds, and project monitoring and evaluation. The role of Headquarters has therefore evolved towards a role of coordination, quality control, management control, technical support and improvement in working practices.



Figure 2: partner countries actors involved in the SD

1.2. Placing the SD within the international and European context and understanding the momentum

Building on the current momentum to address fundamental challenges

The SD is **not launched nor does it evolve in a vacuum**. On the contrary, it builds on the **momentum reached by the current debates and discussions on the global architecture for international aid** which have originated from the changes occurred in the international discourse on development as well as from **broader changes in the international context**.

At the European level, the SD **answers to the EC political commitment towards participatory development**, which explicitly recognises **CSOs and LA as drivers of change in governance and development processes**. The SD also **capitalises on the rethinking and reengineering efforts**, which have gained momentum in the past years, as testified by the number of studies and evaluations, from a global, regional and sectoral perspective, recently conducted in the field of CSO & LA involvement.

The EC established the first formal partnership with European development NGOs in the mid-1970 (creation of the NGO-Cofinancing budget line in 1976). At that time, the **prevailing development model gave a lead role to the central State as the motor of development**, leaving a marginal place for civil society, and relying almost exclusively on European development NGOs. At that time, the NGO-Cofinancing budget line was intended to improve the overall quality of EC development cooperation by facilitating the participation of European civil society, whereby solidarity ties would

be promoted between Northern and Southern civil society organisations. The Decentralized cooperation budget line launched in 1992 opened the eligibility to other types of organisations; including local authorities.

The **Cotonou Agreement, signed in 2000**, was the first *legally* binding document which enshrined participation as a “fundamental principle” of ACP cooperation (article 2) and spelled out basic rules and modalities for this to happen in all spheres of cooperation (article 4-8). In addition Cotonou acknowledged the need for Non-state actors (NSA)⁷ to be strengthened through capacity building programmes.

The principle of ‘**participatory development**’ was reaffirmed in the **White Book on European Governance** as well as in other policy documents. The book underlines the need to strengthen dialogue with non-governmental actors in third countries when developing policy proposals with an international dimension.

In 2002, the European **Commission issued its EC Communication on the Participation of Non State Actors (NSA) in EC Development Policy (COM (2002) 598)**. Of paramount importance, the Communication came after a long reflection process between the EC, partner countries and CSOs. The aim of the Communication was to assist the implementation of the principles of ownership and participatory approaches in development strategies by taking stock of practices concerning NSA involvement in developing policies and by clarifying expectations for their involvement in each stage of the process.

In 2004, the Commission issued the document “**Guidelines on Principles and Good Practices for the Participation of Non-State Actors in the development dialogues and consultations**”. Of internal use, the document provides concrete operational guidance for EU Delegations on how to engage with CSOs.

In the first part of the **European Consensus on Development (2006)**, which applies to all regions, the EC reiterated its political commitment to CSO participation of “*all stakeholders in countries’ development and in the political, social and economic dialogue processes*”; to “*building capacity for these actors*”; to “*strengthen their voice*” and to provide aid “*through different modalities that can be complementary, including support to and via the civil society*”.

The **Development Cooperation Instrument (DCI) and the European Neighbourhood and Partnership Instrument (ENPI)**, which replaced the existing regulations from January 2007 onwards, contain specific provisions dealing with the role of NSAs in development. The DCI also includes a new thematic programme for non-state actors and local authorities in development (replacing the previous NGO Co-financing and decentralised cooperation budget lines). It is an “actor-oriented” programme aimed at capacity building through support to “own” initiatives from non-state actors (NSA) and local authorities originating from the EU and partner countries.

In the realm of EC relations with LAs, also the **European Consensus on Development** refers to drivers of local development such as governance, decentralisation, civil society and local authorities’ participation, and to country-led, participatory, decentralised and environmentally sustainable territorial planning and development.

The EC’s commitment to supporting decentralisation and local governance is also backed by several policy documents. The EC Communication on Governance and development (COM 2003, 615 final), the EC Communication on the EU Strategy for Africa: Towards a Euro-African Pact to Accelerate Africa’s Development (COM 2005, 489 final), the EC Communication on Governance in the European Consensus on Development (COM 2006, 421 final)⁸.

⁷ For purposes of this document, the term NSA is used as a synonym of Civil Society Organisations. Further information of the term can be found at the glossary: <https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/glossary>

⁸ See more details in Reference document N°2: Supporting Decentralisation and Local Governance in Third Countries, European Commission, 2007.

Another relevant document is the 2008 EC Communication on Local Authorities: actors of development ((2008) 626) which has a twofold purpose: (i) it seeks to recognize the importance of LA and decentralized cooperation efforts and; (ii) it attempts to draw out the first elements of a response strategy that shall allow capitalisation and maximisation of LA's experience as partners in development policy.

Finally, the "**Joint Commission/General Secretariat of the Council Paper on Democracy Building in the EU's External Action SEC (2009) 1095 final of 27. 7. 2009**" (Reference document, adopted by the Commission in 2009)⁹ is also a relevant document of reference. This paper is to a cross-pillar initiative on democracy building in EU external action, launched by the Czech and Swedish Presidencies in 2009. Its stated purpose is to increase the coherence, effectiveness and credibility of EU support to democracy building. It takes stock of the tools and instruments the EU has at its disposal for supporting democratic reform processes in third countries.

Box 1: A brief overview of the European "acquis" in matters of participatory development

1.2.1. The international context

At the global level, it is the **Aid Effectiveness agenda and related aid effectiveness debates and discussions** which make up the framework in which this SD is launched and shall progress.

Following the Paris Declaration and the subsequent Accra Agenda for Action (AAA)¹⁰, the **international aid architecture has been constantly changing, bringing about new trends, which represent both opportunities and major challenges for CSO & LA.**

In the AAA, donors and governments welcome the CSOs' proposal to engage with them in a CSO-led multi-stakeholder process to promote CSO development effectiveness. **Article 20 of the AAA** refers to this engagement with CSOs as independent development actors in their own right, whose efforts complement those of governments and the private sector, and a willingness to ensure that CSO contributions reach their full potential¹¹.

In line **with the engagement principle of the AAA**, the SD intends to **complement and capitalise on current discussions and initiatives¹², led by the donor community and by the CSOs&LAs themselves¹³ around the notion of aid effectiveness and its current shift towards a more comprehensive notion of development effectiveness.** This broader notion emphasises the necessary diversity and complementarity of actors, policies, and instruments, in line with the argument that **development is a complex multi-actor process** and thus, that **effective development requires more than just effective institutional government-focused aid.**

Being understood that CSOs and LAs are recognized by the EC and by the international community in general as development actors in their own right, the intention is, through the structured dialogue, to **embark CSOs & LAs in discussion targeting more specifically their respective role in relation to EC dialogue mechanisms & funding opportunities.**

⁹http://ec.europa.eu/development/icenter/repository/SEC_2009_1095_EN.pdf

¹⁰ The Accra Agenda for Action is available online on www.accrahlf.net

¹¹ For further information please consult the glossary on CISOCH

¹² Links will be established with the OECD Working Party on Aid effectiveness. In Paris, discussions on CSOs issues are addressed within Cluster A on Ownership & Accountability. Members of this cluster will be informed & some of them will be directly involved in the SD. Additionally, efforts will be made to involve as much as possible the newly established Donor Group on civil society & Aid Effectiveness (Informal Donor Group led by IrishAid, SIDA and CIDA¹).

¹³ Namely Better Aid Platform (www.betteraid.org) and the Open Forum on CSO Development Effectiveness (<http://www.cso-effectiveness.org>). Particularly interesting for further information on current CSO debates around the notion of development effectiveness can be the document "**Open Forum for Aid effectiveness. Outreach Kit.**" September 2009² written by Costanza de Toma with the contribution of Rose Wanjiru

In particular the SD aims at **achieving synergies from a European perspective**, with informed debates and related initiatives revolving around such issues as:

- the **contribution and roles of CSOs&LAs to development**;
- the **applicability and limitations of the Paris Declaration** for addressing CSO & LA issues of **development effectiveness**;
- the implementation by CSOs, donors and partner governments of **paragraphs §13 and §20 of the AAA**;
- the **common search towards new means of engagement** and subsequent aid modalities;
- and the **inclusion of CSOs&LAs within the new aid modalities** (i.e. sector-wide approaches and budget support modalities¹⁴)

The figure below provides information on the international context from the perspective of major decade landmarks, from the Millennium Development Goals till the next High Level Forum which shall take place in Seoul in 2011.

