

**McLeod Group:**  
**Comment for the DFATD Civil Society Partnership e-consultation**  
**July, 2014**

We are pleased to offer comments from the McLeod Group on the government's draft policy entitled 'Civil Society Partnership', which sets out the government's initial thinking on working with civil society organizations. We welcome this e-consultation and hope that all the inputs will be published in full on your website. We suggest that you hold a more interactive roundtable-style consultation around an interim revised version before finalizing it. We would be happy to participate in such a meeting.

We believe that the draft policy, which seeks to align with the multi-stakeholder agreements on aid effectiveness negotiated at Accra and Busan, offers a good beginning. However it is essential to now fill out the details, including important operational guidelines. We welcome the broad definition of CSOs presented, including actors in Canada, such as farmers and professional associations and independent research institutes/think-tanks. The framework also rightly recognizes the importance of local (developing country) CSOs.

The framework will be quickly tested as the international community moves to implement the UN'S Post-2015 Agenda, currently under final negotiations. The Agenda will have as its central goal the elimination of extreme poverty by 2030. Importantly, the Agenda will apply to all countries, regardless of their development status, and the implications for Canada should be addressed in the revisions to the paper. For example, the paper does not consider the role of Canadian civil society in achieving 'quality secondary education for all', or contributing to environmental sustainability.

The emerging consensus is that effective implementation will require an enabling environment for CSOs in Canada and overseas that recognises them as development actors in their own right, complementing the work of governments and the private sector. Under this framework the Canadian government, notably DFATD, will need to rebuild a partnership with CSOs that has been neglected and uncertain in recent years.

Democratic space—legitimizing and valuing the ability of citizens to organize and act to meet their own or the public interest—is a critical dimension in any society and should be enhanced in all countries, including Canada, as a factor leading to more effective development. For a country such as Canada that prides itself on its focus on democracy, this has to be a key principle. It needs a strong place in the reworked CSO policy document. Regrettably, such openness has not been the recent reality in Canada. It is also increasingly problematic in some developing countries where a future role for Canada (and like-minded donors) could be to work with recipients to create and enlarge that essential democratic space.

We are pleased to see the indications of support for civil society organizations based in the Global South. These need to be explicit under the revised version of the DFATD CSO policy framework. Southern CSOs are key actors, alone or in partnerships with Canadian CSOs, in contributing to good governance and democratic development. They play an important role in poverty reduction, often in partnership with their own governments. They also represent critical local voices in promoting the rights of marginalized groups. They can and do promote gender equality and women's rights, which are a key factor in development.

Canadian civil society organizations—from professional organizations and domestic interest groups to small and large international cooperation NGOs—have built solid relationships with their Southern counterparts for decades. It is more important than ever for the Canadian government to support them as its partners in the implementation of the Post-2015 Agenda. This work will be often carried out in partnership with Southern CSOs. The revised CSO policy framework should ensure that Canadian CSOs can and do play a role in informing and engaging the Canadian public on the development issues that affect us in our increasingly interconnected world.

Given this strong rationale for including civil society in development cooperation, we note three areas of special concern where the draft CSO policy should be strengthened through the inclusion of more specific implementation arrangements if the policy's goals are to be achieved.

## **1. Re-establish confidence between DFATD and development NGOs in Canada**

DFATD funding should be understood as an investment in the contribution that CSOs, both Canadian and Southern, can make to poverty reduction. It should be based on a partnership model, with mutual respect for the complementarity between the roles of government and civil society and the autonomy of each party. To make such a partnership viable, any new DFATD funding for civil society organizations needs to be based on transparent criteria and decision-making. It needs to be consistent, predictable and reliable, so as not to damage the very organizations it seeks to support.

This has not been the case in recent years. Until the Minister of International Development's announcement of competitive funding for a handful of volunteer senders and youth internships in May, there had been no competitive funds made available for three years. In addition, Canadian NGOs have been subjected to major increases in report-writing and record keeping, some have undergone burdensome forensic audits, and others have been publicly castigated by elected officials when their programs did not precisely align with specific government positions. In addition, some NGOs have been told that if their program partners do not align with the government's current geographic or thematic priorities, they will not be funded. This ignores the role

of CSOs as development actors in their own right, and weakens their capacity for innovation and their ability to respond to important needs. We expect new, more open programming ground-rules in the revised CSO policy

Many of these regulatory and contractual requirements of recent years have added to operating costs, with no significant benefits for aid effectiveness. They often impede the timeliness and predictability of important programs for the poor and vulnerable, making Canadian NGOs less attractive as development partners.

