Norad

# Support Models for CSOs at Country Level

Ethiopia Country Report

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Scanteam
Analysts and Advisers

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**Project:**  Support Models for CSOs at Country Level

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## Foreword to the country reports

This report on country level support modalities to civil society is one of a total of six similar studies conducted in Bangladesh, Ethiopia, Guatemala, Tanzania, Zambia and Zimbabwe between April and July 2007.

The study was carried out by Scanteam, a Norwegian consulting company, on behalf of a donor group consisting of Canada, Finland, Ireland, Sweden, the UK and Norway. The findings were later elaborated and merged into a synthesis report, describing general trends and challenges in current direct support to Civil Society Organisations in the South, through various modalities. The synthesis report is published together with the country studies.

Specific views and arguments in this report are attributed to Scanteam and not to the donors.

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# Acronyms and Abbreviations

| | |
|---|---|
| CAD | Canadian Dollar |
| CBO | Community Based Organisation |
| CIDA | Canadian International Development Agency |
| CSF | Civil Society Fund (EC) |
| CSO | Civil Society Organisation |
| CSSP | (Multi-Donor) Civil Society Support Programme |
| DAG | Development (Donor) Assistance Group |
| EC | European Commission |
| EUR | Euro |
| GOE | Government of Ethiopia |
| MCB | Ministry of Capacity Building |
| NGO | Non-Governmental Organisation |
| PBS | Protecting Basic Services (World Bank project) |
| SDPRP | Sustainable Development and Poverty Reduction Programme |
| SG | Sub Grantee/s (Sweden) |
| SUO | Specialised Umbrella Organisation (Sweden) |
| UCSO | Union of Civil Society Organisations |
| UNDP | United Nations Development Programme |
| USD | United States Dollar |

# 1 Background and Introduction

Norad, Norway's Development Cooperation Agency, contracted Scanteam on behalf of "Nordic+" donors Canada, Finland, Ireland, Norway, Sweden and the UK, to review the experiences in six countries of different models for supporting civil society.

The *purpose* is to contribute to the development of a strategic policy framework for Nordic+ support to a vibrant, pluralistic and democratic civil society. The *aim* is to identify and analyze different support models, while the *objectives* are to (i) review possibilities for improving direct support to NGOs/CSOs through country level support models; (ii) shed light on constraints and possibilities of different types of support models, and (iii) increase outreach to a wider range of civil society organisations and reduce transaction costs.

This Country Study Report on Ethiopia is thus one of the six separate studies that will form the empirical foundations for the overall report.

## 1.1 Study Coverage and Methodology

The methodology applied for the country studies is described in the overall Synthesis Report for this study. There the final summary of quantitative trends in the selection of support models and some of the key features will also be presented.

Some of the main issues concerning the data collection are the following:

- Methodology used in the field studies include in-depth interviews with key donor personnel and CSOs. Those with first hand knowledge of the support models in question were prioritised. For this reason, few government representatives have been interviewed. Questionnaires were sent out by email, and a follow-up survey was distributed after the drafting of the country reports. In addition there have been meetings for debriefing at the end of the field work as well as seminars and focus group discussions held. Emerging findings were presented and commented on at the final debriefing and comments included in the country report. The study team (minus national consultants) have conducted three internal workshops during the study to discuss methodology and findings.

- An important part of this study is to review and further develop terminology and categorization of support to civil society. The data collection instruments have been simplified and adapted as the study progressed. Comprehensive questionnaires and Conversation guides were developed prior to the field work, based on a desk study of key documents. The existing categories of support models were not sufficiently clear. Terminology has been further developed during the course of this study. Based on lessons learned in the field and the need for simplification and reduction in scope, a final matrix with a few key features linked to civil society support models was sent out to the Nordic+ embassies in the six countries. The response rate from the embassies to the quantitative part of the data collection has been low for all countries involved.

- This study only looked at support models at country level and does not include funding of NGOs/CSOs from the donor head offices. Nor did it cover funding which is channelled through international NGOs (INGOs), unless the Embassy used an INGO locally as an intermediary channel.

- Furthermore, the study did not attempt to measure the effectiveness of the CSOs in relation to the chosen support model – that is, it did not look at results at community or target group level. The assessment of the quality and impact of the respective support models relied on information from CSO staff and donors.

- Finally, the CSO perspectives included in the study is limited to the organisations receiving support from Nordic+ countries, since the main focus is on experiences with the different support models. The scope of the study did not allow for a comprehensive analysis of the CSO community at large and the views of those not receiving Nordic+ funding.

- The donor perspective on support models is dominant in all country studies as per the Terms of Reference and early meetings with the Nordic+ donor group in Oslo. There are a number of other studies dealing with the CSO perspective on civil society ⇔ donor relations in general[1], but the team agrees with comments received to the draft reports that the study would have benefited from with a more thorough analysis of the CSO perspectives on the different support models[2].

## 1.2 Acknowledgements and Disclaimer

The Country Study of Ethiopia was implemented in a somewhat different manner than in the other case study countries. Ethiopia was included at the last minute as a substitute for another country where the conditions for carrying out field work had deteriorated and thus had to be excluded. At such short notice, none of the Nordic+ embassies felt they had the capacity to take on the role of Focal Donor. Instead the Development (Donor) Assistance Group (DAG) Secretariat in UNDP was asked and agreed to take on this task, for which the team is extremely grateful: without the assistance of the DAG Secretariat this study would not have been possible.

Given this assistance, the consultants managed to meet with all Nordic+ embassies or aid missions and other key donors. They all provided requested information and supported this study by commenting on earlier versions of the report. The team also met with a limited number of CSOs, who gave generously of their time. Most key staff in government who had worked with CSO issues had recently changed and new staff were not yet available, though some meetings were held with Government officials (Annex D provides a list of persons met). Throughout the study period, informants gave generously of their time, for which the team is sincerely appreciative.

This report and its findings are the responsibility of the consultants, and do not necessarily reflect the views of the embassies, CSOs, public officials or other informants met. Care has been taken to try to address mistakes and misunderstandings during the finalization process, but there presumably are remaining errors as well as divergent points of view, for which the team asks the reader's indulgence.

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[1] See synthesis report for further discussion and references.

[2] CSOs interviewed were asked about their views on support models, but in general their responses were of a more general character than directly linked to the comparative strengths and weaknesses of the different models.

# 2 Civil Society in the National Context

The Government of Ethiopia (GOE) in its *Sustainable Development and Poverty Reduction Programme* (SDPRP - Ministry of Finance and Economic Development, July 2002) states that the process of democratisation in Ethiopia principally involves turning the formal provisions of the Constitution into reality, and that the government should *"make unstinting efforts to promote a democratic culture and ensure the ascendancy of the democratic ideas and principles enshrined in the [Ethiopian] constitution."*

## 2.1 The Legal Framework

The existing legal framework for Associations has been in place since the 1960s. It is now considered as too general and not relevant for currently emerging CSOs such as networks, unions and even NGOs and organizations with specialized operations. More modern CSO/NGO legislation was expected to be enacted during the 2006/07 Parliamentary session, but the Union of Civil Society Organizations (UCSO) believes that the processing will not be finalized as expected. There is thus an absence of an appropriate legislative framework for the establishment, registration and functioning of the diverse set of CSOs operating in the country, which seems to have contributed to the considerable distrust and suspicion between Government and autonomous CSOs and NGOs.

### 2.1.1 The Registry Process

The Ministry of Justice has set up a special unit within its structure known as *Office of Registration for Associations* for the formal registry of CSOs. This office accepts applications from all types of associations like civic associations, development associations, faith based associations, including international NGOs that participate in the development process of the country. This Office, after a thorough review of the formal application, memorandum of association and areas of their engagement, will issue a certificate of registration that is valid for three years. Once registered, CSOs have to undergo a tedious process of signing operational agreements with government sectoral offices at the Federal and regional levels upon submitting their program proposals. At the end of the third year, CSOs again submit applications to the office of registration for renewal of their certificate that requires a track record of regular submission of Annual Activities and Audit reports as well as minutes of General Assembly. The same tedious process of signing the operational agreement must be repeated with sectoral government offices located in different places. Despite repeated requests by CSO networks and unions, the Office of Registration has not simplified the process or made it any faster .

### 2.1.2 The CSO Code of Conduct

More than 165 organisations have signed an "NGO Code of Conduct", to improve public confidence in the sector. The Code states some operating principles for NGOs and has an observance Committee to ensure compliance. UCSO believes it only covers NGOs, however, and may not cover all CSOs when it comes to issues of integrity of civic associations and regulating relationships between them. For that reason UCSO is preparing a CSO Code of Conduct to be discussed by its participating members.