¹⁴ For further information about these terms please consult the glossary at <https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/glossary>

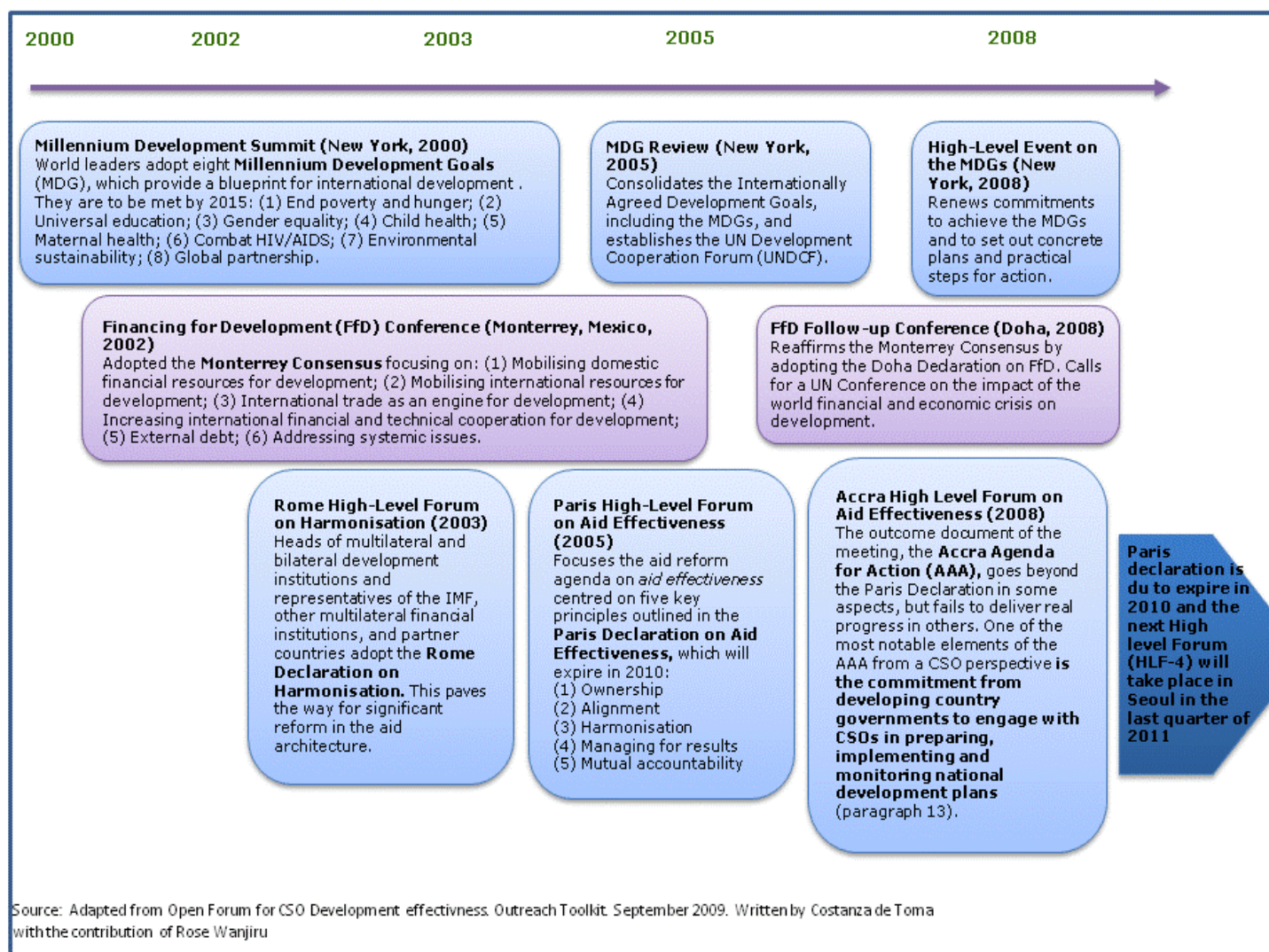


Figure 3: From the Millennium Summit to Accra: reshaping the international aid architecture.

1.2.2. The European context

Four major phenomena need to be examined to understand the European context: (i) the European **paradigm shift towards participatory development**, embraced by the EC and MS; (ii) current debates around the **notion and role of traditional development actors like the European Development NGOs** and emergence of a **whole array of “new” actors in the EC cooperation arena**; (iii) the **rise of Local Authorities in international cooperation** and; (iv) the **rethinking and reengineering efforts**, which have gained momentum in the past years in the realm of EU external cooperation.

The Paradigm shift towards participatory development

While the **involvement of CSOs&LAs in EU external cooperation and development policy has a long history**, it has substantially evolved over time, shaped by political factors, which in turn have shaped successive development models and cooperation approaches and modalities.

Particularly the **last decade has witnessed a radical change**, as the European donor community, championed by the EC and a number of Member States and echoing international trends have progressively, embraced a **paradigm shift** in its relations with CSOs, based upon the following assumptions:

- Development and governance are seen as **complex, multi-actor and multi-layered processes, whereby a multitude of actors – state and non state / private and public / for profit and not-for profit – interact.**
- **CSOs are no longer regarded as mere ‘beneficiaries’ or ‘executing agencies’ of projects, but as key ‘actors’ and ‘partners’ in the overall development process.** They bring a unique added value fostering democracy, governance, justice and human rights and **are thus considered as development actors in their own right.**
- **Civil society is recognized in its full diversity**, taking account of the wide range of organisations covered by the term. Notwithstanding historic-driven particularities a broad definition is accepted by most donors, including the EC¹⁵.
- Participation is understood as a fundamental principle, thus going beyond its understanding as a mere means to improve aid effectiveness. Within this framework **participation is about giving people a voice in their own development and thus, in public policies that shape their lives.**
- In compliance with this fundamental principle, **the EC and several Member States are committed to ensuring CSO participation of all stakeholders in countries’ development and in the political, social and economic dialogue processes; to building capacity for these actors; to strengthening their voice and provide aid through different modalities that can be complementary.**

From a **local authority perspective**¹⁶, the current decade has also marked a shift, since decentralisation processes gradually became prominent in a large number of third countries. These processes have added a new sphere of government at the local level, with (elected) local authorities bound to operate close to citizens and mandated by law to provide a wide range of public goods and services. Accordingly, LAs are increasingly regarded as key actors with a **unique and specific added value** for enhancing local governance and in delivering public services.

This **major two-fold shift towards an enhanced engagement with both CSOs and LA is slowly but steadily affecting the ways in which the EC and several Member States relate to these actors**, with important adjustment and positive developments taking place in programming processes, North and South CSOs&LAs support strategies (including capacity building) and internal knowledge of CSOs arena and donor management capacities to deal with CSOs&LAs.

Across the world, diverse **interesting and innovative initiatives that foster genuine participation of CSOs&LAs are taking place and European donors are increasingly experimenting with new engagement modalities**¹⁷, aimed at enhancing strategic alliances

¹⁵ For further information please consult the glossary
<https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/glossary>

¹⁶ See more details in Reference document N°2: Supporting Decentralisation and Local Governance in Third Countries, European Commission, 2007

¹⁷ In relation to innovative funding systems, concrete examples are to be found in a donor group’s study on donor support models (final report expected in May/June 2010) which aims to: a) promote improvements in donors’ support of civil society by sharing information about donors’ policies, practices, key issues and by exploring mutual collaboration and b) Provide a baseline for tracking donors’ progress in implementing relevant civil society clauses of the AAA. There will be an informal steering group for the donor survey study with membership from Australia, Sida and CIDA + 2-3 CSOs (organisations to be confirmed). A literature review has already been done, and a survey for the donors is underway.

with these development and governance actors. These initiatives are contributing to the development of a sound **body of evidence from which to engage on stock-taking exercises**, which are particularly relevant in the current framework marked by profound development discussions and debates.

