

THE CSO ENABLING ENVIRONMENT AND DISENABLING CSO FINANCING IN AFRICA

—VITALICE MEJA,
REALITY OF AID AFRICA

INTRODUCTION: THE CSO ENABLING ENVIRONMENT

The coming to fruition of the Global Partnership for Effective Development Co-operation (GPDEC), adopted at the Fourth High Level Forum on Aid Effectiveness at Busan, South Korea, in December 2011, ushered in a new dawn for civil society organisations (CSOs) across the world. While for many, it marked the beginning of CSOs being anchored in the official development co-operation agenda, for others, it provided an impetus for CSOs to demand accountability over the creation of an enabling environment for CSOs. For some, the expectation of working closely with their governments to create an enabling environment was a motivation to engage with the process.

Paragraph 22 of the GPDEC¹ reads as follows:

Civil society organisations (CSOs) play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation. They also provide services in areas that are complementary to those provided by states. Recognising this, we will:

- a) Implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment,
-

consistent with agreed international rights, that maximises the contributions of CSOs to development.

b) Encourage CSOs to implement practices that strengthen their accountability and their contribution to development effectiveness, guided by the Istanbul Principles and the International Framework for CSO Development Effectiveness.

Indicator 2 on the Busan agreement states:

Civil society operates within an environment that maximises its engagement in and contribution to development.²

Over three years since its inception, the implementation of paragraph 22 remains a work in progress. Efforts are in earnest to finalise how Indicator 2 will be monitored, while the Task Team on CSO Development Effectiveness and Enabling Environment, comprised of representatives of donor agencies, global south governments and civil society networks, including CIVICUS,³ has planned to roll out a voluntary initiative for developing guidelines on creating and improving an enabling environment for CSOs at the national level. These areas of work focus largely on addressing the challenges faced by CSOs in the legal, regulatory and financing environment, and challenges with the policy spaces for CSO engagement.

AFRICAN CSO FINANCING CHALLENGES

For many CSOs in Sub-Saharan Africa,⁴ CSO financing is one of the key enabling issues that needs to be addressed. African CSOs get much of their financial support from official development partners and CSOs in countries in other regions.

In recent years, there has been much focus on the financing of CSOs in Africa. This can be attributed to the following factors: first, many official development partners have chosen to use CSOs to implement their programmes due to poor governance in the public sector; second, as several countries in Africa have graduated into being classed as middle income countries, the magnitude of official development assistance (ODA) is reducing and CSOs are seen as viable structures to manage the smaller amounts of funds being committed to such countries; and finally, CSOs remain the stakeholders that offer the largest network outreach to grassroots communities, where development investments are largely needed.

Of late, governments in Africa have paid considerable interest to CSO funding. Issues of CSO transparency and accountability are often bundled around this to hide the true intentions of governments. When governments raise this issue, their main objective is usually to curtail resource flows to CSOs through legal and regulatory requirements. In some cases, as detailed elsewhere in the CIVICUS State of Civil Society Report,

For many CSOs in Sub-Saharan Africa, CSO financing is one of the key enabling issues that needs to be addressed.

CSOs in most African countries do not receive government funding. Governments do not provide subsidies to CSOs even when they have managed to achieve statutory status.

there are also incidences of physical intimidation of CSO personnel, arbitrary arrests and association with terrorist acts. Here again the objective is to curtail the initiatives of those organisations that work in defence of human rights and to promote good governance.

Aside from these common challenges faced by CSOs in Africa, new forms of impediments have emerged from the funders of CSOs that, if they are not addressed, could undermine the hitherto strong partnership that has existed between African CSOs and their development partners. The deterioration of this partnership will particularly hamper the delivery of services and achievement of development outcomes at the grass-roots level.

CSOs in most African countries do not receive government funding. Governments do not provide subsidies to CSOs even when they have managed to achieve statutory status. Closer analysis of the legal and regulatory frameworks for CSOs in most African countries reveals that there is no legal, policy and institutional framework for financially supporting the initiatives of CSOs. Individual CSOs are left to raise their own resources when attempting to build partnerships with governments.

In other instances, governments are overtly hostile towards CSOs, with accusations ranging from CSOs being ineffective or fake organisations that only exist to tap into donor money, to questioning of the legitimacy of CSOs with regard to representation of the population. CSOs are also seen as being too political and accused of siding with opposition parties on developmental and human rights issues.

There is thus a high dependence of African CSOs on donor funding: some estimates that over 90% of CSOs, in some countries, are largely dependent on donor funding. Donor support to African CSOs is in line with international trends, in that funding currently goes beyond service provision, to also focus on advocacy and the role of civil society in improving governance. Support towards African CSOs has been one of donors' key measures to deepen democratic ownership, increase domestic accountability and improve governance.

While Africa CSOs are under enormous pressure to deliver on behalf of their development partners, response to meet the core needs of African CSO is very limited and slow. There are many challenges, including offices, equipment, staff, transport and working conditions, that are responded to by very few donors. Donor policy on civil society and aid modalities are seen by some groups as rigid, uninformed and sometimes misplaced. They largely seem to fail to recognise the dynamism and heterogeneity that exist among African CSOs.