## 2.2 CSOs' Participation in Ethiopia's Development Process

The main characteristic of civil society in Ethiopia is that there are several well qualified CSOs that traditionally worked well on service delivery with broad donor support and in close cooperation with Government. Before the 2005 elections, government policy documents ascribed an important role to CSOs in the democratic development of the country and gave CSOs both legitimacy and space to be an active player on issues related to strengthening of democracy and the role of CSOs to promote and safeguard this. With the 2005 elections and the development thereafter, this favorable environment has changed. Government has shown an attitude of skepticism and direct hostility to CSOs involved in advocacy and promotion of sensitive political issues. At the same time, Government does not have a clear policy on civil society development, and the legal framework for CSOs to operate is missing.

The SDPRP sets out goals for reducing poverty, strengthening democracy and accountable governance, as well as building a self-sustaining economy. One of the main implementation strategies for achieving these goals includes the transformation of the development process from one monopolised by government towards one involving a sharing of responsibility between government and other actors (SDPRP, p. 85). Specifically, the SDPRP anticipates that, within a shared vision for Ethiopia, government will develop new forms of partnership that will create new opportunities for and place new demands on all development actors, including those within civil society.

### 2.2.1 CSOs and their Role in Service Delivery

Given the long history of CSO involvement in welfare and social and economic development activities, the SDPRP is explicit about the roles envisaged for civil society in overseeing and monitoring the quality of services delivered by the state, as well as the direct service delivery by CSOs.

Specific roles foreseen for civil society in managing public services include participating as water users' groups, school management committees, health management boards, women's and pastoralists' associations and school anti-AIDS clubs. In direct service delivery, the SDPRP specifically acknowledges NGOs as important development partners that are *"already involved in the core poverty oriented sectors – agriculture, health, education, water, rural roads and other development activities. The Government will facilitate so that these experiences and resources are brought in and coordinated within the SDPRP framework"*(SDPRP, p. ix).

The roles and responsibilities of civil society regarding service delivery are seen to include:

- In different sectors, CSO resources and programmes should be coordinated and harmonised with government programmes within the framework provided by the SDPRP;

- As the SDPRP is rolled out, there is equal emphasis on civil society's role in monitoring standards in the quality of services and their real impact on welfare outcomes, as on monitoring the availability of services;

- Communities will be involved in identifying priorities for services, as well as in delivering and sustaining them.

### 2.2.2 CSOs and their Role in Advocacy

Government has a less positive attitude to CSO work in advocacy than in service delivery. Nevertheless, recent experience reveals that there is a growing tendency of CSOs in Ethiopia gradually shifting from the traditional service delivery practice to finding more opportunities for advocacy. This interest was not just among the better-established CSOs in Addis Ababa but also in the regions, where Ethiopian NGOs, self-help groups and *iddir* unions are increasingly concerned to advocate on sectoral issues of concern to their members and broader development policy. Today it is becoming common to see CSOs involved in advocating for children's' rights, women's rights, consumer rights, etc.

Moreover, CSOs have come to learn that advocacy means effective policy engagement. This is not only about having the 'right' message but it is also about how they position themselves in relation to government, and about the need to form strategic alliances and identify favourable entry points for dialogue. In some cases, productive dialogue between CSOs and government agencies have begun taking place.

## 2.3 Capacities of CSOs in playing their Roles

There is a common impression amongst those interviewed that CSOs do not have sufficient knowledge about the SDPRP and the roles provided to CSOs there, as well as capacity, to fulfil their service delivery and advocacy roles and responsibilities.

Regarding direct service delivery, CSOs need to be able to demonstrate that they are competent in terms of efficiency, effectiveness, accountability, transparency, and sustainability. Whereas in relation to providing oversight of and monitoring the quality and impact of government services, civil society needs to understand and address issues of cost-effectiveness, inter-agency coordination, resource mobilisation and cost sharing, service quality, and sustainability. In this regard, civil society has a key role in encouraging responsiveness, transparency and accountability by government agencies.

In relation to advocacy, CSOs identified several areas where they lack capacity, such as skills in developing evidence-based arguments, identifying effective dissemination methods for the findings of research and analysis, building alliances with government and non-governmental actors, identifying the incentives for government to consider policy changes.

In response to the capacity requirements of CSOs, the SDPRP notes that promoting the role of civil society in democratisation will "*depend on strengthening the capacity of communities and civil society groups to federate and more effectively take advantage of the opportunities for voice that decentralisation afford.*" (SDPRP, p. iv).

Thus, the SDPRP clearly identifies the ability of citizens to exercise constitutional rights as a key dimension of poverty reduction, and suggests that strengthening 'voice', by building stronger coalitions of CSO interest, is a means for citizens to do this more effectively. Towards that end, the Ministry of Capacity Building (MCB) in 2004 formulated the "Civil Society Organisations' Capacity Building Programme". This addressed CSO roles and capacities in democratisation, service delivery and decentralisation. There were three sub-programmes: 1 Creating an Enabling Institutional Environment, 2. Building Partnership Between Government and CSOs and 3 Building Civil Society Capacity.

The MCB has transferred the identified capacity building interventions for CSOs to three sectoral ministries for implementation. Capacity development of CSOs working on women issues will be undertaken by Ministry of Women Affairs, those associated with youth issues by Ministry of Youth Affairs, while the remainder will be handled by the Ministry of Justice.

However, even though these three ministries were identified from the beginning and participated in MCB CSO capacity building planning, there is no obvious progress as of yet.

## 2.4    Challenges to Strengthening CSOs

The need for the enactment of a legal framework that enables CSOs formation, registration and functioning is urgent. Towards that end UCSO has repeatedly appealed to GOE to begin a dialogue with CSOs to allow them to contribute to the development of relevant legislation, though so far this has not happened.

### 2.4.1  CSOs Participation in the Development Process

In the SDPRP, GOE has identified civil society as an important development partner and instrumental in the development process, yet there are no clearly assigned roles and responsibilities for CSO participation in the process. This is especially true regarding roles regarding human rights and related issues such as the provision of civic education and voters' education as well as status on observing election processes. The general impression by many informants is that GOE views on CSOs tend to be that:

- Constituency based CSOs have a higher legitimacy to operate as representatives of civil society,
- CSOs should not advocate the interests of political groupings; and
- The primary role of CSOs is to be engaged in traditional gap filling in service delivery.

At the same time, however, CSOs do not have clear legislative and regulatory guidelines regarding their role and possibilities to engage in local resource or income generation through various alternative resource mobilization means.

### 2.4.2  CSO Capacity

The CSO sector is young and institutionally nascent despite the enormous role it is expected to play in the country's development process, as specified in the SDPRP. Thus the sector needs considerable capacity development support to play its roles in the process of democratization, decentralization, advocacy, and service delivery. While donors and other groups have provided considerable training and other technical support, there are still major gaps in organizational competence that need urgent attention among many CSOs.

The MCB, using the SDPRP as its guiding framework, therefore designed the capacity development for CSOs around three sub-programmes:

A.  Creating an enabling environment for CSOs, which addresses reforms in the legal and regulatory framework for CSOs;

B.  Building partnership between government and CSOs through creating a legal body, jointly governed by government and civil society, to oversee the programme as a whole and to promote capacity development within civil society;

C.  Building CSO capacity through addressing issues of governance, development performance, advocacy and the ability to form coalitions and federations.

# 3 Support Models in Ethiopia

Annex B gives a summary overview of donors' support models to civil society in Ethiopia. Below is a summary overview of the Nordic+ existing support models.

## 3.1 Canada

Canada's total envelope for CSOs managed by the CIDA Mission in Ethiopia is on average USD 1.8 million (CAD 2 million) per year. The support models are direct core and project funding as well as joint funding.

In its support to civil society, Canada's first priority is CSOs working with advocacy, though some support is also given to service delivery CSOs. The support includes core funding, specific projects, capacity building and some non-financial technical assistance. CIDA wishes to provide more core funding, and does so when they have developed trust in a CSO. Core funding is also less time demanding for the limited mission staff.

As a basis for their cooperation, Canada ascribes much importance to country strategies such as the SDPRP, where some project cooperation is the result of this. In areas of food security and poverty reduction CIDA wishes to see linkage between the CSO supported and relevant Government programmes or institutions. In addition, much of the support is the result of inter-donor arrangements leading to joint consortium funding.

Canada has some strategic areas for cooperation such as (i) food security, (ii) gender, (iii) environment, and (iv) governance and democracy, so CSOs working in these areas are more eligible for support. In practice criteria for support include past track record on management and assessed competence to deliver as well as the relevance of suggested projects to CIDA priorities.