Growing debates round the specificity of European NGOs and emergence of “new” development actors

European organizations active in Partners countries have proved their added-value in the last decades. European NGOs and others CSOs have continuously played a very valuable role in diverse areas of development cooperation from direct implementation to capacity-building programmes, from awareness-raising to advocacy campaigns.

In the frame of the new aid paradigm, there is a call for a redefinition of the specific role played by traditional European development actors, in an increasingly complex, multi-actor, multi-layered and decentralised European cooperation system, whereby direct engagement with Partners countries CSOs is gaining momentum¹⁸. No longer automatically regarded as the “magic bullet¹⁹”, European NGOs have come under pressure to be increasingly accountable, and re-examine and explain their autonomy, added value and traditional roles in the development sphere.

This is particularly relevant in view of the **emergence of a whole new array of development actors**, which despite their sometimes long experience in development, have recently incurred in the EC external cooperation (like trade unions, political foundations, philanthropic foundations, cooperatives,...).

Other significant factors pushing current debates are: (i) the increasingly expanded and diversified amalgam of CSOs& LA in partner countries; (ii) the growth of social movements and Diasporas within civil societies and; (iii) as a response to current debates and requirements of the aid effectiveness agenda. Debates are not new, nevertheless, as can be drawn from discussions held by CONCORD back in 2004, in the course of its general Assembly, around the roles of European NGOs.²⁰

Indeed, **European NGOs –for a longer time- but also “new” development actors- are increasingly confronted with a number of fundamental questions**, like: do European NGOs need strengthening in their emerging roles (watchdog, advocacy and capacity building roles), or should they continue playing an operational role in developing countries? What are the roles that partners countries CSOs and LAs expect European NGOs and other European CSOs to play? Where does the added-value of the European NGOs lie? What is the added value of the “new European development actors? How should their right of initiative be interpreted particularly in view of the AAA?²¹

As a number of studies argue²² **the 21st century presents a combination of characteristics that require NGOs involved in international development to change more in this decade than they have done in the past three.**

¹⁸ See Scanteam study: Support Models for CSOs at Country Level. Oslo. September 2007 and Reforming government funding of development NGOs. A comparative analysis of eight European donors by Leen Nijs & Robrecht Renard. IOB. Working paper 2009.01

¹⁹ Echoing Edwards and Hulme terminology. See “Beyond the Magic Bullet: NGO Performance and Accountability in the Post-Cold War World”.

²⁰ For further information consult: www.concordeurope.org

²¹ These questions, among others, will be addressed in Working Group 1. For further information please consult the Dossier with the 3 Working Papers, available at https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/structured_dialogue

²² Like the report: “The 21st Century NGO: Roles, Rules and Risks”, Sustainability Institute, 2003, New York.

*The rise of Local Authorities in international cooperation*²³

Until very recently, the realm of **international relations was the sole preserve of national governments**. European local and regional authorities, for their part, focused on issues to do with the basic services provided to residents and with urban and regional management, which were regarded as strictly local matters largely untouched by dynamics at an international level.

The phenomenon of globalisation and the evolution of political dimensions other than the state-nation (transfer of competences to supra or infra-state institutions, processes of decentralisation) in the last decades altered this situation and created the conditions for the **emergence and/or strengthening of cities and regions as key players in international relations**. In parallel, decentralisation processes in most developing countries enabled local authorities to carry out new functions and responsibilities.

As a result, **international cooperation between sub-state authorities** (known as decentralised cooperation) is **now an emerging, dynamic and complex phenomenon** that is transforming the practice of local stakeholders and at the same time **offers EU cooperation new perspectives and innovative approaches**.

Indeed, several multilateral programs, such as Urb-AI or Asia Urbs, have given financial support and fostered innovative decentralised cooperation approaches, showing the complexities of spontaneous relations between local and regional governments of the European Union and partner countries, as well as their potential benefits (e.g. institutional strengthening that is fostered on both sides; positioning the local sphere on the agendas of higher institutional levels; allowing local levels to articulate their demands on fields such as democratic governance, poverty reduction and regional integration; etc).

Building on the momentum to enhance current rethinking and reengineering efforts

Experience shows that it **takes time to translate a new policy framework into a consistent set of strategies and practices**. This is particularly the case of the EC, as reflected in the various recent studies, according to which, despite the progress that has been made on mainstreaming participatory development and the capacity that the EC has shown to innovate and develop new relationships with CSOs&LAs, **much remains to be done to bridge the gap between stated EC policy objectives and actual practices**.

Nevertheless, the EC has developed positive initiatives to integrate CSOs&LAs throughout the programming cycle, like:

- **Various consultation processes** organized in partner countries, even in fragile environments, throughout the cooperation cycle –namely during the programming phase of Country Strategy Papers and National Indicative Programmes, and on occasion of Mid Term and Final Evaluation exercises-, as well several consultation processes held in Brussels (like SAG by DG DEV) and frequent hoc meetings with CSO and LA umbrella organisations²⁴.
- The shift towards an **actor-based approach**, particularly evident in such instruments as **the NSA&LA**²⁵ or the EIDHR thematic programmes.

²³ <http://www.observe-ocd.org>

²⁴ Consultation processes are further developed in Working Paper 1, available at https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Main_page_en

²⁵ In 2007, with the reform of the B6-7000 budget line (following a dialogue during the Palermo process, 2003); the NSA-LA programme was created as an actor-based thematic programme to fund development actors in their own right. It introduced a number of new eligible actors yet preserving the right of initiative.

- The commitment to use **EC geographic and thematic programmes in a complementary and coherent manner** in the EC's engagement with CSOs & LRAs at country-level²⁶.
- The **use of geographic programmes as a strategic framework for strengthening local civil society's** advocacy, watchdog and service delivery roles²⁷, **while at the same time fostering interaction between CSOs and the State at central, regional and local level.**
- The use of thematic programmes (in particular, NSA&LA and EIDHR programme) **to support CSOs & LRAs, particularly in sensitive areas of work** (in Countries where it is not foreseeable to sustain CSOs directly through the National Authorities of the partner country)²⁸.
- **Positive developments noted in sector budget processes**, even though opportunities for CSOs & LRAs to participate strategically in sector and macro-economic approaches are still limited²⁹.
- The establishment of a **Civil Society Help Desk (CISOCH)**, conceived as an interactive platform designed to provide stakeholders with clear and coherent information on and for civil society through a central point of access³⁰.

These innovations and changes are still in an **incipient phase**. Implementation limits and shortcomings remain, some of which are already being tackled, while others are still being analysed.

The Evaluation of EC Aid Delivery through CSOs³¹

The evaluation underlines that the EC finds itself in a transition period towards implementing participatory development. The overall recommendation calls upon the EC to ensure a much more consistent application of its new political commitments towards civil society with a view to improving the relevance, effectiveness, efficiency and sustainability of aid delivered through CSOs. Bold changes are required to (i) enhance policy coherence in the use of the CSO channel; (ii) make a better use of the added value of CSOs; (iii) 'scale up' positive gains at project level by binding them into a viable strategy; (iv); use the full range of EC aid instruments, including new aid modalities and; (v) safeguard the credibility of the EC in providing support to CSOs. Finally, the evaluation also underlines that in order to develop a culture of participation, it is necessary to properly institutionalize a learning process, as well as changes at the level of attitudes, working methods, instruments and procedures.

The European Court of Auditors (ECA) report³²

The report looks at whether the EC (i) ensures that NSAs are effectively involved in development cooperation; (ii) has efficient management systems to give funding to relevant and results-

²⁶ INTRAC: The participation of NSAs in poverty reduction strategies, sector approaches and monitoring of policy implementation. Draft. January 2009. For further information on the complementarity between these two instruments, consult Working Paper II. A definition of the two instruments can be found in the glossary at https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Main_page_en

²⁷ This is particularly relevant in ACP countries where a whole first generation of CB support programmes has been funded under the 9th EDF and several 10th EDF programmes are currently being instructed.