As part of its policy review, the government should look at established programming modalities of like-minded donors. There are many examples of competition-based funding mechanisms that would meet criteria for effectiveness, reliability and transparency. Dutch FLOW grants, DFID/UK's thematic grants, CIDA's former local gender funds, for example, could serve as a model. An essential element would be a renewal of the responsive program, which recognized CSOs as development actors in their own right and put into practice the partnership principle. In the spirit of partnership, but also seeking out greater effectiveness, programmatic/thematic approaches are preferable to individual project proposal calls and should be highlighted in the revised policy text. The draft policy is silent on whether the government proposes to invest in Canadian CSOs, Southern CSOs, or Southern CSOs through their partnerships with Canadian CSOs. In our view, all of these modalities remain valid, and the capacity of Southern CSOs to contribute significantly to poverty reduction has grown substantially in recent decades.

We were pleased to see the Minister's decision to launch a process to fund volunteer sending and interns. It was an important confidence-building measure for a handful of members of the Canadian CSO community. However this type of support, although very visible, does not represent the mainstream of Canadian CSO activities. Only a very few Canadian NGOs have the expertise to send volunteers. Also some countries have no interest in this approach. The revised CSO policy paper in its guidance to DFATD staff will need to encourage distinct programming modalities that can respond to the diversity of experience and skills among Canadian NGOs.

Canada's civil society organizations active in international cooperation fall into a number of distinct categories, and use a range of programming approaches. The policy needs to offer guidance as to which ones will receive DFATD support and why. For example, of Canada's 2,361 charities active in international development and poverty reduction, 57% have development as their primary focus (more than half of their activities). Among all these charities, two percent have budgets of over \$10 million and account for 73% of revenue for international cooperation. The vast majority—88%—has an annual budget of less than \$1 million.

An area of specialization where special guidance is required in the next policy draft relates to the handful of NGOs that are capable of responding to humanitarian

emergencies. An important area for the revised policy will be to indicate clearly how the government proposes to address its funding relationship with these NGOs.

In the past, CIDA's funding policies have often favoured a proliferation of small NGOs. The merits and the implications of this need to be considered in light of the main purpose of the aid budget—reducing poverty—rather than for any domestic costs and benefits. Canada's practice in this regard differs from its American and European counterparts, which have tended to support fewer larger NGOs, grouped in different ways in different countries to gain economies of scale and increase impact. The policy should clarify which kinds of organizations or strategies, if any, will be given priority, and why.

**Recommendation: That DFATD re-establish confidence with Canadian development NGOs based upon partnership and develop a strategic framework for funding that is clear, transparent and reliable.**

## **2. Support civil society engagement in learning and policy advocacy, as well as overseas program delivery.**

The role of civil society organizations is not simply to deliver development programs overseas; it is also to learn about what is effective and what is not, and what further changes might be needed—including policy changes and changes in modalities for civil society, for government and for the private sector—for greater impact in reducing poverty. Civil society organizations strengthen the social fabric and support the capacity of disadvantaged groups to have their voices heard. The draft policy document describes these different roles. When approved, the policy should encourage DFATD to play an important role in supporting both Canadian and Southern CSOs to participate in international fora, as well as providing regular opportunities for exchange of learning and policy dialogue. As well as being open to discussing with civil society organizations what has been learned, government funding should include a contribution to monitoring, evaluation, policy dialogue and policy capacity.

**Recommendation: That DFATD commit to policy dialogue with CSOs, including sharing lessons learned, and offer financial support for policy capacity development for development cooperation NGOs.**

## **3. Informing and Engaging Canadians**

The revised CSO policy document should set out an approach for raising public awareness in Canada of the challenges of and need for development cooperation. It will be an opportunity to make up for the lack of Canadian awareness of the importance and

the implications of global poverty and the risks it poses for Canada, as well as for poor and fragile states. While the former CIDA funded development awareness/development education initiatives across Canada, there has been lamentably little effort to address this gap through, for example, integrating development education into school curricula and teacher education, or in the media or professions. Canada's British and northern European counterparts offer examples of how this could be done.

DFATD support for CSOs to involve local communities in development cooperation issues has also shrunk significantly. Best practices in these areas, drawn from Canadian successes and comparable European donors and adapted to Canadian realities, should be built into the revised CSO policy.

**Recommendation: That DFATD support awareness building programs across Canada regarding the implications of global poverty for this country and the importance of poverty reduction.**

*The McLeod Group is made up of professionals with many years of experience in government, civil society and academia, working across the fields of international development, diplomacy and foreign policy. We work with others who value human rights, inclusion, equality and sustainable development to advance Canadian policy and action in international cooperation and foreign affairs.*

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