CIDA funding to civil society has increased over the last years, and the scope of CSOs being supported has increased and become more diversified. There has been a shift from focus on Canadian NGOs to local CSOs in Ethiopia.

The bulk of Canadian funding goes to ten CSOs, of which seven are NGOs and three community-based organisations (CBOs). Four of these receive core funding, and the remaining six project funding. Six of these CSOs work on advocacy and policy, two on service delivery and one on poverty monitoring. Within advocacy, some of the CSOs work on access to justice and human rights. The CSOs are all based in the capital. Of the NGOs, two are networks.

CIDA emphasises that in supporting civil society, it is important to diversify both regarding CSO to cooperate with and the support modalities that are applied.

## 3.2 Finland

Finland's support to CSOs is through the Local Cooperation Fund. The budget for the Fund increased from USD 812,000 in 2005 to USD 1.1 million in 2007. 27 CSOs received funding in 2006. The financing is allocated by Finland's Ministry of Foreign Affairs and administered by the Embassy as direct funding. On average, the Embassy received more than 200 applications annually.

Financing is not for core funding but only to projects and capacity building of the CSO and/or project beneficiaries. The criteria for selecting CSOs are (i) registered for at least two years, (ii) work within thematic areas (human rights, democracy and gender, environment, education, vulnerable groups, marginalised groups, culture), and (iii) cannot be an international NGO. Most of these themes are in line with the SDPRP and supports the objectives of Finland's development co-operation policy. In education and environment the Fund complements Finnish bilateral cooperation support. The Fund only works with indigenous NGOs and not with CBOs.

## 3.3  Ireland

Ireland supports 15 CSOs, all of which are NGOs, with funding in 2007 being about EUR 4.7 million. Eight of the NGOs are service providers in health and HIV/Aids, rural development, microfinance, and environment. Four NGOs work on advocacy in human rights, gender, and poverty monitoring, while four work on capacity building and knowledge management. Some of these are also NGO networks. A key selection criterion is that NGO activities are in line with Ireland's Country Strategy paper for Ethiopia.

Support to the NGOs includes both core funding and project funding, including capacity building. In addition the Embassy provides technical support by its own staff and hired consultants. This is considered an important element that may be increased.

The basic criteria for the Irish support are its own strategies for civil society support.

While funding has been stable over the last couple of years, there is an intention to increase work with NGO networks to widen coverage and impact, and to give more priority to advocacy and less to traditional service delivery. Ireland is also giving more priority to working more jointly, in a harmonized way, with other donors (consortium).

## 3.4  Norway

Norway provides about USD 10 million to CSOs, where assistance is channelled through Norwegian NGOs, multilateral institutions, or by the Embassy to Ethiopian CSOs. Norway has traditionally given project support to CSOs working with human rights, advocacy, democracy and good governance. Traditional service delivery is usually limited to short-term humanitarian support.

Norwegian funding to CSOs may be core funding, project or activity funding and capacity building. If a CSO proposal is acceptable, Norway is quite flexible as to the type of support and activities to be funded, but does not provide any non-financial support such as non-budgetary technical advice.

The basic criteria for support are Norwegian strategies and the Embassy's own guidelines, and that the proposal is not in contradiction to the SDPRP. Although Norway has little direct cooperation with government, the Embassy wants to ensure a linkage between the support to Government on food security and natural resource management, and the cooperation with CSOs in those fields.

There are different ways that the Embassy will identify CSOs eligible for support. Most CSOs approach the Embassy or are follow-up of existing cooperation. Others are identified by Norwegian NGOs or UN organisations working in Ethiopia.

Norway provides both direct and indirect funding, but the trend is towards more indirect support. Norway also works through joint funding with other donors (consortium) and is favourable to the efforts to establish a pooled fund.

The Embassy is now developing a "Strategic Partnership" modality with Norwegian NGOs that have experience and knowledge within a given thematic area. These will be asked to act as an intermediary for channelling support to CSOs and/or local government working within that field. These are longer term agreements that can be for as long as five years. There are now such agreements with three Norwegian NGOs, though support can also be channelled through international NGOs or networks of local Ethiopian NGOs to both government and civil society partners. The thematic areas are fields such as Democracy, Good Governance and Human Rights; Civic/Voter Education; Environment and Natural Resources Management; Rural Economic Development.

The way these Strategic Partner Organisations work at grassroots level varies. In some cases it is with established CSOs in other cases with more informal groups of beneficiaries promoted by the Strategic Partner CSO. Through this approach the Embassy has a wider outreach to various types of CSOs throughout the country.

## 3.5 Sweden

SIDA's support to CS in Ethiopia is through two distinct modalities:

- *Support to Human Rights and Democratic Development through the Civil Society.* SIDA provides direct support to eight CSOs working with human rights and democracy. In 2007 the amount was USD 1.1 million. Of these, five are NGOs and three are CBOs. These CSOs have received traditional direct support for core funding or projects from Sida for several years through a modality of donor-joint consortia. One additional organisation has retained a direct relationship with Norway and Sweden, the Inter Africa Group, which promotes humanitarian principles, peace and development in Ethiopia and the Horn of Africa.

- *Ethio-Swedish CSO/NGO Cooperation program.* In 2004 Sweden established this three year program with a total allocation of approximately USD 17.6 million. The Program follows an indirect support model. Nine NGOs were selected on a competitive basis to serve as Specialised Umbrella Organisations (SUO) to work in six thematic areas: (i) democracy and human rights, (ii) reproductive health, (iii) HIV/Aids, (iv) environment, (v) gender; and (vi) children's rights. The nine are major NGOs working nation wide. Their task is to administer funds allocated to them by Sida aimed at supporting Sub Grantees (SG), i.e. CSOs/CBOs applying for funding. A total of 155 CSOs currently receive funding. 43 of the SGs work in Addis Ababa and 131 in other regions in the country. It is estimated that some 85 % of the support is for service delivery and 15 % for advocacy. Several SGs work in more than one region (see Annex B for more details).

Of the allocation given to each of the SUOs, 75% of the amount is to be distributed to SGs. Of the remaining 25%, 13% may be used for capacity building of the SUO and/or the SG while

12% is for administrative cost for the SUO. The program also has a small funding mechanism, amounting to SEK 5 million, for funding of CSOs working with innovative approaches within the themes where the programme is working.

No other donors are involved in this programme, but it inspired a one-year preparation of setting up a joint-funding mechanism for CSOs by UNDP, that recently had to be aborted and taken over by bilateral donors. (See section 3.10.2). A mid-term review found the programme to be relevant and that had produced many positive results. The programme is going to be evaluated in the second half of 2007 to determine whether this pilot modality is worth continuing on a longer term basis.

## 3.6  United Kingdom

UK assistance to CSOs has been through its own Partnership Fund. This was established to support areas of building demand for state accountability through strengthening civil society, monitoring progress towards state accountability and responsiveness. Since 2004, four areas were designated as priority areas: (i) supporting governance related projects through building civil society capacity, (ii) building capacity of local government, (iii) human rights, and (iv) media-government relations. Most grants were within a ceiling of USD 60,000, though some did reach about USD 100,000. Although the grants are based on proposals, the Fund was open to applications from interested CSOs, though it has been closed for new applicants since March 2006. It is currently supporting five organisations through core funding.

It is expected that the Partnership Fund will be phased out in December 2007 as the UK intends to shift its support to the new Multi-Donor Civil Society Support Programme (CSSP). The reason for this shift is that the UK wants to work more in harmonisation with other donors through a pooled funding mechanism (see more on this later). The UK has indicated that it will contribute GBP 5 million (about USD 10 million) for the CSSP over a five year period.

## 3.7  Nordic+ Views on CSOs

The Nordic+ donors were asked to rate the main characteristics of the CSOs they are working with. There is an almost surprising consensus of opinions expressed.

Most donors rate CSOs in Ethiopia as being strong when it comes to general management and financial management. There is a high esteem of their substantive technical knowledge. However, some believe that while they are technically qualified they have fewer skills when it comes to project implementation. The explanation given is that most of the NGOs are founded by professional people with a strong academic background and with fewer skills in project management.

Most donors believe that most CSOs are weak on monitoring and results reporting, and that they all lack quality assurance methods and procedures. A shared view is that CSOs are reluctant to coordinate with other CSOs, the explanation being given that they all compete in the same market. Some donors in fact believe that CSOs are more open to cooperate with Government or local government institutions. In line with this, some donors felt that CSOs

are not good at reaching out to other stakeholders, including their own constituency or target groups. Nor are they particularly good at accessing relevant networks or public fora.