²⁸ Thematic instruments are discussed in Working Paper II.

²⁹ For further details, please consult the Final Report of the "Evaluation of EC Aid Delivery through Civil Society Organisations". Besides, further elaboration of this question can be found in Working Paper II. The role of CSOs&LAs within new aid modalities is discussed in Working Paper II.

³⁰ CiSocH is intended to be an online capitalization and dissemination tool to be used by both EC services (Delegations and Headquarters) and Civil Society organisations. https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Main_page_en

³¹ Particip (2008) Evaluation of EC Aid Delivery through Civil Society Organisations, Brussels: EC.

http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/2008/1259_docs_en.htm

³² ECA (2009): The Commissions Management of Non-State Actors' Involvement in EC Development Cooperation, Special Report No 4, Luxembourg. <http://eca.europa.eu/portal/pls/portal/docs/1/2722293.PDF>

oriented NSA activities; and (iii) whether it allow for adequate capacity building of NSAs. The ECA report highlights the importance of consultations to deliver more meaningful engagement with NSAs in the development cooperation process, as current practice falls short of the sustained and structured dialogue envisaged by EU legislation and guidelines. Secondly, the audit states that capacity building is a core mechanism of EC support to NSAs, and recommends a more strategic approach towards this as found in some African, Caribbean and Pacific (ACP) countries. Thirdly, it recommends that alternative approaches to current procedures should be explored, in order to allow a more strategic approach (better use of technical assistance, partnership agreements, multi-donor funding) and to better reach grassroots organisations.

The Capitalisation Study on Capacity Building Support Programmes for NSAs under the 9th EDF³³

The study provides an in-depth assessment of the capacity building programmes supported by the EC in the ACP region. It underlines that EC NSA support still revolves around a project-based logic and has not really progressed towards an actor-based logic, whereby the emphasis is put on the process of supporting NSA within and vis-à-vis the country-specific contexts, and on their role of potential drivers of change. It also highlights the need to develop a clear view on the added value of the various families of CSOs, and recommends mappings as a key diagnostic tool. As regards capacity building, the reports underlines the need to have a consistent overall approach , and proposes several improvements on the tools which are currently used (i.e. calls for proposals, capacity building schemes, etc) as well as innovative mechanisms which could be adapted to EC cooperation (core funding mechanisms, use of block grants etc).. In terms of NSA participation in general, the report advocates the need for the EC to elaborate a global, country-specific strategy for engagement with NSA, and to search complementarity between geographic and thematic instruments. The report also emphasizes the need for regular and structured consultation processes which reinforce the role of NSAs as development actors, particularly their participation in political dialogue and watchdog mechanisms.

Mid Term review of the NSA&LA thematic programme³⁴

The review intended to provide recommendations for the formulation of the new strategy for covering 2011-2013, more specifically regarding the programme set-up and the management of modalities.

Box 2: Recommendations issued from major recent EC evaluations

The figure hereafter traces, from a dynamic perspective; (i) the evolution of major dialogue and consultation initiatives between the EC, CSOs&LAs ; (ii) the momentum gained in the rethinking of EC- CSO & LA relations , based on the studies and evaluations conducted in the past years.

³³ Floridi, M. and Sanz-Corella, B. (2009) Capitalisation Study on Capacity Building Support Programmes for NSAs under the 9th EDF, Brussels, EC. http://ec.europa.eu/europeaid/what/civil-society/documents/final_rep_capit_study_en.pdf

³⁴ David McCormick, Yves Rambaud, Paola Minoia (2009); NSA&LA thematic programme Mid-Term Review, Brussels, EC. For more information : http://ec.europa.eu/development/icenter/files/europa_only/consultation_non_state_actors_main_report.pdf

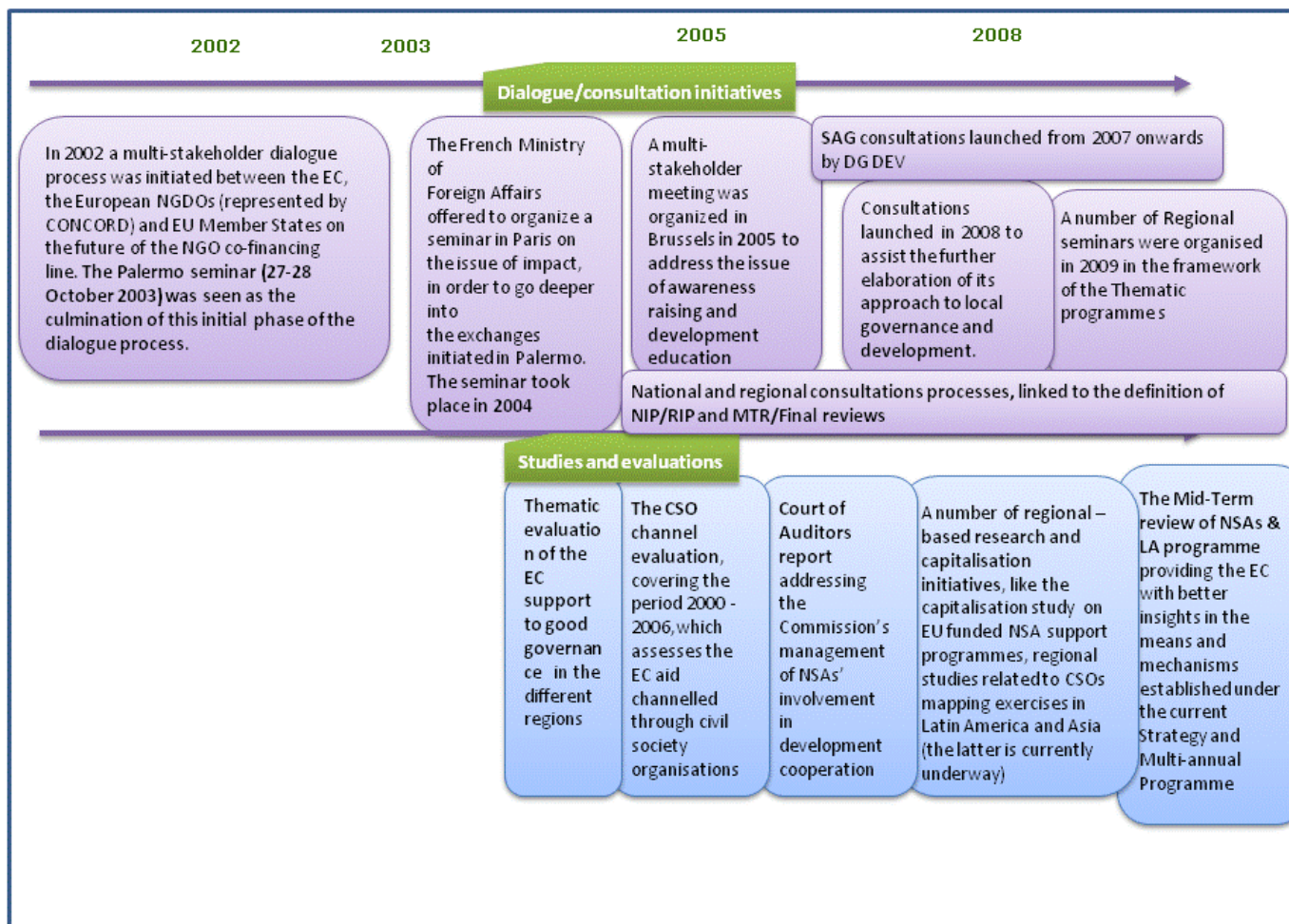


Figure 4: Background information on the relations between the EC and CSOs&LAs - related consultation processes and studies

1.2.3. In conclusion: a relevant and timely initiative

Against this background, the Structured Dialogue, conceived as a launching path to bring an improved consensual understanding forward, **appears to be a relevant and timely initiative.**

The **number and importance of current challenges** support this view.