DECLINING FUNDING AND ITS CONSEQUENCES

Increasingly, funding support to African CSOs is dwindling, with African CSOs having to cut their budgets and let staff go. Most support given covers programme costs, with little support towards core costs and overheads. This funding framework has pushed

many African CSO to a state of desperation. Organisations have had to make internal arrangements with staff for them to work on short time or on a part-time basis. Should this become a permanent feature of CSO life, it has the potential to create unsustainable contractual obligations, which will only increase the attrition of African CSOs and reduce their capacity to deliver services to those who need them most. Further, the current situation has created staff uncertainty within CSOs. A change in the employment relationship, from one of permanent employment to the casualisation of labour, has meant that employment benefits have been curtailed, such as labour and pension benefits. Staff in CSOs can thus experience greater stress levels, as they are no longer able to make long term domestic financial arrangements.

As desperation picks up, African CSOs are increasingly turning to governments and donor agencies to win short term implementation contracts to facilitate their survival. CSOs contracted by government departments and donor agencies have little or no input in the outputs and expected outcomes. One result is growing criticism from unfriendly governments towards organisations that do contract work for foreign governments and agencies, calling into question the credibility of CSOs.

The various sources of funding for programmes and projects in Africa apply strict criteria for identifying recipients. In most cases, many documents have to be completed and compiled before even the shortlisting stage for funding is reached, and these are tedious, lengthy and not user-friendly, taking considerable time away from programme implementation. Many CSOs do not have access to state-of-the-art computers and software. In some cases the documents are not clear and are not accompanied by user notes, which discourages

many applicants. Lengthy application forms are a challenge to most CSOs, and particularly to community based organisations (CBOs), which have lesser capacity and resources and are often based at a great physical distance from donor offices. Compliance issues, such as submitting reports on time, and completing lengthy reporting forms, offer challenges to most. Funding criteria are often against organisations that are not already funded, and are not generating income, and easier for organisations that already have funds. Larger and well connected CSOs are favoured over smaller organisations. Further, compliance with national level revenue authority requirements are often complex and time consuming, and require very strict reporting conditions. This is particularly a problem when donors require that CSOs comply with national auditing provisions in the terms of their grant-making contracts.

CSOs often do not receive sufficient funding to deliver a programme, or funding is exhausted before programmes are completed. Often, their funders cut budget allocations, with little consultation with their partners. This can probably be associated with budget cuts donors are experiencing, or a move to mitigate risks on the part of the donor. African CSOs are thus not able to expand their services or their outreach. In some cases, CSOs in Africa are forced to down-size their operations, make staff redundant, merge with like-minded organisations, or change their focus or mission.

African CSOs are expected to be sustainable, and yet they are not allowed by most donors to retain surpluses for the future after project completion.

Increasingly, funding support to African CSOs is dwindling, with African CSOs having to cut their budgets and let staff go.

African CSOs are expected to be sustainable, and yet they are not allowed by most donors to retain surpluses for the future after project completion.

Generally, funds must either be returned, or considered part of the future support to the organisation. African CSOs are also not able to retain staff, with staff turnover being driven by poor remuneration. Most experienced staff are poached by governments or International CSOs.

African CSOs can also experience delays in project implementation due to late payments by donors, which causes cash flow problems. A lack of timely communication regarding donors' system of disbursing funds, and adherence to contract conditions, undermines the credibility of partnerships.

CONCLUSION

For funding to be effective, development partners would need to apply greater flexibility in their funding instruments, while still maintaining fiduciary require-

ments. Donors need to reduce bureaucracy in grant management and make grant application processes easier and accessible to more CSOs. At the same time, there is a need for CSO policy space and leadership in determining priority areas and projects. For sustainable engagement with CSOs in policy dialogue, donors will need to consider increasing their funding towards lobbying and advocacy initiatives. Other important areas to support include capacity building, information exchange and organisational development.

Consistent funding from a reliable donor can go a long way in sustaining CSOs in Africa for longer periods of time, enabling them to deliver better services to more beneficiaries. Rational, coherent and sustained forms of funding, that offer constant monitoring and support, and that are multi-year in scope, would go a long way towards ensuring the sustainability of African CSOs.

1 Agreement of the Fourth High Level Forum on Aid Effectiveness, Busan, South Korea, 1 December 2011, http://effectivecooperation.org/files/OUT-COME_DOCUMENT_-_FINAL_EN.pdf.

2 Proposed Indicators, Targets and Process for Global Monitoring, 2012, <http://effectivecooperation.org/files/Indicators%20Targets%20and%20Process%20for%20Global%20Monitoring/>

Indicators_targets_and_process_for_global_monitoring.pdf.

3 For more information see <http://task-teamcso.com>.

4 The focus of this contribution is on CSOs in Sub-Saharan Africa, which for shorthand here is referred to as Africa.