The basic reason for this shared opinion on CSOs is a function of the fact that the vast majority of CSOs the donors work with are professional Addis Ababa based NGOs with whom they have been cooperating for some time. Most donors do not have contact with the majority of the less qualified CSOs because they are either funded through intermediaries or because they fall through in the selection process which favours the most qualified CSOs.

CSOs interviewed express that none of the Nordic+ embassies have a genuine two way dialogue with CSOs on overall strategic issues beyond issues related to specific projects or programmes. Generally speaking application forms with relevant guidelines and criteria are made available and funding is followed up through regular reports and procedures. Meetings are held, but they are all project related. There is no space for dialogue on the CSO situation or donors' overall strategies and policies.

There is no systematic difference in this appreciation with regard to the different support models.

## 3.8 Joint Funds or Programmes for CSO Support

Several donors, particularly the Nordic+ and the Netherlands, are involved in joint funding. In Ethiopia this modality is referred to as "consortium". The table below lists the CSOs which are currently being funded by such consortia and donors participating (NGOs are reported per their home country):

**Table 3.1: CSOs funded through consortia, by consortium partners**

|  | AU | BE | CA | DE | FI | IR | NE | NO | SW | UK |
|---|---|---|---|---|---|---|---|---|---|---|
| Action Professionals' Association for People | X |  |  |  | X | X | X | X | X |  |
| Ethiopian Economic Association |  |  | X |  |  | X | X | X | X | X |
| Ethiopian Human Rights Council |  |  | X |  | X | X | X | X | X |  |
| Ethiopian Women Lawyers' Association | X | X | X |  | X |  | X | X | X | X |
| Farm Africa Ethiopia |  |  |  |  |  | X | X | X |  |  |
| Forum for Social Studies |  |  |  |  |  | X | X | X |  |  |
| Justice for All - Prison Fellowship Ethiopia | X | X | X | X | X | X | X |  | X | X |
| Network of Ethiopian Women's Associations |  |  | X |  |  | X | X |  |  |  |
| Voter and Civic Education Ethiopia |  |  |  |  |  |  |  | X | X |  |

Most of these consortia are for core funding. In that case the basis for the agreement has been CSO Strategic Plans. In most cases the donors of the consortium will pledge a given amount according to the budget, and then a general framework MOU between the donors will be established. But from there on, the modalities vary. In some cases there will be individual MOUs between the CSO and each donor. In other cases there will be a lead donor who will handle the agreement.

There are three ways of managing the funds. Donors may either agree to deposit the money in the CSO account or in the lead agency's account as a basket fund, or they may maintain individual accounts with the CSO. There is usually an agreement to have one shared report on activities and expenditures. In some cases this report will specify activities financed by each donor. When a lead donor is chosen, the other donors will play a passive role. But they will all usually participate in annual and bi-annual meetings where reports are discussed.

## 3.9  EC Civil Society Fund in Ethiopia

The European Commission's *Civil Society Fund* (EC-CSF) is a joint initiative of the European Commission (EC) and the Ethiopian government, implemented through a Financing Agreement under the 9th European Development Fund. The programme operates through grant funding to what the EC terms Non-State Actors, which are largely the same as CSOs.

The **overall aim** of the programme is to promote a stable and democratic political environment through the integration of all sections of society into the mainstream of political, economic and social life. The **purpose** of the programme is to increase and improve CSO dialogue with their constituency, with the Ethiopian government and amongst themselves, and also to increase CSOs' capacities to play their role in the national development process. The **results** of the programme are intended to be:

- Increased capacity of CSOs to engage in the development and democratisation processes;

- Strengthened independence and self-sufficiency of CSOs;

- Improved coordination and networking amongst CSOs;

- More effective and efficient delivery of services in the governance area;

- Greater capacity to dialogue with government and the EC on the implementation of Country Support Strategy as part of a more extensive and productive dialogue between CSOs and government authorities, and between CSOs and their constituencies.

The Programme has two key target groups. The first is CSOs in all sectors that are working to improve their advocacy skills and ability to dialogue with government, stakeholders and their constituencies. The second and more specific target group is CSOs working on conflict prevention, governance, democratisation, human rights, rule of law and women's empowerment, and which will be able to benefit not only from improved advocacy skills, but also from capacity building activities aiming to enhance their ability to deliver services and implement projects.

For the purposes of programme implementation, the EC acts as Contracting Authority on behalf of the GOE. Strategic management of the programme is guided by the Steering Committee, which is comprised of CSOs, the Ethiopian government and the EC, while an evaluation committee comprised of representatives of these three parties undertakes proposals evaluations and makes grant award decisions. CSO engagement in the tripartite dialogue in the framework of the Cotonou Agreement and their involvement in the programme design and implementation is facilitated by the Cotonou Task Force, a 17-member CSO reference group representing the wider civil society in the country. A Technical Assistance Unit manages the day-to-day administration of the programme.

The EC CSF's implementation modality is grant contracts to CSOs based on open, transparent and competitive Call for Proposals. It awarded its first round of grants in 2006, where the amount for each varied from EUR 150.000 to EUR 250.000, where the range will be decided by the Steering Committee for each Call for Proposal. A total of 208 proposals were submitted, and eleven selected. Most of these were groups of CSOs, thus responding to one of the intentions with the Fund, which is to promote partnerships. Altogether 64 CSOs and partners are benefiting from the Fund. These are located throughout the country. The partnerships between CSOs are expected to facilitate coordination, networking and cooperation that should contribute to strengthened visibility of CSOs as vital development partners and their contributions to the overall national development and democratisation processes.

## 3.10 New initiatives

### 3.10.1 Protecting Basic Services project

Protecting Basic Services (PBS) is a large World Bank project with four components: (i) protect the delivery of basic services; (ii) deliver basic health services; (iii) improve citizens' understanding of regional and woreda budgets; and (iv) social accountability. Component (iv) targets civil society and is to strengthen the use of social accountability approaches by citizens and CSOs as a means to make basic service delivery more effective, efficient, responsive and accountable. It is to make the processes of preparing and spending budgets more transparent, and make citizens and CSOs better able to become engaged in these processes. The total budget for this component is about USD 6 million, basically awarded to CSOs through competitive bidding by calling proposals from CSOs operating with grass root structures.

GTZ International Services and the Centre for Development Consulting have been contracted to undertake day-to-day management of initiatives to be supported. There is a special Steering Committee for this component, composed of four NGO network organisations. In addition, Ministry of Finance and Economic Development, the EC, and CIDA, are observers. It is believed that this forum will be instrumental in bringing CSOs and Government together for informal communication and interaction.

### 3.10.2 Development Assistance Group Pooled Fund and the CSSP

The Development (Donor) Assistance Group (DAG) Pooled Fund was established in 2001 to provide coordinated donor support to the preparatory process for the SDPRP. Specifically, the fund, managed by UNDP, was intended for:

- Direct support to the then Government's Plan of Action for SDPRP;

- Support, by way of technical assistance, research and analysis, for the formulation of the PRSP by Government;

- Support to civil society inputs; and

- Support to independent observation/documentation of consultations.

Through 2005 and 2006 DAG worked on the preparation of the DAG Civil Society Support Programme (CSSP). The purpose of the programme was to increase the capacity of civil society organisations to contribute to poverty reduction in Ethiopia through a more

coordinated and harmonised engagement at all levels. The expected objectives of the Programme were to promote enhanced government accountability and transparency; promote partnerships; support an enhanced civil society contribution to local development processes; support civil society's contributions to policy dialogue; support the enhancement of an enabling environment; and to promote shared learning that will inform donor policies and strategies. The three main components of the programme were (i) creating an enabling environment; (ii) strengthened policy dialogue; and (iii) capacity building fund.

It was envisaged that the Government would be part of the Steering Committee overseeing the programme, and that components of the programme would be implemented through the Government, especially the enabling environment and policy dialogue. It was proposed that at the national level, the programme would be managed by a Central Management Unit (CMU) that would be responsible for the overall management of the programme.

At the regional level, consortia of CSOs would work with the CMU to provide support to the grant-making activities of the CMU; run programmes to build skills, knowledge and experience in CSOs, particularly CBOs; facilitate the development of CSO networks at all administrative levels; build partnerships between CSOs and local authorities at all levels; facilitate shared learning by government, civil society and donor stakeholders; and, administer a Small Grants Facility for weak and inexperienced CSOs. Consortia would be invited to tender for the work and successful candidates would sign service agreements with the CMU

A unique feature of the programme was the regional consortia approach, which aimed to promote the culture of networking and collaboration among CSOs at a decentralised level as well as to reach out to local CSOs that are not targeted by the other CSO support programmes.