<p>Challenges regarding the actors: who is who and who does what?</p>	<p>The EC & MS are confronted, politically and operationally with:</p> <ul style="list-style-type: none"> ▪ the rapid expansion and diversification of CSOs in third countries, ▪ the increasing consolidation of LAs as development partners (both in Europe and in developing countries) and ▪ current rethinking about the traditional roles performed by European CSOs . <p>A profound analysis of the roles, added-value and possible complementarity of CSOs&LAs –amongst themselves and</p>
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	vis-à-vis other development actors- is therefore needed in EU external cooperation.
Challenges regarding current debates around the AAA and the reconciliation of participatory approaches with the AAA requirements.	<p>The EC, as part of the donor community, has embraced a new agenda aimed at enhancing overall aid effectiveness, captured in the Paris Declaration, and subsequently in the AAA. In this context, there is a need to promote an enhanced role for CSOs & LRAs in discussions of aid effectiveness, particularly considering the shift of post Accra debates towards the notion of development effectiveness; a notion which emphasizes the diversity and complementarity of policies, actors and instruments to achieve development impact.</p> <p>In compliance with the principles embraced in the Paris Declaration, aid delivery is shifting from project approaches to sector-wide approaches and budget support modalities. These new aid modalities impel the EC&MS to rethink their engagement strategies and support mechanisms with CSOs & LRAs.</p>
Challenges regarding the modalities of engagement with CSOs&LA	The EC has been called to ensure a much more consistent application of its new political commitments towards CSOs&LAs with a view to improving the relevance, effectiveness, efficiency and sustainability of development assistance. EC practical modalities of engagement with CSOs&LA need thus to be revisited.

1.3. Outlining the dialogue process

1.3.1. Timeframe and overview of the process

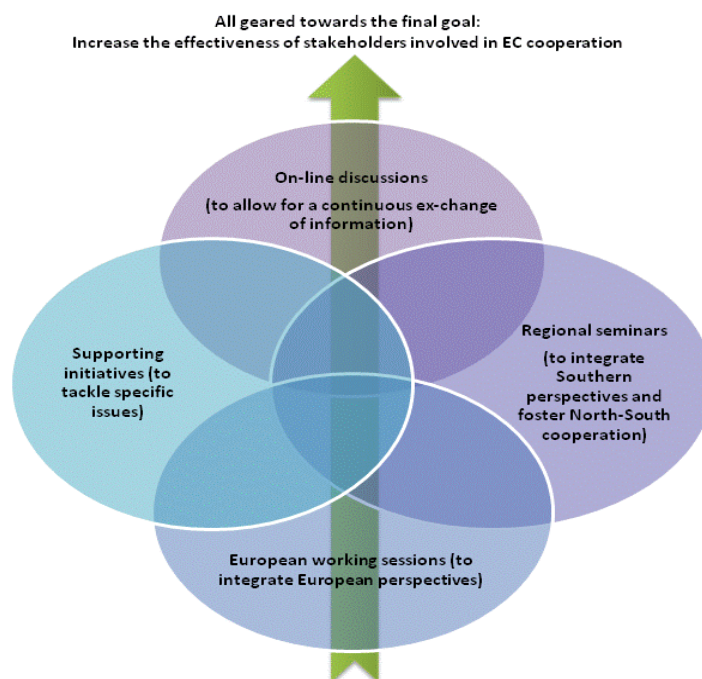
The SD will officially be launched on 23 March 2010. The process shall continue in 2011 with a Final Conference (likely to happen in spring 2011) and related events wrapping up the outcomes of the whole process.

In terms of components, the SD has been conceived as a global, **multi-level process**, articulated around **live events and on-line discussions**.

The process is composed of:

- (i) **Online discussions**
- (ii) **4 meetings in Brussels:** a launching event and 3 expert working sessions in 2010,
- (iii) **4 regional seminars** (1 per region: Africa, Latin America and Asia in 2010, ENP region in 2011)
- (iv) **3 supporting initiatives**

As shown in the illustration hereafter, all 4 components are intertwined and complementary.



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Figure 5: Components of the SD

In practice, these components will entail:

- (i) **Online discussions:** continuous exchange of information will be possible through the use of an online tool, the **Civil Society Helpdesk (CISOCH)**³⁵ currently developed by EuropeAid. It includes a **blog**³⁶, which will be an important tool to exchange ideas, experiences and best practices as well as to inform stakeholders and to foster communication amongst the actors involved. Section III contains practical information on the use of the on-line tool.
- (ii) **Three**³⁷ **Expert Working Sessions in Brussels.** Clustered into three Working Groups, they **will last one day each.** They can be considered as the “European Regional Seminar” since the same topics will be covered as in the decentralized events.
- (iii) **Four Regional Seminars.**, they will provide an opportunity to integrate Partner Countries CSOs and LAs perspectives in the debate around the key issues (see section 1.4), thus allowing for a participatory bottom-up process in which Southern actors are constructively involved during the whole process. In addition, the seminars are an opportunity to reinforce and foster North- South and South-South CSO/LA partnerships. They will last 4 days each: **1st day for EC training for EU delegations; 2nd & 3rd day for the SD (expert working groups); 4th day for the Local Authorities supporting initiative** (see below).
- (iv) **Three Supporting Initiatives:** to target specific issues, namely (i) Development Education activities in Europe, (ii) LA role in development and (iii) Human Rights & Democratisation. In terms of activities, these initiatives are complementary to the planned on-line and live debates. Even though they are part of the overall process, they are less focused on dialogue in itself but rather based on **learning experiences activities** such as the launching of a capitalization study, the organisation of training sessions, etc. Proper links are built to

⁴ https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Structured_dialogue

³⁶ <http://blogs.ec.europa.eu/dialogue>

³⁷ If needed, a fourth one could be added in January 2011

ensure that outputs of these supporting initiatives will illustrate discussions during Working Groups.

A study of the main actors, strategies and initiatives in the field of **Development Education and Awareness Raising (DEAR)** in the 27 EU Member States is underway. Following consultations with relevant stakeholders, the study will define options for improving the EC approach and initiatives in the area of DEAR. Different European actors active in the field of DEAR (EU Member States, civil society organisations, other major actors such as the Council of Europe, European Commission services involved in the management of objective II of the NSA/LA programme...) will use the research done. The results of the study will be made public and discussed with the representatives of the MS and with all concerned stakeholders (**Timeframe: February/November 2010**).

The **supporting initiative "Local Authorities as actors for development"** is integrated in the regional seminars with a dedicated day of debates, following the initial two days of Structured Dialogue. With a different nature and scope, it aims at experience-sharing and analysis of issues under the competences and specific expertise of local authorities, from decision-making to implementation. This initiative will be adapted to the LA characteristics, offering a concrete content-based discussion mostly focused on the technical aspects of the development procedures. The specificity of Local Authorities as development actors will be highlighted, while providing a space of exchange of concrete experiences and good practices.

The Democratization & Human Rights supporting initiative will seek to: (i) Map the roles, added-value and means of mutually supporting involvement of various categories of CSOs in democratization and human rights promotion; (ii) Achieve better complementarity in EU approaches and programmes related to Democratization & Human Rights; (iii) Identify the role of European stakeholders (EC, Member-States but also European CSOs to promote an enabling environment for civil society at the country level, and; (iv) Exchange experiences on good practices in the implementation of democracy and human rights programmes. The initiative takes place in **Amman, Jordan, on 28 June – 2 July, 2010**, with around 120 participants from EU Delegations and Headquarters, North and South CSOs, Member States, the European Parliament and other donors.

Box 3: The three supporting initiatives to the SD

The table below gives an indication of the sequencing and links between the components of the process:

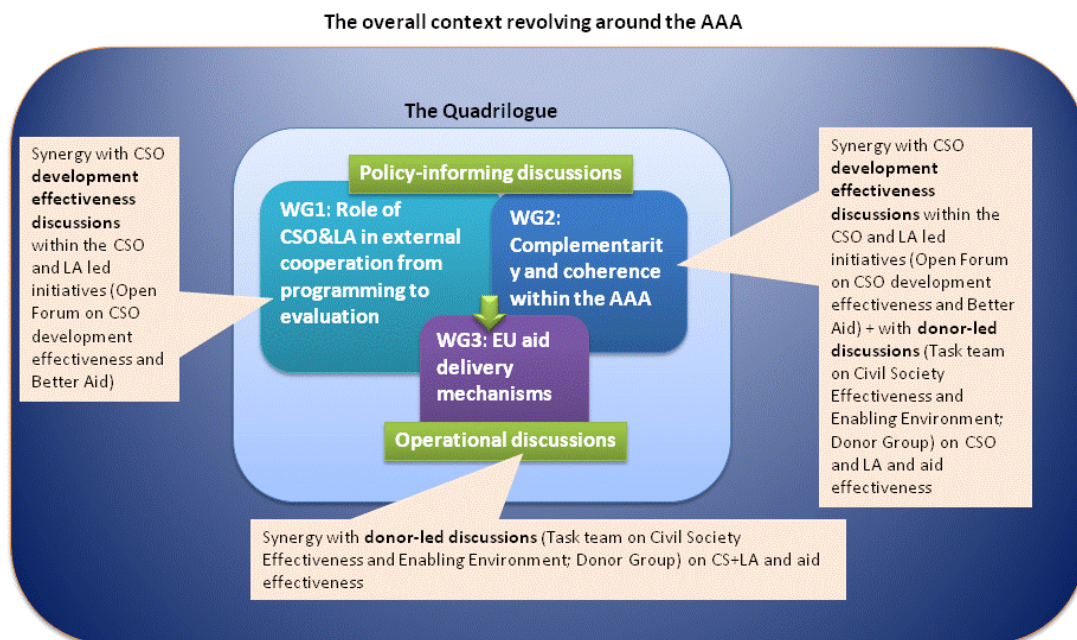
March 2010	April 2010	June 2010	July 2010	September 2010	October 2010	November 2010	2011	2011
European working session 1	European Working Session 2	Regional seminar 1 – Africa, Bamako	European working session 3	Regional seminar 2 – Latin America - Asunción	European working session 4	Regional seminar 3 – Asia – place TBC	Regional seminar 4 – ENP– place TBC	Final Conference
23 March	27 April	1-4 June	13 July	14-17 September	Between 5/8 October	16-19 Novembre	TBC	Spring 2011
Official launch	Discussions on the WG contents							
On-line tool								

Table 2: Sequencing of the SD and Local Authorities Supporting Initiative components

1.4. Understanding the scope of the SD

Within the global and European framework briefly described in the paper, based on the discussions which took place with stakeholders during the preparatory phase of the SD, and taking stock of current debates to apply and enrich the international Aid Effectiveness agenda, **it is envisaged that discussions revolve around both policy-informing and operational issues, clustered in European Working Sessions and Regional Seminars, both divided into:**

- Working Group 1: The roles and added-value of CSO and LA in external cooperation
- Working Group 2: Complementarity and coherence within the AAA
- Working Group 3: EU aid delivery mechanisms



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Figure 6: The scope of the SD

These working groups **serve the specific objectives and expected results of the SD already mentioned on page 8**, as the table here-after shows:

	Specific objectives	Working groups	Components of the SD
Policy-informing debates	1. Better define the roles and added-value of various categories of CSOs&LAs in cooperation & identify the role of European stakeholders to promote an enabling environment for CSOs&LAs at the country level.	WG1	On-line discussions + Brussels sessions + Regional seminars
	2. Better characterize the division of labour between stakeholders and complementarity in approaches and programmes to reach more sustainable CSO & LA actions.	WG2	
Operational debates	3. Identify possible ways to adapt EC aid delivery mechanisms towards a more strategic use of the CSO & LA channel	WG3	
Policy-informing debates	4. Explore options to improve future EC initiatives in areas like Development Education & Awareness Raising, support to Local & Regional Authorities and Democracy & Human Rights.	3 Supporting initiatives	

Table 3: Specific objectives – Working Groups and Components of the SD

SECTION II: SETTING THE GROUND FOR DISCUSSIONS

*This section **provides an exploration** of the key topics, which are the basis of the discussions that will take place in each Working Group.*

These topics will be further developed in the three Working Documents to be distributed from March 23rd 2010 onwards. They will be available on line, together with the glossary, at CISOCH: https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Main_page_en

Working paper 1: The roles and added-value of CSO and LA in external cooperation

The European Commission (EC) has a long standing relationship with CSOs and is strongly engaged to promote the role of Local Authorities as development actors in their own right³⁸.

In order to work towards improved results, and strengthen accountability and transparency, current debates on the role of CSOs&LAs in EU external cooperation are aimed at:

- **a definition of the roles and added-value of various types of CSOs&LAs (from EU and partner countries)**, ultimately leading to a better “division of labour” and to an adequate space for each actor.
- **CSO North-South complementarities and effective partnerships;**
- the improvement of **multi-stakeholder dialogues**, and **CSO&LA participation in the cooperation cycle**, creating co-responsibility among the different actors involved.
- **mainstreaming the use of strategic mapping exercises;**
- promoting an **enabling environment** for Southern CSOs&LAs to operate, and identify the roles of the different stakeholders (EC, MS but also European CSOs).

The main objective of Working Group 1 is dealing with these significant themes and collectively enriching the dialogue by developing concrete and relevant recommendations on the main aspects of each topic below.

Theme 1: Roles and added-value of CSOs and LAs in development

A profound analysis of the roles, added-value and possible complementarity of CSOs and LAs vis-à-vis other actors is needed in EU external cooperation. For example, regarding basic social services, **local authorities** have a legitimate role to bring processes of planning, implementation, monitoring and accountability (or in other words: decision-making) closer to the population. On the other hand, the broader governance agenda also imposes important new roles on **CS actors**. In this context, many challenges lie ahead:

- **Overall efficiency and coherence** is not easy to obtain when a multitude of actors are involved (with different missions, experiences and dynamics).
- **Possible areas of complementarity amongst CSOs and LAs** need to be identified throughout the project cycle, in order to optimize the overall impact and relevance (see also Point a) below).
- **The autonomy, added value and roles of European (mainly traditional development) CSOs and LAs need to be redefined** in what is an increasingly multi-actor and decentralised EU external cooperation system.

Conducting *mapping exercises* can be a stepping stone in building a thorough understanding of (local) civil society and identifying key actors with whom to engage in different dialogues (see also subtheme 3 below).

³⁸ For further information on the longstanding relationship between the EC and CSO&LA please consult the Background Document. § 1.2.2. The European context for further information. The BD is posted on the civil society helpdesk (CISOCH): https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/structured_dialogue

Theme II: Complementarities between Northern and Southern actors

In the last decade, the opening funding to a wide spectrum of Partners countries CSOs and LAs ('deconcentration') has **profoundly changed the relations between Northern and Southern actors**. We can assist to two interesting reactions:

- On the one hand, many Northern CSOs have progressively engaged in **strengthening and providing capacity building to their local partners** with the aim of developing long-term partnerships. Among others, organisational development, multi-actor dialogue on partner development strategies and civic engagement in new aid modalities, are considered as valuable elements in the capacity building of Southern CSOs. In addition, Northern CSOs have positioned themselves as active fund raisers & are more and more recognized as valuable donors by their southern counterparts.
- On the other hand, some Northern CSOs created legal entities (i.e. opened offices) in the EU partner countries for the execution of donor programmes and projects. These offices can either work in direct collaboration with local CSOs or in a competitive manner and, in that case, the overall legitimacy of this process could be contested.

Theme III. Participation of CSOs and LAs in Development cooperation

The EC policy framework clearly calls for an **effective and comprehensive participation of CSOs&LAs throughout the development process**. Participation can be seen as a **cyclical event by which it is not only relevant who participates but also when and how**.