Early 2007 GOE concluded that it was not ready to move ahead with a programme comprising the three components as part of the DAG Pooled Fund structure. Hence, a number of donors have decided to proceed with the establishment of a fund without the involvement of Government in decision making on the utilization of the fund. Donors have now decided to launch a design mission to formulate the new programme. The wider DAG will continue to work with the Government on the components related to the enabling environment and policy dialogue.

## 3.11 CSOs and Donors Relations

The overall impression is that the various funding modalities currently in practice seem to respond to donors' interest and are not always appropriate for the requirement of nascent CSOs working in untraditional areas of advocacy. However, some important experiences are being gained of donor coordination in the CSO sector, particularly amongst like-minded donors supporting advocacy CSOs. This is being done by joint funding through the Consortium modality.

Even though there are a few attempts in place among donors to harmonize their funding modalities, there is no clear consensus as yet on well elaborated and relevant modalities that address the interests of CSOs operating in various sectors.

The donor community has shown an interest in the UCSO initiative of establishing a more continuous CSO-Donor dialogue in the spirit of development partnership. This has been realized through two important meetings, the last one held at the end of March 2007. Though it remains to be seen how the next steps will further advance this process, this initiative is expected to help bring the Government and CSO sectors closer together.

## 3.12  Findings and Conclusions

Annex A provides a summary of donor support to civil society. There is a clear tendency among donors to give priority to advocacy, particularly on themes such as Human Rights, Democracy, Gender, and different forms of empowerment.

Although some donors refer to the SDPRP, there is little linkage between the support to civil society, and bilateral support to the Government. Most core funding is through joint funding of a small number of larger NGOs, of which some are networks. Two bilateral donors and the EC have larger indirect mechanisms for project funding for a wide range of CSOs throughout the country. Approximately 90% of support to civil society is now financed through such intermediary funding mechanisms.

Several donors are now involved in the design of a major joint fund for pooling resources for indirect support to civil society.

# 4   Analysis of Support Models in Ethiopia

This chapter provides an analysis of different aspects of the support donors provide to Civil Society. It looks at funding modalities, characteristics of intermediary solutions, the purpose and content of the cooperation, and donor relations (harmonisation).

The analysis is done taking into account the perspective of donors, CSOs, and in some cases the Government. Depending on the dimension, the following criteria or indicators are used: (i) transparency in various types of actions, (ii) accountability of management and results, (iii) transaction or administrative costs, (iv) impact on civil society development, (v) outreach beyond a smaller group of capital-based NGOs to other CSOs throughout the country, (vi) diversity of types of CSOs, (vii) flexibility in the support, (viii) effectiveness in relation to objectives, and (ix) harmonisation between donors.

## 4.1   Funding Modalities

Funding may be applied in the four ways shown in this matrix and further analysed below.

|  | Direct funding | Indirect funding through intermediary |
|---|---|---|
| Core funding | A) | C) |
| Funding of project or specific activities | B) | D) |

A)      <u>Direct core funding</u> is traditionally applied by most donors. It has mostly been given to CSOs working on advocacy, good governance and democracy. Usually it is funding for more than one year, but based on annual plans and commitments. It tends to be based on a strategic plan provided by the CSO, at times prepared with the assistance of the donor.

For the CSOs, such direct core funding is the most preferred modality. This is because these CSO activities are difficult to formulate as projects due to the nature of advocacy work. If such funding is provided for longer periods, it also provides predictability and assures continuity.

For donors, this modality is conducive to promoting values and strategic priorities. This is particularly so when it comes to supporting certain issues or values for advocacy. However, donors find this modality to be highly time consuming, involving high transaction cost. Some donors also fear that this type of deep involvement with a CSO may lead to aid dependency. It may also be detrimental to outreach and diversity.

B)      <u>Direct funding of individual projects</u> or activities is a common modality when donors receive proposals relevant for donors' thematic areas.

For CSOs such direct funding of specific projects or activities often opens up to a wider range of funding resources (beyond those few committed to core funding). In practice, and comparing this to core funding, CSOs find that this modality may encourage projects which are not fully in line with their own core mission. In practice this modality often implies stringent and demanding reporting, for which the CSOs do not have the necessary personnel. This is particularly so for the smaller CSOs who will therefore have difficulties in accessing such funds.

For donors this modality implies a high level of monitoring and control over results and finances. Nevertheless, all donors agree that this modality has the highest transaction cost and requires personnel to attend to these projects.

C)      Indirect core funding through intermediaries is seldom applied alone, but usually as part of project funding.

In general donors tend to favour indirect funding because it gives a wider outreach, allowing participation of a larger number of beneficiary CSOs, also often covering a wider scope of thematic areas.

Many of the intermediary CSOs find that indirect funding to some extent makes them "implementing agencies" for the donors, at times even to the detriment of their core mission. They are therefore in favour of including some type of core funding for such intermediary modalities. In practice some donors have also opened up for some core funding in this type of indirect modality.

D)      Indirect funding of individual projects or activities. Most of the indirect support programs have been set up to reach a larger group of CSOs in identified thematic areas. This funding modality is based on receiving proposals based on given criteria or guidelines.

In this modality there are two types of CSOs, the ones playing the role of intermediary and those receiving funds to implement projects. The CSOs selected as intermediaries are usually rather big, professional and well qualified CSOs. They will acquire high profile and benefit from institutional strengthening in various ways.

This modality is a growing trend amongst donor. It combines outreach and earmarking of priorities through selected themes.

CSOs have split views on this modality. It provides for increased funding but may imply deviation from the core mission of the CSO.

## 4.2   Analysis of Modalities

Based on interviews the following observations may be made:

It seems that **transparency** and **accountability** are best assured through direct funding of projects and specific activities. Core funding is usually based on longer term strategic plans where specific activities and results are not set up for monitoring purposes. The relationship between the donor(s) and the partner CSO is based on trust and the acceptance that transparency and accountability exists within the organisation and is monitored by the organisation itself. In cases when core funding is provided through the indirect modality as part of project funding, both transparency and accountability may be comparatively lower.

The **transaction cost** of core funding is lower than for project funding because report requirements are more lenient. The transaction cost is also different. For core funding this will be most ensuring a dialogue on policies and guidelines, while on project funding it will be more on monitoring of activities, achievements of results, and financial management. Direct funding will have higher transaction costs than indirect, where the intermediary will be in charge of the overall project and financial management.

It appears that core funding has a potential for a higher **impact** on civil society. It allows the CSO to develop a longer term engagement and be alert to relevant issues or incidents

arising. The CSO is therefore not confined to a specific set of activities within a project, which may not always have the same relevance for civil society issues and development.

**Outreach** and **diversity** will usually be higher through the indirect modality where more funds are given for a much wider range of CSOs and purposes than what may be reached through the direct modality.

**Flexibility** applies both to the number and types of CSOs that may be reached as well as the range of themes that may be addressed. Regarding core funding, flexibility is low with a view to scope of CSOs to be supported, but it is high on themes that may be addressed within the purview of the CSO. Direct funding will have low flexibility in all senses and may even be a straitjacket, which may not accommodate well new trends or emerging issues. When it comes to indirect funding flexibility is usually an intention during the design phase. However, unless it is part of this modality to allow for new CSOs or themes to be incorporated during implementation, this modality will then have a low flexibility.

For the CSO the core funding is more effective when it comes to achieving its objectives for both. CSOs will focus on their own mission and objectives and allocate their efforts according to their own priorities. For the donor the effectiveness is higher in direct project funding when such cooperation is tailored directly to specific donor objectives. However, if the objectives are broader and directed to CS development as such, core funding may be more effective.

Direct funding is conducive to h**armonisation** between donors to the extent that donors are motivated for this. In the case of Ethiopia the joint funding / "consortium" has been successful in this regard. This is primarily core funding. When it comes to indirect funding, none of the existing modalities involve systematic donor coordination. The newly initiated modality of pooled funding/basket funding through the CSSP has the intention of ensuring a high level of harmonisation of donor efforts.

## 4.3    Different Intermediary Modalities

In Ethiopia there are presently three different ways of using intermediaries.

1.  The Swedish modality is based on using Specialised Umbrella Organisations (SOU), selected through a competitive bidding where Sida has indicated the thematic areas. Once selected, the SUOs get some training for the task to work as intermediaries. Sida initiates a partnership between two SUOs, trying to pair up on the basis of complementarity of skills within a given thematic area. The SUOs call for proposals from CSOs, the so-called Sub Grantees (SGs), and manage the agreed support to these. A special characteristic of this modality is that Sida supports the SUOs through a close dialogue and guidance, and provides funding for capacity building for both the SUOs and the SGs.