The CoA reports highlights that the current practice in this regard falls short of the sustained and structured dialogue envisaged by EU legislation and the EC's own guidelines. Regarding whom to invite, the critical question is about ensuring a broad representation of CSOs and LAs based on legitimacy and credibility, but also defining **which CSOs and LAs are appropriate to engage in which dialogue**.

Regarding "when" and "how", a **more effective involvement of actors can be envisaged** throughout the five main stages **of the development process** (from the preparation of the national development policy and the EC response strategy; to policy dialogue on sectors of intervention; implementation of programmes/projects and; monitoring and evaluation), in complementarity to the central role of the government and according to their specific nature, missions and added-value.

Theme IV: Mapping as a tool for the identification of relevant actors

The EC, like other donors, **needs to understand local civil societies in order to engage with relevant actors**. Mapping studies have been identified as a key tool in the classification of different categories of stakeholders and in the identification of their value added. Stakeholders should go beyond "traditional" NGOs and include civil society actors at all levels (grassroots, intermediary, networks and platforms).

To date, mapping exercises have been mostly linked to the identification or implementation of CS support programmes. Challenges remain on:

- how to develop these exercises in a **truly participatory and in a capacity-building-oriented manner**;
- how to take **stock of networking efforts**, whether between North and South, South – South or within countries;
- how to link **these exercises with the identification of a global CSO inclusion strategy**, with a view to mainstreaming participatory approaches into the EC cooperation strategy, policies and tools;

- **how to conduct them from a comprehensive governance perspective** (political approach to civil society), particularly in view of the new aid modalities foreseen and the roles that CS is called to play sector and nation-wide and;
- **how to create synergies with other political analysis tools** developed by Member States (i.e. Power Analysis, Drivers for Change, etc)

Theme V: Enabling environment

The best initiative is likely to fail in the absence of adequate conditions: (i) A functioning regulatory, legal and judicial system is essential for CSOs to exist and operate; (ii) The openness of government and donors to engage with CSOs, the transparency and accountability with which information is shared, and the CSO community's own collective mechanisms for self-monitoring, accountability and collaboration, are equally crucial elements of this debate; (iii) Security for operating and delivering results, especially in conflict zones and in authoritarian/military regimes.

Over the last years, **European stakeholders have been called to create/facilitate an enabling environment** for local CSO & LA at the country level, and to design programmes to create/reinforce an enhanced situation in which CSOs can operate more effectively.

In this context, it is important to find improved ways on how to: (i) **strike a balance between promoting space for local CSOs while also developing a partnership relation with governments;** (ii) **build bridges between specific donor programmes** in support of CSOs and government-led dialogue processes and programmes; (iii) **promote the participation of CSOs in budgetary processes;** (iv) **address CSO issues more consistently and systematically in the political dialogue with the governments;** (iv) **identify and support drivers of change** within civil society and within government.

Working Paper 2: Complementarity and coherence within the Accra Agenda for Action (AAA)

The European Commission (EC) and Member States have embraced a new agenda aimed at enhancing overall aid effectiveness. Captured in the Paris Declaration (PD), and subsequently enriched in the AAA, the **agenda builds on the need to move towards country systems via budget and sectoral support and puts ownership and governance of aid at the forefront.**

CSOs and LA have welcomed this commitment but claim that debates need to move forward, and shift their hitherto technical- focus (on cost-effective aid delivery mechanisms) to a broader and deeper PD process, based on the notion of **development effectiveness**. The central claim being that by broadening the definition of country ownership to **democratic ownership, citizens, CSOs and LAs shall occupy a central position in the aid process**³⁹.

At the same time, the EC, like many Member States, has embraced a **multi-stakeholder paradigm of development**, which recognises that long term development is only possible when actors take joint responsibility and share goals that make use of strengths of individual stakeholders. In addition, the EC, similarly to other donors, is committed to act as a political player towards the **promotion of democracy and good governance**.

The full realisation of this overall commitment– a **political approach towards multi-stakeholder partnerships to ensure development effectiveness and, ultimately, societal transformation - confronts the EC and Member States with new strategic and operational challenges**. A number of these challenges (i.e. the implementation gap) have already been analysed and formulated as recommendations in recent studies and evaluations⁴⁰.

The main objective of Working Group 2 is dealing with these significant challenges with a view to collectively explore ways for a more effective engagement with CSOs & LA.

Theme 1: New aid modalities and CSOs&LAs: challenges and opportunities?

The current **shift from project approaches to sector wide approaches and budget support modalities has created a growing concern on the side of CSOs&LAs** that fewer aid resources will be available to support their work. They criticise the risk that donors adopt a reductionist approach, falling into a technical process of managing aid flows and lowering transaction costs, and ignoring the potential role of CSOs&LAs in helping to build stronger **ownership of policies** (by being engaged in discussions and **dialogue** about those policies) and **domestic accountability** (by holding governments accountable to ensure that policy commitments are met). This is in addition to the more traditional roles that many civil society groups play in the implementation of policies (**service delivery activities**)⁴¹. **For LRA, the risk is of reinforcing responsibility of central government in the planning and implementation of sector policies and programmes and marginalizing their role.**

As a result there is a need to carefully rethink how CSOs&LAs can effectively be associated to these new approaches (both in their watchdog, governance and service delivery role), but also how to use EC diverse aid instruments in a complementary manner.

³⁹ Civil society voices for better aid, September 2008. Civil Society Statement in Accra wants urgency for action on aid.

⁴⁰ See list of recommended readings in the Working paper for precise references.

⁴¹ INTRAC: "The participation of NSAs in poverty reduction strategies, sector approaches and monitoring of policy implementation". Draft. January 2009. Paper commissioned by AIDCO/E/4.

Theme II: Coordination and Harmonization among donors: division of labour

In order to **make interventions complementary and supportive of partner country reforms**, some European donors **are moving towards joint funding modalities to support CSOs**. Experience shows that *pool funding* can be a useful instrument provided that donors and CSOs have been **strategically thinking** on the best implementation modalities in a given context.

However the wide range of needs that need to be covered, taking into account the diversity of CSOs, invite donors **to reconsider the need to complement pool funds with other funding sources as well as a division of labour among donors and other stakeholders**.

Theme III: On the complementarity between EC instruments in support to CS & within EC development external cooperation

Over the past years increasing attention has been paid to improving coherence and synergy between the geographic instruments and thematic instruments and programmes (Instrument for Stability, EIDHR, NSA&LA and Investing in people notably), in response to the search for complementarity, which is enshrined in most of the instruments' legal basis.

EU Delegations, together with CSOs and LAs, have to be aware of the opportunities offered by the two types of approaches and have to be in a position to make the best use of them. **This is particularly relevant in the framework made up by new aid modalities, wherein a strategic use of thematic programmes becomes fundamental**.

Theme IV: The Right of initiative of CSOs in EC external cooperation, in view of the AAA

Many CSOs are cautious about compromising their autonomy in the name of **Harmonization and Alignment under Aid Effectiveness**, with the fear to see their role reduced to helping government and donors to improve their own performance. CSOs ask to be recognised as **development actors in their own right** whose objectives and activities are not necessarily converging with those of the government. Indeed, the role of CSOs is often to play a challenge function vis-à-vis the government (i.e. their **democratic governance role**). Therefore CSOs want to safeguard their independence and work directly with local communities, allowing them to take **innovative approaches** that **complement** national development programmes⁴².

Donors support to the right of initiative can take different forms:

- **Political support:** Donors are called to promote, through political dialogue with partner countries, an enabling environment that guarantees that activities can be undertaken freely by CSOs;
- **Financial support:** either through capacity building programmes, or through financing activities that are in line with their own priorities or values.

⁴² For details refer to the "Civil Society and Aid Effectiveness Concept Paper", Advisory Group on Civil Society and Aid Effectiveness, September 2007.

Working Paper 3: EU aid delivery mechanisms

In the past, and generally speaking, CSOs & LAs have been mostly perceived as beneficiaries of community funding and/or approached as implementing actors (service providers). They have thus been considered “channels of aid” rather than development partners in their own right.

To date, within the new post Accra donor frameworks, **CSOs&LAs have been largely marginalized from sector budget and general budget support**. This impels donors, and among them the EC, to rethink developing country strategies by factoring in support, not only to improve state responsiveness but also to strengthen domestic accountability, with the help of **CSOs and LAs in their new roles vis-à-vis the State**⁴³.

As the Scanteam report on CSO funding, analyses⁴⁴: “*if the trend is to move towards more shared and strategic modalities, then more and better structured dialogue between the parties is needed*⁴⁵, as well as greater clarity on strategic objectives⁴⁶”. The report also mentions the need for “**better management instruments that can support these (policy) objectives**”.

After having debated policy-informing issues on the engagement between the EC and CSOs&LAs throughout Working Groups 1 & 2, Working Group 3 shall elaborate on the best aid delivery mechanisms (including innovative donor support mechanisms) to serve the agreed upon objectives.

Theme I: Current challenges for the EC in relation to a new EU donor approach

A number of changes are noted in line with the transformation of EC relationships with CSOs & LAs: the shift towards an **actor-based approach**; the commitment to use **EC geographic and thematic programmes in a complementary and coherent manner** at country-level⁴⁷; the use of **programme approaches to provide capacity support to CSOs and LAs** within the geographic programmes; the establishment of a **Civil Society Help Desk (CISOCH)**⁴⁸; as well as a number of operational improvements (e.g. open versus restricted procedure for calls for proposals, use of multi-annual calls, etc).

Despite these developments, **the EC still has to deal with a number of challenges and constraints on its way to implement a renewed EU donor approach**. Some of them are formulated as recommendations in recent studies and evaluations (e.g. European Court of Auditors Special Report; the study on CSOs as channels of aid, the Mid Term Review of the NSA LA programme ...) ⁴⁹, highlighting the need for example to strengthen the sustainability of actions, boosting the involvement of grassroots organisations and using a mix of instruments when working with CSOs.

⁴³ CSOs may have opposing views as to how closely they should work with the public sector, and on donor efforts to “build bridges”. Service delivery organisations are generally positive while advocacy/rights-based groups are more skeptical (Scanteam study: Support Models for CSOs at Country Level. Oslo. September 2007)

⁴⁴ Scanteam study: Support Models for CSOs at Country Level. Oslo. September 2007.

⁴⁵ See Working Paper 1

⁴⁶ See Working Paper 2

⁴⁷ As referred to in Working Paper 2, on the Accra Agenda for Action and Aid Effectiveness agenda.

⁴⁸ *CiSocH* is intended to be an online capitalization and dissemination tool to be used by both EC services (Delegations and Headquarters) and Civil Society organisations.
https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Main_page_en

⁴⁹ See list of recommended readings in the Working paper for precise references.

Theme II: The Call for Proposals (CfP) mechanism and questions around targeting

A reform of the EU donor approach to CSOs and LAs is closely linked to the **choice of aid delivery mechanism(s)**.

The **calls for proposals system** currently serves as the primary mechanism through which grants are awarded by the EC. It is characterised by an intense level of competition for grant funding, with success rates for some calls as low as 3%.⁵⁰ Considering the work and costs associated with the drafting and evaluation of proposals, the limited percentage of proposals that can be funded **puts at risk the efficiency and effectiveness of the calls system from the perspective of both applicants and the EC. There is consequently a need to consider possible measures to make the calls system more effective for all stakeholders involved.**

Theme III: New funding models in support to and through CSOs and LAs

Various models have been thought of by **national and international donors**. The strengths and weaknesses of three innovative models are analyzed, and examples of (pilot) actions will be used to demonstrate the relevance of these innovative ways of funding, **which can be a source of inspiration when rethinking EC funding principles**. More specifically, they concern:

Pool funding	Programme/core funding	Block grants
It is an alternative to different donors having their own mechanisms. It enables more secure funding arrangements and reduces transaction costs.	It is an alternative to project funding , whereby funding is not tied to produce particular outputs but more general outcomes, including improvements to the organisation itself via capacity development.	It is an alternative to reach small organizations that do not fulfill the regular funding requirements.

⁵⁰ See application statistics for 2009, published on the EuropeAid website:
http://ec.europa.eu/europeaid/work/funding/documents/application_statistics_2009.pdf

SECTION III: PRACTICAL INFORMATION

About the on-line tool

Where to find general information about the SD?

For an overview of the process and information about its origins please visit:
<http://ec.europa.eu/europeaid/dialogue>



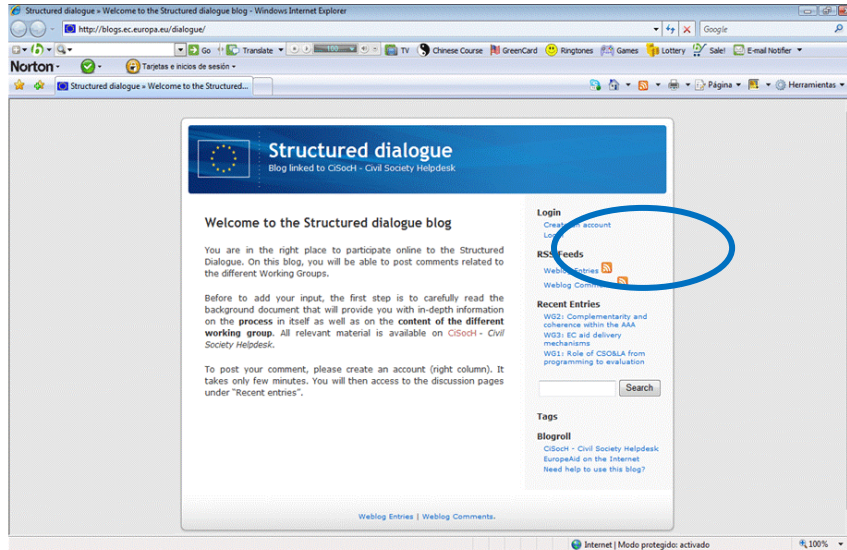
Where to find specific information about the SD?

All information - including the dossier with the **3 Working Papers, the glossary and further resources**, as well as updates, reports and outcomes of the Brussels Workings sessions and Regional Seminars are posted on CISOCH:
https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Structured_dialogue_en

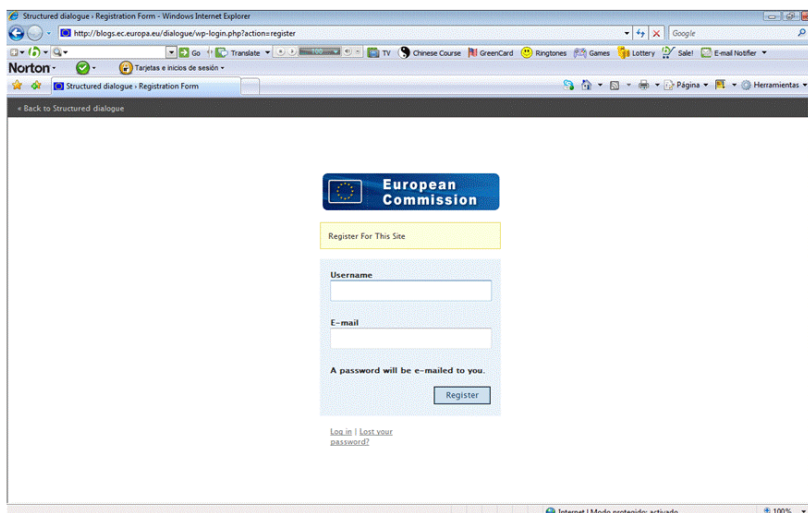


How to contribute to the discussions and post comments?

The **blog** (<http://blogs.ec.europa.eu/dialogue>) is the **interactive on-line tool** which allows for an exchange of ideas, experiences and best practices among stakeholders.



In order to use the blog **you will need to register (to create an account; see right column of the blog)**. Upon completion of the registration process, a password will be forwarded to your e-mail address.



Once registered, you will need to login in order to post comments and/or have access to the discussion pages (**under Recent Entries, duly classified by Working Groups**).

Should you require further assistance please contact: europaaid-CISOCH@ec.europa.eu