2.  The Norwegian "Strategic Partner" modality is to request particular Norwegian and Ethiopian NGOs with specific experience and competence from working with CSOs in given themes to be the intermediary for channelling support to CSOs and/or local government working within that field. The way these Strategic Partner Organisations work at grassroots level vary. In some cases it is with established CSOs, in other cases with more informal groups of beneficiaries promoted by the Strategic Partner CSO.

3. The EC Civil Society Fund is jointly managed by the donor, Government and CSO representatives. The intermediaries of EC-CSF are selected through competitive bidding. The Fund encourages the bidders to make partnerships for the bids. Once the tender is awarded, the lead CSO together with their partners will manage the funds based upon joint action plans.

For these three modalities, **transparency** and **accountability** vis-à-vis the donor rest at the level of the intermediary. In this regard it will probably be quite high because of the selection process and the operational manuals put in place before implementation starts. At the intermediary level, the EC modality may produce better transparency and accountability, as it is based on a partnership relation with joint responsibilities.

In the case of the Swedish model, it is the SUO that is accountable. Nevertheless, Sida has regular monthly meetings with all the SUOs. They also make random visits to respective SGs, including project sites. This strengthens both transparency and accountability.

The Norwegian modality is that the Strategic Partner is fully and ultimately accountable. There is no donor interaction to ensure transparency and accountability beyond this level.

The way the Sida modality is operated it has high transaction cost, due to the close and broad involvement of the mission. The two other modalities have relatively lower transaction cost.

For the selected CSOs, the fact that they have been chosen contributes to their profile and recognition as significant actors in civil society. In the case of the Swedish approach, the CSOs also receive institutional strengthening.

It is evident that the use of intermediaries opens up for a much wider outreach and diversity, and therefore also a broader impact. This is probably fairly similar for the three modalities.

When it comes to flexibility, this is probably highest through the Norwegian Strategic Partners. These are longer term agreements where the Strategic Partner may work with CSOs as they find appropriate and involve new ones at any given time. For the two others, the flexibility is low once the intermediaries, with their partners, and the SGs have been selected.

The three modalities are probably equally effective in relation to objectives. Nevertheless, it may be that the Norwegian use of Strategic Partners may be more effective as they have already a long experience from working with Norway and therefore a better understanding of the donor's objectives.

None of these modalities has a record of donor coordination.

In addition, these modalities promote partnership and skills development through competitive procedures for acquisition of financial support.

## 4.4    Purpose and Content of Support to CSOs

There are three distinct types of purpose for support to CSOs: Service delivery, Advocacy – including policy dialogue, monitoring of policies and research on issues, and capacity building. In this section we analyse how the funding modalities discussed in section 4.2 best may support these types of purposes in relation to direct and indirect funding.

### 4.4.1 Service delivery

For service delivery, transparency and accountability are best ensured through direct project funding. However, this will usually have a high transaction cost. The impact of service delivery for the involved organisation and their partners is usually high because it strengthens their capacity to carry out their core activities and of Civil Society actors to be specialised and professional service providers. In a country like Ethiopia, where Government has limitations in addressing all needs, the gap filling complementarity of CSOs is valuable. It also contributes to harmonisation of the relations between Government, civil society and local communities.

The impact on the beneficiaries of service delivery will of course depend upon magnitude and quality of services delivered. However, it is often seen that the size, scope and outreach of CSO service delivery is limited, with isolated impacts.

CSO service delivery is often based on alternative and at times innovative methods. This enhances diversity and flexibility in the types of services provided and the approaches applied. In line with this, CSOs are often believed to be more cost effective than large service delivery government structures

By tradition service delivery by CSOs has not been associated with donor harmonisation. On the contrary, donors often depend upon branding their support in order to mobilise funds from their constituency.

### 4.4.2 Advocacy

Advocacy is complex. It involves a wide range of activities such as promotion or defence of certain societal values or interests, monitoring of implementation of government policies, and research on issues or incidents. Unlike traditional service delivery, most of advocacy activities are difficult to operationalise in projects for direct donor support with visible and quantifiable indicators to ensure transparency and accountability. Direct core funding, based on shared values and mutual trust, is hence most conducive to advocacy.

Support to advocacy CSOs requires profiled donor presence. But this does not imply high transaction costs as the donor support can be mostly at a strategic policy level.

In order to achieve impact of support to advocacy, this support must target both the national level at the capital and local and regional levels. In order to have this impact at the national capital level it is necessary to support well established vocal advocacy CSOs. This impact is best achieved through core funding. Impact at the local levels requires outreach, which is best ensured by indirect funding through intermediaries.

The fact that advocacy requires more ethical and reputed CSOs does not allow a range of alternative CSOs to be supported. Diversity and flexibility in support to advocacy is therefore best ensured through well established donor-CSO relations. This modality is also the one which is most conducive to effectiveness in relation to donors' objectives.

It is difficult to see that harmonisation of support to advocacy CSOs may be achieved beyond that of likeminded donors, with same priorities and values.

### *4.4.3 Capacity building*

For most donors, capacity building comes as part of the overall support to the CSO. There is very little direct support only targeting capacity building. Therefore the criteria used to analyse service delivery and advocacy are not applicable for capacity building. Nevertheless, some of the donors emphasise that capacity building is important in order to enhance effectiveness in relation to the different objectives

## 4.5 Donor Relations and Harmonisation

In Ethiopia there are three types of funding with different implications on donor harmonisation: (i) Unilateral funding; (ii) Joint direct funds (both core and project) – "Consortium"; and (iii) Pooled indirect funding also called basket funding. So far these modalities are only applied for direct funding, although they may also be used for indirect funding.

**Unilateral funding** is the traditional modality and the one with little potential for harmonisation among the donors.

**Joint funding/consortium**: The Nordic+ donors in Ethiopia have all been involved with joint direct funding – in Ethiopia often referred to as the "Consortium". This has mostly been core funding. Both donors and CSOs are very favourable to this modality. This arrangement has in most cases come about when likeminded donors have been working with the same CSO for a certain period. The consortium only targets one CSO. It is a shared view that this modality has brought about important harmonisation of the donors attitudes and practices vis a vis the one selected CSO.

The same donors often engage in the same consortia, each one supporting one given CSO. This is of course conducive to a broader harmonisation among donors and strengthens their shared understanding on how civil society operates in the country. It enhances dialogue with the particular CSO and also a broader understanding of general civil society issues in the country.

The weakness of this modality with a view to donor harmonisation is that it is quite narrow in scope, both regarding CSOs as well thematic areas for coordination. It has limited potential both for outreach, diversity and flexibility.

In addition to harmonisation, both donors and CSOs all emphasise that this modality has substantially reduced transaction costs by streamlining of result and financial monitoring through standard reporting practices. The fact that there is only one reporting system also enhances harmonisation.

**Pooled funding/basket funding**: In Ethiopia there are still no actual cases of pooled funding or basket funding (joint indirect funding) where one donor or a management agent would manage the pooled funds for one or several CSOs. Donors are exploring ways of setting up such mechanisms, and a team is about to embark upon the design of such a pooled funding mechanism. This will involve more donors than the existing consortia arrangements. It will be basket funding, administered by a specialised management agent, probably as an intermediary. It is likely that this arrangement will not only bring about better donor harmonisation, but cater to better outreach, diversity and flexibility than the current consortium modality.

When it comes to possible disadvantages of such a pooled fund, reference is made to the general discussion of indirect funding and use of intermediaries in the previous sections.

## 4.6    Findings and Conclusions

The main characteristic of civil society in Ethiopia is that there are several well qualified CSOs that traditionally worked well on service delivery with broad donor support and in close cooperation with Government. Before the 2005 elections, government policy documents ascribed an important role to CSOs in the democratic development of the country and gave CSOs both legitimacy and space to be an active player on issues related to strengthening of democracy and the role of CSOs to promote and safeguard this. With the 2005 elections and the development thereafter, this favorable environment has changed. Government has shown an attitude of skepticism and direct hostility to CSOs involved in advocacy and promotion of sensitive political issues. At the same time, Government does not have a clear policy on civil society development, and the legal framework for CSOs to operate is missing.

In order to address this complicated environment, Nordic+ donors have opted for a two pronged strategy. This consists firstly of joint, longer term core funding support to key advocacy national CSOs. Secondly, donors have realized that there is a need for outreach throughout the country. The modality to achieve this has been to work with intermediary CSOs, selected for their organizational competence and specialized knowledge.

Given the volatility and uncertainty of the situation and the vulnerability of important CSOs, there is a case to argue for continued core funding of these organisations. The way this has been done jointly by the Nordic+ donors in Ethiopia is a good example that should be continued.

However, there are obvious shortcomings of this modality. The number of CSO is limited and these CSOs have shown a tendency of high dependency on a few donors. There is therefore a clear case to extend the outreach through intermediaries with lower transaction costs for the donors and a higher potential for broader outreach, diversity and flexibility.

# Annex A: Conceptualising Civil Society in Ethiopia

The concept of civil society is not uniformly agreed across the world including in Ethiopia. However, there is a general global consensus that civil society is a broad term used to describe the variety of associations that group of people in any geographical setting form to achieve common interests and follow shared concerns. These associations often operate beyond the sphere of families, are not part of the government system, nor are they established to make profits to be distributed to owners.

According to recent studies conducted by the Ministry of Capacity Building (MCB-CSO-CBP) 2004, and others, civil society organisations (CSOs) can work either on the basis of self-help or to provide assistance to others. Any of all of these different types of CSO may seek to engage government, through lobbying, advocacy and dialogue, on issues of policy relevant to the interests of their members, the groups they serve, and/or the wider public.

Ethiopia has been and still is a home of vast diversity of civil society organizations. Today, CSOs exist abundantly in this country in both formal and informal status playing key roles of mobilizing significant proportion of the adult population around their social and economic interests.

Results of MCB-CSO-CBP, studies indicate that the informal CSOs include *iddrs* and *equbs*, while formal CSOs, are those such as organised faiths, professional associations, trade unions, and cooperatives. Such traditional Associations are recognised as being part of civil society and one general description of CSOs used by the Ethiopian government is stated as: -

> "*Organised groupings such as faith-based development organisations, national and international non-governmental organisations, community based organisations, community associations, farmers' associations, business groups, trade unions, professional associations, social movements, and right-based groups and networks*"[3].

### Grouping of Civil Society Organizations

The study mentioned above further classifies civil society organisations in Ethiopia4 into two major clusters. These are the Self help/member serving Associations often composed of formal and registered ones as well as those entities with traditional forms often informal and non-registered. The second cluster is that of Third party serving Associations that is often composed of formal and registered entities as can be summarized as follows:

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[3] Definition taken from the Terms of Reference for technical assistance to the Ministry of Capacity Building in designing the civil society capacity building programme (MCB-CSO-CBP) 2003.

[4] Source: Adapted from MCB-CSO-CBP, 2003, Technical Note # 1

| Category | Formal/registered | Informal/non-registered |
|---|---|---|
| **Self-help, member-serving** | Teachers' Associations<br>Cooperatives<br>Professional associations<br>Women's and Youth associations<br>Faiths and religious<br>Iddir unions<br>Parent-Teacher Associations<br>Anti-HIV/AIDS clubs<br>Sports clubs | Debo[5]<br>Jigge<br>Wenfel<br>Iddir<br>Iqqub<br>Regular, informal sports activity |
| **Third -party serving** | NGOs<br>Advocacy groups & Networks | Not present |

The civil society entities in the two clusters mentioned above can be further classified in to three major groupings when seen by organisational types as follows:

## Informal membership organisations

This group of membership organization though often described as informal by outsiders, it is one considered as formal by those involved; rules and acceptable conduct are well understood and are socially enforced. The most familiar types of informal organizations in this group are mutual assistance groups based on kinship, ethnicity, faith or neighborhood. Within this grouping are social religious groups, *iddir*, *iqqub* and, in rural areas, agricultural work groups (such as those listed in the table above), grazing groups, butter groups, water users groups, and clan and age groups.

A World Bank study of associational life found that most of the households in their sample belonged to five informal associations, and some were members of considerably more. Another indication of the importance of informal membership organizations comes from a GTZ study which suggested that nationally *iddrs* had around 39 million members, with some 7,000 *iddrs* in Addis Ababa alone. The study suggested that *iqqub* had some 21 million members and that 9 million people were members of other types of self-help group[6]. One of the reasons that membership is this high is because of peer pressure – not being a member effectively puts someone outside his or her community and involves the loss of social and economic benefits.

In some of the main urban centres[7] *iddr* are expanding their activities from simply being that of providing support during bereavement towards promoting a broad range of development initiatives. These initiatives include: provision of micro-credit, education on HIV/AIDS, and giving nutritional and other supports to their members. Corresponding to the greater scope of their activities, these *iddirs* have moved from being small and informal to amalgamating into *iddirs* unions and completing formal registration. Associated with this, they are entering into tripartite partnerships with local authorities and donors.

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[5] *Debo:* food and drink provided in exchange for labour; *jigge:* labour provided to someone who has suffered a natural calamity; *wenfel:* mutual labour within a small group provided to each member in turn; *iddir:* a burial association; *iqqub:* a rotating savings and credit scheme.

[6] Estimates made by the GTZ Open Self-Help project, presented on 12th February 2002 and again at a workshop organized by the MCB in 2004 on the Ethiopian experience of capacity building for CSOs.

[7] For example, Addis Ababa, Awassa, Dire Dawa and Shashemene.

## The formal membership organizations

Professional Associations

According to MCB-CSO-CBP study, some Ethiopian professional associations have become active and also affiliating themselves to their regional and international counterparts. These associations are potentially important resource in advocacy and policy debates, since they can draw both on the expertise and also on the support of their constituencies. Among these are the Federation of Science and Technology Professional Associations and the Ethiopian Agricultural Professionals' Association, as well as associations with single-issue agendas such as the Ethiopian Rainwater Harvesting Association (ERHA) and the Sustainable Land-use Forum (SLUF).

The Ethiopian Teachers' Association (ETA) is an example of a professional association that has a large membership with a vested interest in influencing sector policy, and considerable expertise to do so. Its membership provides the ETA with the ability to comment on educational policy, and particularly on the interpretation and implementation of policy in the Regions where local officials are often unfamiliar with policy details.

The recently-founded Union of Civil Society Organisations aims to bring together professional associations with other types of CSOs – such as the Ethiopian Human Rights Council (EHRCO) and associations of artists – that may not fit easily into NGO coalitions and networks.

Government-affiliated CSOs

MCB-CSO-CBP study reveals that Government-affiliated CSOs are a singular feature of Ethiopian civil society. As already mentioned, these include 'mass associations' of women, youth and peasants, and ethnic development associations or NGOs. These often work closely with Regional governments and some have developed considerable experience and capacity in programmes for emergency response, food-for-work, micro-finance and construction, including schools, clinics, water points, irrigation schemes and access roads.

According to EC Non- State Actors study, there are some starts where some of these associations being engaged in development activities independently of government particularly in mobilizing women and youth associations in Tigray and Amhara Regions. SEPDA in SNNPR has established a Resource Centre in Awassa, where it provides advice services, and it organises periodic debates on critical local issues among to government, CSOs, donors and individual citizens. SEPDA also accepts membership applications from independent local CSOs.

## The formal civil society groups

MCB-CSO-CBP study further indicates that the formal civil society sector in Ethiopia contains NGOs[8] and more recently coalitions and networks.

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[8] These are also sometimes referred to as party-affiliated CSOs, See for example, Clark, J. et al, November 2004, *Review of the Environment for Civic Engagement and the Role of Civil Society Organizations in Ethiopia's Poverty Reduction and Democratization Efforts*, Ministry of Capacity Building

NGOs

Historically the NGO presence was rooted in humanitarian relief operations associated with the country's periodic drought and persistent conflict. According to information released in a recent workshop organized by PACT Ethiopia, the country had a ratio of around one NGO to over 30,000 people comparably lower to some countries of the region such as Uganda and Kenya where the ratios were around 1:1500 people and 1:3500 people, respectively. However, despite being young, the NGO sector is quickly maturing as demonstrated by:

- A shift from NGOs concerned solely with humanitarian needs to those with social and economic development as well as advocacy,

- The emergence of specialised organizations; for example, organisations concerned about the environment, about women's rights, and about democratisation, etc. As a result some of such organizations have started becoming active pressure groups. For example the Ethiopian Women Lawyers' Association (EWLA) has been successful in influencing policy and legal changes regarding women's rights and in transforming official attitudes and behaviour towards women in the courts and the police system.

Networks, unions and federations

Ethiopia has seen a flourishing of networks and federations in recent years. These networks, unions and federations, which are not necessarily organisations in their own right, are seen as a means for CSOs to increase their developmental impact and their engagement in policy dialogue.

Networks by their nature offer potential for reaching into communities. While most apex organisations are for obvious reasons based in Addis Ababa, they have either a regional structure or regional representation through their members. Even CRDA, though still the largest umbrella body for NGOs, no longer stands alone in representing the interests of the non-governmental sector.

According to MCB-CSO-CBP study, as of November 2004 there were 10 networks registered and operating in Ethiopia. 23 democracy and governance groups have also formed an alliance[9]. New formations include the Network of Ethiopian Women's Associations (NEWA), the Pastoralist Forum of Ethiopia (PFE), the Poverty Action Network/Ethiopia (PAN/E), the Civil Society Coalition against Famine in Ethiopia (CAFÉ) and the Union of Civil Society Organisations. *Iddir* unions and higher level apexes of unions exist in urban centres including more recently Ethiopian Inter-faith Development, Dialogue and Action (EIFDDA); an organization seeking to develop alternative development strategies rooted in faith-based values.

The existence of coalitions and networks is an indicator of CSOs increasingly seeing themselves as representing constituencies within Ethiopia. Their objectives are generally two-fold: (i) to provide capacity building and resources to their CBO members and (ii) to use the power and credibility provided by their memberships to comment on and influence government policy.

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[9] Ministry of Capacity Building/Clark, J., et al, November 2004

# Annex B: Nordic+ Support to Civil Society in Ethiopia

| | Funding per year, USD | Funding models | Core or project funding | Service delivery or advocacy | Number and type of CSO | Regional coverage | Comments |
|---|---|---|---|---|---|---|---|
| Canada | 1.8 million | I a Direct support – core funding<br>I b Direct support – project<br>III Consortium | Both core and project funding | Advocacy is priority | 7 NGOs<br>3 CBOs | Primarily Addis Abeba | Shift in policy from support to Canadian NGOs to national NGOs. Emphasis on advocacy. Funding to CS is increasing. Wishes to provide more core funding through consortium. |
| Finland | 1.8 million | I b Direct support – project<br>III Consortium | Only project funding | Both service delivery and advocacy | 27 NGOs<br>No CBOs | 11 NGOs Addis Abeba<br>14 NGOs in regions<br>5 NGOs nation wide | Major funding through direct project support. Participates in consortia. |
| Ireland | 500 000 | I a Direct support – core funding<br>III Consortium | Both core and project funding | Both service delivery and advocacy | 15 NGOs<br>No CBOs | Primarily Addis Abeba | Both core funding and project funding. Tendency to work more with NGO networks and advocacy |
| Norway | 10 million | I b<br>II b<br>II c<br>III | Both core and project funding | No service delivery<br>Primarily advocacy | NGOs as intermediaries<br>Wide range of NGOs and CBOs | Wide range through intermediary NGOS | Flexible approach. Relies heavily on intermediary NGOs |
| Sweden | Direct corefunding 1,1 million<br>Indirect 5,9 million | I a<br>II a | Both core and project funding | Advocacy<br>Primarily service delivery (85 %) and advocacy (15) | I 5 NGOs and 3 CBOs<br>II a: 9 intermediary NGOs (SUO)<br>155 Sub Grantees | 43 SGs in Addis Abeba<br>131 SGs other regions | Works through two modalities – direct core funding and indirect project funding. Participates in consortia |
| UK | | I a | Core funding | Advocacy | 5 NGOs | | Policy to change from direct funding to joint pool funding |

# Annex C: Finnish and Swedish Support

## Finland

Distribution by thematic areas in 2006

|  | Number NGOs | Amount € | Percentage of Fund |
|---|---|---|---|
| Human rights, democracy, gender (including women economic empowerment and child rights) | 12 | 349 876 | 49 % |
| Environment | 5 | 155 269 | 22 % |
| Disability | 4 | 90 573 | 13 % |
| Education | 2 | 49 673 | 7 % |
| Community development | 3 | 39 801 | 6 % |
| HIV/AIDS | 1 | 24 770 | 3 % |
| TOTAL | 27 | 709 962 | 100 % |

Area coverage of in 2006

|  | Number NGOs | Amount € | Percentage of Fund |
|---|---|---|---|
| Nationwide | 5 | 150 286 | 22 % |
| Regions | 14 | 336 240 | 47 % |
| Addis Ababa | 11 | 223 436 | 31 % |
| TOTAL | 30 *) | 709 962 | 100 % |

*) Some NGOs more than one project

Regional coverage outside Addis Ababa

|  | Number NGOs | Amount € | Percentage of Fund |
|---|---|---|---|
| Amhara | 4 | 100 981 | 30 % |
| Oromia | 6 | 84 489 | 25 % |
| SNNPR | 5 | 78 833 | 23 % |
| Hara & Dire Dawa | 3 | 39 746 | 12 % |
| Afar | 1 | 32 191 | 10 % |
| TOTAL | 19 *) | 336 240 | 100 % |

*) Some NGOs working in more than one region

# Sweden

| | Theme | No SGs | Amount allocated SEK | Region *) |
|---|---|---|---|---|
| Initiative Africa | - Democray HR | 34 | 13,000,000 | Addis Ababa: 22<br>Other: 26 |
| CRDA | - Reprod. health<br>- HIV/AIDS<br>- Environment | 28 | 17,000,000 | Addis Ababa: 5<br>Other: 23 |
| NEWA | - Gender & FGM | 17 | 7,500,000 | Addis Ababa: 4<br>Other: 13 |
| Pact Ethiopia | - Gender & FGM<br>- Child rights<br>- Environment | 21 | 17,000,000 | Addis Ababa: 5<br>Other: 18 |
| Pathfinder | - Reprod. health<br>- HIV/AIDS | 23 | 31,000,000 | Addis Ababa: 2<br>Other: 21 |
| SCDK | - Child rights | 5 | 8,500,000 | Addis Ababa: 3<br>Other: 2 |
| CORHA | - Reprod. health<br>- HIV/AIDS | 6 | 7,500,000 | Addis Ababa:-<br>Other:6 |
| JeCCDO | - Child rights | 8 | 6,000,000 | Addis Ababa: 2<br>Other: 9 |
| SLUF | - Environment | 13 | 7,500,000 | Addis Ababa:<br>Other: 13 |

# Annex D: Persons Met

| Susanne Dam Hansen | UNDP<br>Programme Coordinator, DAG Secretariat |
|---|---|
| Fekadu Terefe | UNDP<br>Programme Officer – Poverty Reduction Strategies |
| Bizuwork Ketete | Embassy of Ireland<br>Senior Governance Advisor |
| Shimels Assefa | CIDA<br>Governance and Civil Society Advisor |
| Semira Alhadi | CRDA<br>Head, Programmatic & Institutional Support Department |
| Getinet Assefa | EC Civil Society Fund in Ethiopia<br>Programme Manager |
| Meseret Mengistu | Embassy of Finland<br>Project Officer |
| Workaferahu Eshetu | Embassy of Finland<br>Project Officer |
| Adeye Befecadu | Sida<br>Programme Officer |
| Rannveig Rajendram | Embassy of Norway<br>Counsellor – Head of Development |
| Ketil Eik | Embassy of Norway<br>Embassy Secretary |
| Ashenafi Gizaw Beyea | Embassy of Norway<br>Programme Officer |
| Saba Gebre Mehin | Network of Ethiopian Women's Association (NEWA)<br>Director |
| Budali Issahaku | Department of International Development DFID<br>Social Development Advisor |
| Abera Hailemariam | Union of Ethiopian Civil Society Associations<br>Manager |
| Mahdere Paulos | Ethiopian Women Lawyers' Association (EWLA)<br>Executive Director |
| Simeneh Kiros | Ethiopian Human Rights Council (EHRCO)<br>Secretary General |
| Kidist Alemu | Action Professionals' Association for the People (APAP)<br>Executive Directress |
| Ataklite Bahru | Ministry of Justice<br>Office of NGO Registration<br>Chief of Archives |

The country reports constitute the basis for the synthesis report and its findings, conclusions and recommendations. Therefore, while each country report can be read separately, it could usefully be read in conjunction with the synthesis report and other relevant country reports.

**Support Models for CSOs at Country Level**
**Synthesis Report**
Norad Report 1/2008 Discussion

**Support Models for CSOs at Country Level**
**Bangladesh Country Report**
Norad Report 2/2008 Discussion

**Support Models for CSOs at Country Level**
**Etiopia Country Report**
Norad Report 3/2008 Discussion

**Support Models for CSOs at Country Level**
**Guatemala Country Report**
Norad Report 4/2008 Discussion

**Support Models for CSOs at Country Level**
**Tanzania Country Report**
Norad Report 5/2008 Discussion

**Support Models for CSOs at Country Level**
**Zambia Country Report**
Norad Report 6/2008 Discussion

**Support Models for CSOs at Country Level**
**Zimbabwe Country Report**
Norad Report 7/2008 Discussion